Rider Clauses to Contract of Sale—Purchaser

DEED DESCRIPTION

1. The deed shall contain a metes and bounds description of the premises being conveyed thereby. The same shall be satisfactory to the title company insuring the Purchaser(s).

DOWN PAYMENT ESCROW

2. The down payment and any additional payments made prior to the closing as required by the contract shall be deemed made to the Seller(s) by paying the same to ________, to be held in escrow as attorney for the Seller(s) in an interest-bearing account, interest credited to the Purchaser(s), until (i) the delivery of the deed hereunder; or (ii) such time as the Purchaser(s) may be entitled to a refund thereof, at which time said attorney shall remit such payments to the Purchaser(s).

TITLE OBJECTIONS

3. In the event that the report of a reputable title company shows objections and exceptions, the Seller(s) shall, upon prior written notice to the Seller(s)' attorney(s) by Purchaser(s)' attorney(s) of such defects or objections to title, have the right at Seller(s)' option, to cure the defect or objections in title within thirty (30) days from the date such notice is received, and the date for the closing of title shall be adjourned accordingly.

SELLER(S)' OBLIGATION TO CURE DEFECTS OR OBJECTIONS

4. If the Seller(s) should be unable to convey a good and marketable title subject to and in accordance with this agreement, the sole obligation of the Seller(s) shall be to refund the Purchaser(s)' down payment made hereunder and to reimburse the Purchaser(s) for the cost of title examination (without policy) and survey, if any was obtained, and upon the making of such refund and reimbursement, this agreement shall wholly cease and terminate, and neither party shall have any further claim against the other by reason of this agreement, and the lien, if any, of the Purchaser(s) against the premises shall wholly cease.

The Seller(s) shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the premises marketable. The Purchaser(s) may, nevertheless, accept such title as the Seller(s) may be able to convey, without reduction of the purchase price or any allowance or credit against the same and without any other liability on the part of the Seller(s).

CERTIFICATE OF OCCUPANCY AND UNDERWRITERS' CERTIFICATE

- 5. At closing of title, the Seller(s) will:
 - (a) Deliver a Certificate of Occupancy; or

- (b) If the buildings on the premises were erected and/or constructed prior to the effective date of the commencing of the procedure for the issuing of Certificates of Occupancy in the municipality wherein the premises lie, the Seller(s) shall deliver proof thereof; and
- (c) Any New York Board of Fire Underwriters Certificates in Seller(s)' Possession.

CONDITION OF PREMISES ON TRANSFER

- 6. In the absence of a written agreement to the contrary, possession of premises shall be delivered at closing of title, vacant and broom clean, except as to articles of personal property passing to the purchasers under the terms of the contract.
- 7. Seller(s) represent(s) that the roof is free of leaks, and the plumbing, heating, electrical systems, appliances, air-conditioning systems, if applicable; septic system, if applicable, and items of personal property to be conveyed to purchasers under this contract, now in said dwelling, are in good working order and will be in such condition at the time of transfer of possession to the purchasers, normal wear and tear excepted.
- 8. Seller(s) will deliver, at closing, any unexpired manufacturer's appliance and equipment warranties, guarantees or service contracts.

RIGHT OF INSPECTION

9. Purchaser(s) or its (new) agent shall have right to inspect premises within 48 hours before closing or taking possession to ascertain physical condition of premises, systems and appliances to be transferred.

ESCROW TO BE IN INTEREST-BEARING ACCOUNT

- 10. Seller(s)' attorneys shall hold down payment until closing of title in an interest-bearing account with the interest earned thereon to be paid over by such attorneys as follows:
 - (a) Upon closing of title, to the Purchaser(s);
 - (b) Upon termination of this agreement without the fault of Purchaser(s), to the Purchaser(s);
 - (c) Upon termination of this agreement due to the fault of the Purchaser(s) which would entitle Seller(s) to retain the down payment, to Seller(s).

MORTGAGE CONTINGENCY

11. It is understood and agreed that this agreement is subject to the Purchaser(s)' obtaining a firm conventional mortgage loan from a lending institution in a sum not less than ______, for a period of not less than ______ years with interest at the prevailing rate at closing of title.

