

# PURCHASE CONTRACT EXPLANATIONS

The following contract is the Florida Realtors/Florida Bar (FAR/BAR) "As-Is" Contract For Sale And Purchase. It is a standardized contract used in many home sales in Florida.

This contract is long and contains a lot of information. To help, YELLOW has created this guide with explanations that correspond to sections relevant to the buyer.

It's important to note that YELLOW is not a real estate lawyer and is not permitted to interpret this contract language. The explanations that are provided are for informational purposes only, do not constitute legal advice, and does not create an attorney-client relationship. Links to outside sources accompany the explanations and are the source material for those explanations. We are unable to answer legal questions and they should be directed to an attorney.

The following links are useful in helping complete the contract:

- [Contract Preparation Manual](#)
- [Pinecrest Miami Homes - THE PURCHASE AND SALE CONTRACT EXPLAINED](#)
- [Foundation Mortgage - Understanding Home Purchase Contracts](#)





**PARTIES:** \_\_\_\_\_ ("Seller"),  
 and \_\_\_\_\_ ("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 AS IS Residential Contract For Sale And Purchase and any riders and addenda ("Contract"):

**1. PROPERTY DESCRIPTION:**

- (a) Street address, city, zip: \_\_\_\_\_
- (b) Located in: \_\_\_\_\_ County, Florida. Property Tax ID #: \_\_\_\_\_
- (c) Real Property: The legal description is \_\_\_\_\_

\_\_\_\_\_ 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 by other terms of this Contract.

- (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), intercom, light fixture(s), drapery rods and draperies, blinds, window treatments, smoke detector(s), garage door opener(s), security gate and other access devices, and storm shutters/panels ("Personal Property").

Other Personal Property items included in this purchase are: \_\_\_\_\_

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

- (e) The following items are excluded from the purchase: \_\_\_\_\_

**PURCHASE PRICE AND CLOSING**

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

- (a) Initial deposit to be held in escrow in the amount of (checks subject to COLLECTION) ..... \$ \_\_\_\_\_

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: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_ Fax: \_\_\_\_\_

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

(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 ..... \_\_\_\_\_

- (d) Other: \_\_\_\_\_ \$ \_\_\_\_\_

- (e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire transfer or other COLLECTED funds ..... \$ \_\_\_\_\_

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

**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 \_\_\_\_\_, 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").

**4. CLOSING DATE:** Unless modified by other provisions of this Contract, the closing of this transaction shall occur and the closing documents required to be furnished by each party pursuant to this Contract shall be delivered ("Closing") on \_\_\_\_\_ ("Closing Date"), at the time established by the Closing Agent.

**PARTIES**

The name or names you list here represent ownership and can vary depending on your marital status and personal wishes. The way your name is written here is how your title will be taken (how it will appear on the deed).

- [Florida Realtors/Florida Bar Contract Preparation Manual - Buyers](#)
- [Quicken Loans - 8 Common Ways To Hold Title](#)
- [Investopedia - 5 Common Methods of Holding Real Property Title](#)
- [Bankrate - How should you title your home?](#)
- [Los Angeles Times - Picking the Best Way to Hold Title to Your Home](#)
- [Nolo - How Unmarried Couples Can Co-Own or Take Title to a Home](#)

**1. PROPERTY DESCRIPTION – PERSONAL PROPERTY**

(d) Personal Property included in the Purchase Price – Including all the other items listed above, these items will also be included.

(e) These items will be excluded

- [Florida Realtors/Florida Bar Contract Preparation Manual - Describing the Property](#)

**2. PURCHASE PRICE**

This is the price you are offering for the home.

(a) Initial deposit

Also referred to as earnest money or the "escrow" amount. Escrow deposits are commonly around 1% - 2% of the purchase price, made within three days of the effective date (The effective date is the date when the last of either the buyer or seller has signed this contract). Serious buyers may wish to make a larger deposit to show their interest. These funds are held in escrow with a title company until closing where it will be applied to your down payment or closing costs. The escrow agent info is listed and we will contact you with deposit instructions.

