

EXPLANATORY NOTES ACCOMPANYING REVISIONS
TO STANDARD FORM CONDO CONTRACT

The revised standard form Condominium Contract is not being presented in a “black-lined” version referring back to the original, because the changes in form and substance were too extensive to accommodate any easy reference. These revisions are primarily intended to accomplish the following goals:

- I. *To update the form Contract and make it easier to comprehend for parties and practitioners;*
- II. *To incorporate provisions frequently added to the form Contract through rider provisions;*
- III. *To make the form Contract more like the standard form Coop Contract;*
- IV. *To provide protection to parties and to practitioners who may be unfamiliar with the form Contract and/or with the law applicable to condominiums.*

¶ 1: This paragraph is intended to essentially mirror the look, feel and content of ¶ 1 of the standard form Coop Contract. This paragraph incorporates information that was previously included in ¶¶ 1, 2, 3 and 4 of the existing form contract.

¶ 1.3: Title Company was added to reflect the fact that some law firms prefer not to act as Escrowee.

¶ 1.17.1: The term “Downpayment” that was used in the prior form Contract has been changed to “Contract Deposit”, in order to avoid common confusion between this amount and the amount not being financed.

¶ 2.1: Second sentence is new and reflects representations made if the Seller is an entity.

¶ 2.2: The main reason for the inclusion of the “understatement” credit is that Seller should be able to state the amount of the monthly common charges that it pays, so Seller should bear a burden for its misstatement. The last sentence was added to recognize that certain Sellers may have specific knowledge even in the absence of a written notice, and that knowledge should be shared with the Purchaser. This also mirrors the language of ¶ 4.1.5 of the coop contract.

¶ 2.3: Designee was added.

¶ 2.4: The language about plumbing, heating and electric and the limiting language at the end were added to reflect provisions almost universally included in riders.

¶ 2.5: The second sentence was added.