The Purchaser(s) (does) (do) warrant and represent that (he/she) (they) will diligently and in good faith apply for said mortgage and will promptly furnish all reports, documents, verifications, and/or fees required in connection therewith. In the event the Purchaser(s) do not obtain said unconditional mortgage by ______ after the exercise of good faith, then this contract shall be deemed null and void at the option of either party to this agreement, communicated to the other or to their attorney, in writing, via the United States Postal Service, and the Seller(s)' sole liability hereunder shall be the return of all monies paid pursuant to this contract.

PROCEEDS OF MORTGAGE

12. The proceeds of the mortgage loan are to be used as payment of the purchase price in accordance with the terms of this agreement.

MORTGAGE POINTS

13. Seller(s) will pay for all points connected with obtaining an FHA mortgage.

MORTGAGE APPLICATION

14. The Purchaser(s) agree(s) to make diligent, prompt, truthful and proper applications to a lending institution and without delay to furnish such instruments and statements as shall be required by the lending institution in the processing of the Purchaser(s)' application for the mortgage loan.

FHA REPAIRS

15. Seller(s) agree(s) to make repairs if the FHA commitment becomes subject to the making of such repairs.

MORTGAGE COMMITMENT

16. In the event a commitment is not obtained from the lending institution within 60 days from the date hereof, this contract shall immediately become null and void, and all monies deposited on account of contract price shall be returned. However, parties may agree in writing to extend time to obtain commitment.

TERMITE INSPECTION

- 17. The Purchaser(s), at their own cost and expense, shall have the right to have the premises inspected by a reputable person or company for termite infestation within 10 days after obtaining mortgage commitment. If the inspection discloses the presence of termites or other wood-destroying insects, or damage resulting from termites or other wood-destroying insects, the Purchaser(s) shall deliver to the attorneys for the Seller(s), promptly, the statement of the person or company making the inspection setting forth:
 - (a) the nature and extent of the damage;

(b) an estimate of the cost to exterminate the termites or other wood-destroying insects and/or repair the damage with a guaranty of such work for a period of one (1) year.

If the inspection shows such presence or damage which may be cured by an expenditure not to exceed \$1,000, then neither party shall have the right to elect to cancel this agreement, so long as the Seller(s) shall agree to perform such work or give a credit therefor at closing of title. Documentation and warranties for aforesaid work will be turned over to Purchaser(s).

Seller(s)' option of refund or repair must be exercised within ten (10) days of receiving written notice of active termite infestation requiring expenditure in excess of \$1000.

Note: The same clause can be adapted for presence of asbestos-containing materials and radon gas, e.g., "if inspection shows cost to rectify condition will be in excess of \$1,000."

Buyer has the option to cancel the contract and receive a full refund of the down payment and accrued interest.

POSSESSION PRIOR TO CLOSING

- 18. In consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00) and other good and valuable consideration from Purchaser(s) to Seller(s) in hand paid, receipt whereof is hereby acknowledged, Seller(s) hereby grant(s) to Purchaser(s) the right to enter into possession of the premises upon the execution of this Contract of Sale by all parties upon the following terms and conditions:
 - (a) The Purchaser(s) shall pay to the Seller(s) in advance on the execution of this Agreement the sum of \$______, which represents forty (40) calendar days' occupancy charge at the rate of \$_____ per day to be computed from the date of the taking of possession.

POSSESSION CONTINUED

19. In the event that title shall close or Purchaser(s) shall surrender possession before the expiration of said forty (40) days, the Purchaser(s) shall be entitled to a credit at closing or a refund upon surrender of possession for the prepaid unexpired days. In the event that title shall close after the expiration of said forty (40) days, the Seller(s) shall receive an additional \$30.00 per day for each day of occupancy after the expiration of said forty (40) days to the date of closing of title, or for each day of occupancy after the expiration of said forty (40) days to the date of surrender of possession within the ten (10) day grace period as provided in paragraph (7) hereof, whichever sooner occurs.