- [Florida Realtors/Florida Bar Contract Manual - Completing the Purchase Price Section](#)
- [Investopedia - Earnest Money](#)
- [Rocket Mortgage - Earnest Money: What Is It And How Much Is Enough?](#)

(c) Financing

This is the amount your mortgage is for. You and your mortgage company should have established this figure. Subtract your down payment from your offered purchase price and enter in line (c).

(e) Balance to close

This is the amount of cash you will pay at closing (excluding other costs). To calculate this amount, take the purchase price above, subtract the financing amount, the initial

**3. TIME FOR ACCEPTANCE OF OFFER AND COUNTER-OFFER**

This is the date for how long the seller has to respond to your offer – either to accept, counter, or reject. Three weekdays is most common. Tomorrow is considered day one and 5:00 p.m. is considered the end of the day. If the seller doesn't respond by the date you indicated, the offer is no longer valid (rejected). Any deposits you made will be returned.

- [Florida Realtors/Florida Bar Manual - When does the offer become a contract?](#)

**4. CLOSING DATE**

In this space you will set the closing date, which is usually 45 days from present. Longer closing dates may be seen as a negative by the seller. You should first discuss this with your mortgage company for an idea of how long it will take to get your loan approved.

- [Timeanddate.com - Date Calculator](#)
- [Florida Realtors/Florida Bar Contract Preparation Manual - Date and time of closing](#)



#### 5. EXTENSION OF CLOSING DATE:

- (a) If Paragraph 8(b) is checked and 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"), then Closing Date shall be extended for such period necessary to satisfy CFPB Requirements, provided such period shall not exceed 10 days.
- (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.

#### 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.
- (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.

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.

### FINANCING

#### 8. FINANCING:

(a) Buyer will pay cash for the purchase of the Property at Closing. There is no financing contingency to Buyer's obligation to close. If Buyer obtains a loan for any part of the Purchase Price of the Property, Buyer acknowledges that any terms and conditions imposed by Buyer's lender(s) or by CFPB Requirements shall not affect or extend the Buyer's obligation to close or otherwise affect any terms or conditions of this Contract.

(b) This Contract is contingent upon Buyer obtaining approval of a  conventional  FHA  VA or  other \_\_\_\_\_ (describe) loan within \_\_\_\_\_ (if left blank, then 30) days after Effective Date ("Loan Approval Period") for **(CHECK ONE):**  fixed,  adjustable,  fixed or adjustable rate in the Loan Amount (See Paragraph 2(c)), at an initial interest rate not to exceed \_\_\_\_\_ % (if left blank, then prevailing rate based upon Buyer's creditworthiness), and for a term of \_\_\_\_\_ (if left blank, then 30) years ("Financing").

(i) Buyer shall make mortgage loan application for the Financing within \_\_\_\_\_ (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 terms ("Loan Approval") and thereafter to close this Contract. Loan Approval which requires a condition related to the sale by Buyer of other property shall not be deemed Loan Approval for purposes of this subparagraph.

Buyer's failure to use 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 and paying of all fees and charges requested by Buyer's mortgage broker and lender in connection with Buyer's mortgage loan application.

(ii) Buyer shall keep Seller and Broker fully informed about the status of Buyer's mortgage loan application, Loan Approval, and loan processing and 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, to Seller and Broker.

(iii) Upon Buyer obtaining Loan Approval, Buyer shall promptly deliver written notice of such approval to Seller.

(iv) If Buyer is unable to obtain Loan Approval after the exercise of diligent effort, then at any time prior to expiration of the Loan Approval Period, Buyer may provide written notice to Seller stating that Buyer has been unable to obtain Loan Approval and has elected to either:

- (1) waive Loan Approval, in which event this Contract will continue as if Loan Approval had been obtained; or  
(2) terminate this Contract.

#### 5. EXTENSION OF CLOSING DATE

It is possible and common to extend the closing date. Sometimes delays occur – especially in securing the mortgage – and more time is needed. An amendment can be submitted to extend the closing date. Of course, the seller must agree, too. If progress to closing is being made, it's likely the seller will accept your extension since it is easier than starting the process over again. Your deposit will be refunded if the extension was due to a delay in one of the contract provisions – but not if you showed neglect in following the timeframe.

