

Tips on Real Estate Contracts (1st Ed July 2009)

By: Gael Beriro, Esq.

If you are receiving this it's because you are in my contact database, but if you do not wish to receive such correspondences in the future please unsubscribe by hitting reply and typing the words "unsubscribe" in the subject field.

Hurricane Season Contracts

If you represent buyers who wish to enter into a contract having an extended period between the Effective Date and the Closing Date during hurricane season here are a few tips to keep in mind:

1. Have the Inspection Period start and finish shortly before the Closing Date. If there is a major tropical storm between the Effective Date and the Closing Date its favorable to the buyer to perform the inspection as close to the Closing Date as possible. Alternatively, provide a contract addendum that allows a re-inspection and termination in the event of changed property conditions after a major storm
2. Provide by Contract Addendum that the Seller Disclosure Form be completed and provided to the Buyer a few days prior to the Closing Date and make sure that the Disclosure Form asks specific questions about recent storm damage. Also provide that the Inspection Period shall be modified to extend to the day before closing (or other appropriate day) in the event of a tropical storm occurring after the initial Inspection Period.
3. Request that the Property Inspection Report be provided with details of all deficiencies or problem areas. In the event of a re-inspection the details will provide a base line for larger damages that may have been caused by the storm or lack of maintenance on part of Seller in the interim period.
4. Since condo damages may not be quantifiable, you may want to address how any future storm related assessments are to be allocated if the storm occurs before the Closing Date. Options include purchase price adjustments, escrow, and contract termination.

We welcome your legal inquiries, free of charge. Please submit all questions to gael@beriolaw.com.

Our firm concentrates on residential and commercial real estate transactions with a focus on purchase and sale contracts, residential and commercial leasing, title and closings, condominium and coop law, short sales, loan modifications, foreclosures, and private lending.