"AS IS" PERSONAL PROPERTY

20. In addition to the items of personalty hereinabove provided to be included within the sale at no extra cost to Purchaser(s) and to be maintained in good condition until closing subject only to normal wear and tear, Seller(s) warrant(s) that such items are owned free and clear of any liens.

RISK OF LOSS BORNE BY VENDEES IN POSSESSION

21. The Purchaser(s), as vendees in possession of premises, herein assume(s) risk of loss or damage by fire, vandalism or other contingency if same occurs through no fault of the vendor, from the date of execution of this contract. Nor shall vendee be entitled to an abatement in purchase price as a condition to closing title.

SUBJECT TO MORTGAGE

22. Purchaser(s) (is) (are) purchasing premises subject to existing mortgage held by ______ Bank. The failure of said bank to release the Seller(s) from any obligation on the note which is secured by the mortgage to which title is to be subject shall not release or relieve Seller(s) from their obligations pursuant to this agreement, which shall remain in full force and effect notwithstanding that the assumption of the mortgage by Purchaser(s) shall not be cause for the Bank releasing the Seller(s) from their obligations under said note and mortgage.

REGULAR MORTGAGE PAYMENTS

23. Seller(s) shall make no prepayment of the mortgage to which title is to be subject nor shall Seller(s) suffer nor permit an event of default to occur under said mortgage.

POSSESSION

24. Sellers represent that the (entire premises) (portion of the premises) occupied by the Seller will be vacant and broom clean on closing, or within one week thereafter, with adjustments to be made as of the prospective date of possession, provided Seller deposits the sum of \$750.00 in escrow with the attorney for the Seller to insure possession, out of which the sum of \$50.00 per day as and for use and occupancy will be paid to the Purchaser(s) for each day that the Seller(s) shall overstay the agreed date for vacating the premises.

POSSESSION

25. Purchaser and Seller agree that Seller may remain in possession and continue to occupy the premises until ______, at a cost of \$_____ per day from the Closing until Seller surrenders possession of the premises to Purchaser.

MORTGAGE CONTINGENCY

26. Subject to the ability of the Purchaser(s) to obtain at Purchaser(s)' sole cost and expense a CONVENTIONAL MORTGAGE LOAN or a mortgage loan to be insured by the FEDERAL HOUSING ADMINISTRATION or the VETERANS' ADMINISTRATION in the sum of \$_____ for 20, 25 or 30 years. The Purchaser(s) shall agree to immediately apply for such mortgage commitment, and to execute and furnish all necessary documents and instruments that may be required to secure such mortgage commitment.

MORTGAGE CONTINGENCY

27. In the event that a firm mortgage commitment is not obtained within _____ days from the date hereof, then either party upon written notice to the other may cancel this contract and all sums deposited hereunder shall be refunded to Purchaser(s). Upon such repayment this contract shall be deemed cancelled and null and void.

PRICE REDUCTION

28. If the mortgage, to which this contract is subject, is not approved in the amount set forth in the contract but is approved for a lesser amount, the Seller(s), at Seller(s)' option, shall have the right to reduce the purchase price by the amount that the mortgage has been reduced. If the Seller(s) reduce(s) the price, the Purchaser(s) shall complete the sale and accept the mortgage in the reduced amount.

FHA MANDATORY AMENDMENT

29. It is expressly agreed that, notwithstanding any other provisions of this contract, the Purchaser(s) shall not be obligated to complete the purchase of the property described herein or incur any penalty by forfeiture of earnest money deposit or otherwise unless Seller(s) (has) (have) delivered to the Purchaser(s) a written statement issued by the Federal Housing Administration setting forth the appraised value of the property for mortgage insurance purpose of not less than \$_____, which statement the Seller(s) hereby agree(s) to deliver to the Purchaser(s) promptly after such appraised value statement is made available to the Seller(s). The Purchaser(s) shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the appraised valuation made by the Federal Housing Commissioner.

(Note: 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(s) should satisfy himself/herself that the price and condition of the property are acceptable.)