- [The Balance - What to Do When the Buyer Cannot Close Escrow on Time](#)
- [SFGate Homeguides - Can a Home Mortgage Closing Date Be Extended?](#)
- [Florida Realtors/Florida Bar Contract Preparation Manual - Under what circumstances may the closing date be extended?](#)

#### 6. OCCUPANCY AND POSSESSION

This section states that by the closing, the seller will vacate the property and deliver possession to the buyer. There is a box indicating whether a rental tenant will continue residing on the property – this should not be new information to the buyer and should have already been disclosed to the buyer.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Delivery of possession](#)

#### 7. ASSIGNABILITY

"Assigning" a contract is basically giving the buyer the ability to transfer their interest in the property to someone else before the deal closes. It's most often done by real estate investors. You've seen the infomercials - *flip a home with no money down!* Assignability is a way to do it. Assignability is not selected on this contract by default.

If you are interested in assignability, let us know and we will discuss it with the seller.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Restriction on the buyer's right to assign](#)
- [Bigger Pockets - Contract Assignment 101: Guide to Wholesaling Real Estate](#)
- [Real Estate Skills - What Is An Assignment Of Contract In Real Estate?](#)

#### 8. FINANCING

This is one of the most important sections of the contract. You have four financing options:

- Box (a) indicates you will pay all cash.
- Box (b) is for buyers who will be getting a mortgage to pay for the home. This is most common.

By now you should know your loan type after discussions with your mortgage company (you'll officially apply for the loan after the acceptance of your offer). In this section you will select:

- The type of loan you will have (conventional, FHA, etc.).
- How long it will take to get your mortgage. The default is usually 30 days, but again, you should have a conversation with your mortgage lender to get a realistic number (don't set for less than 30 days).
- You will select whether the mortgage has a fixed or variable rate.
- Next you can indicate the interest rate level, but this is typically left blank.
- State the length of your mortgage (this is typically 30 or 15 years).
- Lastly, you will indicate how soon you will formally apply for the mortgage (this is usually 5 days from the effective date).

This section goes on to state that if you make an effort to get a mortgage and are ultimately unable to get the financing, you are able to cancel the contract and will be refunded your deposit. However, you must be diligent in attempting to get the mortgage, otherwise your deposit will not be refunded.

(v) If Buyer fails to timely deliver either notice provided in Paragraph 8(b)(iii) or (iv), above, to Seller prior to expiration of the Loan Approval Period, then Loan Approval shall be deemed waived, in which event this Contract will continue as if Loan Approval had been obtained, provided however, Seller may elect to terminate this Contract by delivering written notice to Buyer within 3 days after expiration of the Loan Approval Period.

(vi) If this Contract is timely terminated as provided by Paragraph 8(b)(iv)(2) or (v), above, and 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.

(vii) If Loan Approval has been obtained, or deemed to have been obtained, as provided above, and Buyer fails to close this Contract, then 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; (2) Property related conditions of the Loan Approval have not been met (except when such conditions are waived by other provisions of this Contract); or (3) appraisal of the Property obtained by Buyer's lender is insufficient to meet terms of the Loan Approval, 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 for terms).
- (d) Purchase money note and mortgage to Seller (see riders; addenda; or special clauses 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)
- HOA/Condominium Association estoppel fees
- Recording and other fees needed to cure title
- Seller's attorneys' fees
- Other: \_\_\_\_\_

If, prior to Closing, Seller is unable to meet the AS IS Maintenance Requirement as required by Paragraph 11 a sum equal to 125% of estimated costs to meet the AS IS Maintenance Requirement shall be escrowed at Closing. If actual costs to meet the AS IS Maintenance Requirement exceed escrowed amount, Seller shall pay such actual costs. Any unused portion of escrowed amount(s) shall be returned to Seller.

##### (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, 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.

##### (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

#### 8. FINANCING (CONT')

- Box (c) indicates the assumption of an existing loan.
- Box (d) indicates financing by the seller.
- [Florida Realtors/Florida Bar Contract Preparation Manual - Financing the purchase price](#)

Why do home sellers need this information?

This info gives sellers an idea of how likely and how long it will take to close. Buyers with a conventional mortgage and large down payment are more likely to close and close quickly. Buyers with smaller down payments tend to be riskier and may not qualify for their mortgage or it may take longer to close.

#### 9. CLOSING COSTS

These are the closing costs that are common to a buyer. They can vary from buyer to buyer based on the financing method and the location of the home. Any changes will be noted in the 'Other' line and disclosed as an addendum.

A good idea of the amount of closing costs can be found in the home's listing page with YELLOW, under the 'Cash To Close' button. These costs are estimates and likely to vary.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Closing costs, fees and charges](#)
- [Pinecrest Miami Homes - Buyer closing costs](#)
- [Nerd Wallet - Mortgage Closing Costs: What They Are and How Much You'll Pay](#)
- [NAIC.org - The Smart Consumer's Guide to Reducing Closing Costs](#)

##### (c) Title Evidence and Insurance

This section provides options for the title insurance.

- It's most common to have title insurance at least five days before closing and this number has been set as the default. You can adjust the number if you'd like (though it can't be less than five days).

##### Designation of closing agent/title company

- It is most common for the seller to designate the closing agent and pay for charges. This box is checked as default. Buyers may choose the closing agent, but note that will result in buyers paying the title insurance policy. This is why few buyers select this option.

(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.

(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.

(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 the assessment(s) in full prior to or at the time of Closing.

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., which lien 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. 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.

(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.

(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.

(e) **ENERGY BROCHURE**: Buyer acknowledges receipt of Florida Energy-Efficiency Rating Information Brochure required by Section 553.996, F.S.

### 9. CLOSING COSTS (CONT')

(d) Survey

It is likely that you will have a survey completed on the property. It will be requested by the title company and the buyer will have to pay the cost. This is part of the closing costs.

(e) Home Warranty

It's uncommon for a seller to include a home warranty as a part of the sale, though they may do so to increase the appeal of their home. You may purchase your own home warranty, but by default we do not include it in this contract.

(f) Special Assessments

Special assessments can be things like construction of new sewer lines or road paving, etc., that result in an extra cost to homeowners. The method of paying this cost varies based on the project.

- [Real Estate Law Blog - Provision 9F of the FAR/BAR Residential Contract Should NOT be Ignored](#)

### 10. DISCLOSURES

Section 10 discusses the various disclosures you may receive.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Disclosures](#)

(d) Flood zone; Elevation certification

The listing page for this property will disclose whether the home lies in a flood zone. If you are unable to get flood insurance within 20 days of the effective date (the date the sale was agreed to), you may cancel the contract and get your deposit back.

- (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 provided for in the preceding sentence, 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. 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, 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").

#### 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.
- (b) **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 AS IS Maintenance Requirement and has met all other contractual obligations.
- (c) **SELLER ASSISTANCE AND COOPERATION IN CLOSE-OUT OF BUILDING PERMITS:** If Buyer's inspection of the Property identifies open or needed building permits, 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 or needed Permits, and shall promptly cooperate in good faith with Buyer's efforts to obtain estimates of repairs or other work necessary to resolve such Permit issues. Seller's obligation to cooperate shall include Seller's execution of necessary authorizations,

#### 11. PROPERTY MAINTENANCE

Section 11 establishes that the property must be maintained during the closing period. This section keeps the seller from neglecting the property (*i.e. - Why should I mow the grass if I'm moving soon?*).

- [Florida Realtors/Florida Bar Contract Preparation Manual - Property maintenance](#)

#### 12. INSPECTION

This is an important section. You have the option of completing a home inspection within a set amount of days from the effective date (15 is set as the default amount of days. You can select fewer days to make your offer more attractive).

Remember, YELLOW has already had the property independently inspected and the report is available on the listing page. However, you still may perform your own inspection, particularly if much time has passed since the first inspection.

If the inspection reveals details you aren't comfortable with, you may approach the seller with a renegotiation or you may cancel your contract and receive your deposit back. This must be done within the amount of time specified above.

- Item (b) notes that you can perform a walk-through the day before or day of closing to ensure the property has been maintained and all fixtures remain.
- Item (c) states that any unresolved or missing building permits shall have the seller's cooperation in resolving these issues.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Property inspection and repair](#)

consents, or other documents necessary for Buyer to conduct inspections and have estimates of such repairs or work prepared, but in fulfilling such obligation, Seller shall not be required to expend, or become obligated to expend, any money.