V.A. MANDATORY AMENDMENT

30. It is expressly agreed that, notwithstanding any other provisions of this contract, the Purchaser(s) shall not incur any penalty by forfeiture of earnest money or otherwise or be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the VETERANS' ADMINISTRATION. The Purchaser(s) 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 V.A.

LEGALITY OF DWELLING

31. Seller(s) represent(s) that the premises is a legal _____ family dwelling.

NO FUTURE RENTAL

32. Seller(s) agree(s) not to rent present or future apartment without the written consent and approval of the Purchaser(s) and at a rental to be decided by the Purchaser(s).

PAINTING RECORDS

33. Seller(s) agree(s) on the closing of title to deliver to the Purchaser(s) painting records indicating when the apartments were painted during the last three years, and also all rent registrations that may be in their possession, and also rent histories.

OIL BURNER PERMIT

34. Seller(s) represent(s) that there is a valid and existing combustible permit related to the oil burner and oil burner tank, which permit will be delivered to the Purchaser(s) at the closing.

ROOF FREE OF LEAKS

35. Seller(s) represent(s) that there are no roof leaks; and if there be any, that the same will be repaired at the Seller(s)' sole cost and expense.

CONTRACT INCONSISTENCIES

36. In the event of any inconsistency or conflict between the terms of the printed portion of this Contract and the terms of this Rider, the terms of this Rider shall govern and be binding.

NO ACTION AGAINST SELLER

37. The Seller(s) covenant(s), warrants and represents that it has no knowledge of any claim made by or against it in connection with the premises owned by the Seller(s), involving either a claim of money or a claim involving use or occupancy of the premises to be conveyed, and the Seller(s) further covenant(s), warrants and represents that no action or suit has been instituted or is now pending involving the premises to be conveyed, be such suit based upon recovery of monies or for any other relief other than monies, and said covenant, warranty and representation shall survive delivery of the deed.

PURCHASER'S LIABILITY

38. It is understood and agreed that the liability of the Purchaser(s) under this contract is limited to the forfeiture of the deposit paid upon signing; and upon breach of such contract, no action will be instituted or asserted against the Purchaser(s) for damages or specific performance.

SMOKE ALARM INSTALLATION

39. Premises contain or will contain at time of closing an operable single station smoke detecting alarm device in compliance with Section 378, subdivision 5 of the Executive Law, and required compliance affidavit will be executed in recordable form and presented at closing.

SAMPLE ASBESTOS/RADON/TERMITE DAMAGE CLAUSES FOR BUYER'S RIDER

- 40. Seller acknowledges that Purchaser has caused the Premises to be inspected for asbestos-containing materials and radon gas, and that Purchaser will cause the Premises to be inspected for termite damage. If the person or entity performing such inspection determines that there is a presence of asbestos-containing materials and/or radon gas and/or termite damage, then, Purchaser shall, not later than [date], notify Seller in writing thereof and (i) this agreement shall be automatically cancelled, (ii) Seller shall cause the Deposit to be promptly returned to Purchaser and (iii) both parties hereto shall thereafter be released and discharged from all liability hereunder; provided, however, if such inspections show such presence and/or damage and (i) such presence and/or damage can be rectified by the payment of a sum not to exceed \$500, neither party may terminate this agreement, provided Seller pays such sum to rectify such presence and/or damage or (ii) such presence and/or damage can be rectified by the payment of a sum in excess of \$500, Seller shall have the right, but not the obligation, to perform the work necessary to rectify such presence and/or damage, and Purchaser shall not terminate this agreement provided Seller pays such sum or gives to Purchaser a credit therefor against the purchase price.
- 41. Purchaser will at its own cost and expense have premises inspected for asbestos-containing materials and radon gas. If inspection determines presence of same, Purchaser shall notify Seller in writing and Seller shall perform work necessary to remove conditions and provide warranties for work performed. Seller may elect to give Purchaser a credit at closing based on estimate of an agreed-upon licensed abatement company, for Purchaser to rectify condition.