- (d) **ASSIGNMENT OF REPAIR AND TREATMENT CONTRACTS AND WARRANTIES:** At Buyer's option and cost, Seller will, at Closing, assign all assignable repair, treatment and maintenance contracts and warranties to Buyer.

### ESCROW AGENT AND BROKER

**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 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.

### DEFAULT AND DISPUTE RESOLUTION

#### 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

#### 13. ESCROW AGENT

This section authorizes the escrow agent to accept and disburse funds. It also releases them from liability unless there are mistakes made on their end.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Escrow agent and broker](#)

#### 14. PROFESSIONAL ADVICE; BROKER LIABILITY

This section instructs the buyer to get advice from legal and other industry-specific professionals. It also states that the information on the home came from public records and the seller. If the buyer or the seller made misstatements, the broker can collect court costs and attorney's fees to defend against damage claims. This does not release the broker from issues arising from neglect or intentional misinformation.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Professional Advice; Broker Liability](#)

#### 15. DEFAULT

This section establishes that if the buyer doesn't live up to the terms of this agreement, the seller can collect the deposits as liquidated damages.

If the seller does not live up to the terms of this agreement, the buyer can cancel the contract and have their deposit returned. In certain situations, the buyer can also sue for damages or sue for specific performance, or both. The seller may also owe the broker a fee.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Default and dispute resolution](#)

329 this Contract, or Seller, at Seller's option, may, pursuant to Paragraph 16, proceed in equity to enforce Seller's  
330 rights under this Contract. The portion of the Deposit, if any, paid to Listing Broker upon default by Buyer, shall  
331 be split equally between Listing Broker and Cooperating Broker; provided however, Cooperating Broker's share  
332 shall not be greater than the commission amount Listing Broker had agreed to pay to Cooperating Broker.

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

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

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

- 342 (a) Buyer and Seller will have 10 days after the date conflicting demands for the Deposit are made to attempt to  
343 resolve such Dispute, failing which, Buyer and Seller shall submit such Dispute to mediation under Paragraph  
344 16(b).  
345 (b) Buyer and Seller shall attempt to settle Disputes in an amicable manner through mediation pursuant to Florida  
346 Rules for Certified and Court-Appointed Mediators and Chapter 44, F.S., as amended (the "Mediation Rules").  
347 The mediator must be certified or must have experience in the real estate industry. Injunctive relief may be  
348 sought without first complying with this Paragraph 16(b). Disputes not settled pursuant to this Paragraph 16  
349 may be resolved by instituting action in the appropriate court having jurisdiction of the matter. This Paragraph  
350 16 shall survive Closing or termination of this Contract.

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

#### 356 **STANDARDS FOR REAL ESTATE TRANSACTIONS ("STANDARDS")**

- 357 **18. STANDARDS:**

##### 358 **A. TITLE:**

359 (i) **TITLE EVIDENCE; RESTRICTIONS; EASEMENTS; LIMITATIONS:** Within the time period provided in  
360 Paragraph 9(c), the Title Commitment, with legible copies of instruments listed as exceptions attached thereto, shall  
361 be issued and delivered to Buyer. The Title Commitment shall set forth those matters to be discharged by Seller at  
362 or before Closing and shall provide that, upon recording of the deed to Buyer, an owner's policy of title insurance  
363 in the amount of the Purchase Price, shall be issued to Buyer insuring Buyer's marketable title to the Real Property,  
364 subject only to the following matters: (a) comprehensive land use plans, zoning, and other land use restrictions,  
365 prohibitions and requirements imposed by governmental authority; (b) restrictions and matters appearing on the  
366 Plat or otherwise common to the subdivision; (c) outstanding oil, gas and mineral rights of record without right of  
367 entry; (d) unplatted public utility easements of record (located contiguous to real property lines and not more than  
368 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  
369 subsequent years; and (f) assumed mortgages and purchase money mortgages, if any (if additional items, attach  
370 addendum); provided, that, none prevent use of Property for **RESIDENTIAL PURPOSES**. If there exists at Closing  
371 any violation of items identified in (b) – (f) above, then the same shall be deemed a title defect. Marketable title shall  
372 be determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance  
373 with law.

374 (ii) **TITLE EXAMINATION:** Buyer shall have 5 days after receipt of Title Commitment to examine it and notify Seller  
375 in writing specifying defect(s), if any, that render title unmarketable. If Seller provides Title Commitment and it is  
376 delivered to Buyer less than 5 days prior to Closing Date, Buyer may extend Closing for up to 5 days after date of  
377 receipt to examine same in accordance with this STANDARD A. Seller shall have 30 days ("Cure Period") after  
378 receipt of Buyer's notice to take reasonable diligent efforts to remove defects. If Buyer fails to so notify Seller, Buyer  
379 shall be deemed to have accepted title as it then is. If Seller cures defects within Cure Period, Seller will deliver  
380 written notice to Buyer (with proof of cure acceptable to Buyer and Buyer's attorney) and the parties will close this  
381 Contract on Closing Date (or if Closing Date has passed, within 10 days after Buyer's receipt of Seller's notice). If  
382 Seller is unable to cure defects within Cure Period, then Buyer may, within 5 days after expiration of Cure Period,

#### 16. DISPUTE RESOLUTION

This section establishes that disputes over escrow will first attempted to be resolved between the buyer and seller within 10 days. If the dispute is not resolved or if it is a matter outside of escrow, it will be directed to mediation. If the dispute is not settled in mediation, the matter will be handled in court.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Dispute resolution](#)

#### 17. ATTORNEY'S FEES

The fee for mediation will be split by the two parties and they will be responsible for their own costs (like attorney fees). This winning party will have their expenses paid by the losing party.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Attorney's fees and costs](#)

#### 18. STANDARDS

This section sets out the standards, which are common contract provisions in real estate that have been developed over the years. It provides more info on some of the terms you've heard earlier in this contract.

- [Florida Realtors/Florida Bar Contract Preparation Manual - Standards for real estate transactions](#)

(ii) Title examination

This section provides info for when there are problems with the title, like a lien.

If a problem is found, the buyer must promptly notify the seller and they are given time to resolve the issue. If the issue is not fixed in the set amount of time, the time can be extended or the buyer can cancel the contract and have their deposit returned.

The title company typically handles these issues and will work with the buyer and seller to remedy any issues within the terms of the contract.

383 deliver written notice to Seller: (a) extending Cure Period for a specified period not to exceed 120 days within which  
384 Seller shall continue to use reasonable diligent effort to remove or cure the defects ("Extended Cure Period"); or  
385 (b) electing to accept title with existing defects and close this Contract on Closing Date (or if Closing Date has  
386 passed, within the earlier of 10 days after end of Extended Cure Period or Buyer's receipt of Seller's notice), or (c)  
387 electing to terminate this Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all  
388 further obligations under this Contract. If after reasonable diligent effort, Seller is unable to timely cure defects, and  
389 Buyer does not waive the defects, this Contract shall terminate, and Buyer shall receive a refund of the Deposit,  
390 thereby releasing Buyer and Seller from all further obligations under this Contract.

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

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

401 **D. LEASE INFORMATION:** Seller shall, at least 10 days prior to Closing, furnish to Buyer estoppel letters from  
402 tenant(s)/occupant(s) specifying nature and duration of occupancy, rental rates, advanced rent and security  
403 deposits paid by tenant(s) or occupant(s) ("Estoppel Letter(s)"). If Seller is unable to obtain such Estoppel Letter(s)  
404 the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit  
405 and Buyer may thereafter contact tenant(s) or occupant(s) to confirm such information. If Estoppel Letter(s) or  
406 Seller's affidavit, if any, differ materially from Seller's representations and lease(s) provided pursuant to Paragraph  
407 6, or if tenant(s)/occupant(s) fail or refuse to confirm Seller's affidavit, Buyer may deliver written notice to Seller  
408 within 5 days after receipt of such information, but no later than 5 days prior to Closing Date, terminating this  
409 Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under  
410 this Contract. Seller shall, at Closing, deliver and assign all leases to Buyer who shall assume Seller's obligations  
411 thereunder.

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

420 **F. TIME:** Calendar days shall be used in computing time periods. **Time is of the essence in this Contract.** Other  
421 than time for acceptance and Effective Date as set forth in Paragraph 3, any time periods provided for or dates  
422 specified in this Contract, whether preprinted, handwritten, typewritten or inserted herein, which shall end or occur  
423 on a Saturday, Sunday, or a national legal holiday (see 5 U.S.C. 6103) shall extend to 5:00 p.m. (where the Property  
424 is located) of the next business day.

425 **G. FORCE MAJEURE:** Buyer or Seller shall not be required to perform any obligation under this Contract or be  
426 liable to each other for damages so long as performance or non-performance of the obligation, or the availability of  
427 services, insurance or required approvals essential to Closing, is disrupted, delayed, caused or prevented by Force  
428 Majeure. "Force Majeure" means: hurricanes, floods, extreme weather, earthquakes, fire, or other acts of God,  
429 unusual transportation delays, or wars, insurrections, or acts of terrorism, which, by exercise of reasonable diligent  
430 effort, the non-performing party is unable in whole or in part to prevent or overcome. All time periods, including  
431 Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure no longer prevents  
432 performance under this Contract, provided, however, if such Force Majeure continues to prevent performance under  
433 this Contract more than 30 days beyond Closing Date, then either party may terminate this Contract by delivering  
434 written notice to the other and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all  
435 further obligations under this Contract.

436 **H. CONVEYANCE:** Seller shall convey marketable title to the Real Property by statutory warranty, trustee's,  
437 personal representative's, or guardian's deed, as appropriate to the status of Seller, subject only to matters  
438 described in STANDARD A and those accepted by Buyer. Personal Property shall, at request of Buyer, be

B. Survey

If the survey reveals issues, the buyer must notify the seller, who can then take steps to fix the problem.

G. Force majeure

This is a section that doesn't get much attention, but can be important, especially during hurricane season here in Florida.

If the closing process is interrupted by "Acts of God," all deadlines can be pushed back up to 7 days after the process can begin again. If it is more than 30 days past the scheduled closing date, the contract can be cancelled and any deposits returned.

transferred by absolute bill of sale with warranty of title, subject only to such matters as may be provided for in this Contract.

**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.

**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 reconvey 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.

**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 1st 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.

**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.

**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

K. Prorations; credits

This is an important section - it discusses the costs that are prorated.

For example, expenses like property taxes are paid on an annual basis. Since neither the buyer nor seller will reside on the property the entire year, the expense will be prorated between the buyer and seller. There are several costs that will be prorated and the title company will handle this detail.

L. Access to property

Sellers must maintain access to the property through the closing period and keep utilities like power, water, and sewer active.

498 cost to complete restoration (not to exceed 1.5% of Purchase Price) will be escrowed at Closing. If actual cost of  
499 restoration exceeds escrowed amount, Seller shall pay such actual costs (but, not in excess of 1.5% of Purchase  
500 Price). Any unused portion of escrowed amount shall be returned to Seller. If cost of restoration exceeds 1.5% of  
501 Purchase Price, Buyer shall elect to either take Property "as is" together with the 1.5%, or receive a refund of the  
502 Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Seller's sole obligation  
503 with respect to tree damage by casualty or other natural occurrence shall be cost of pruning or removal.

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

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

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

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

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

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

532 **T. RESERVED.**

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

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

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

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

550 (iii) If prior to Closing Seller has submitted a completed application to the IRS for a Withholding Certificate and has  
551 provided to Buyer the notice required by 26 CFR 1.1445-1(c) (2)(i)(B) but no Withholding Certificate has been  
552 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



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

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

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

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

601\* Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

602\* Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

603\* Seller: \_\_\_\_\_ Date: \_\_\_\_\_

604\* Seller: \_\_\_\_\_ Date: \_\_\_\_\_

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

606\* \_\_\_\_\_

607\* \_\_\_\_\_

608\* \_\_\_\_\_

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

615\* \_\_\_\_\_  
616 **Cooperating Sales Associate, if any** **Listing Sales Associate**

617\* \_\_\_\_\_  
618 **Cooperating Broker, if any** **Listing Broker**