

## Common Scenarios and Suggested Amendments to the AREA Real Estate Purchase Contract

Scenario	Actions
<ul style="list-style-type: none"> <li>• Current Real Property Report (RPR) with Current Compliance is Available</li> <li>• A Current RPR is Available without Compliance and the Municipality No Longer Offers Compliance</li> <li>• An RPR with Compliance is Available that is Not Current as Certain Structures have been Removed</li> <li>• An RPR with Compliance that is Not Current due to the Addition or Alteration of Structures is Available and Compliance is No Longer Available</li> <li>• An RPR is Available that is Not Current along with Compliance that is Not Current. The Parties Agree that the Seller Will Not Update Either One.</li> </ul>	<ul style="list-style-type: none"> <li>• No changes to the AREA contract.</li> <li>• The buyer can purchase title insurance at their cost.</li> <li>• 9.2 Add "The seller agrees to pay the buyer's cost for obtaining title insurance by providing a credit to the buyer on closing."</li> <li>• 10.2 Delete "with evidence of municipal compliance or non-conformance".</li> <li>• A new RPR is not required as the RPR that is available offers evidence to support the warranties in the AREA contract.</li> <li>• 10.2 Delete the word "current" and insert after "RPR": "dated (insert date)" and after "compliance or non-conformance": "dated (insert date)"</li> <li>• The buyer can purchase title insurance at their cost.</li> <li>• 9.2 Add "the seller agrees to provide a new RPR showing the current improvements on the property. The buyer acknowledges that the seller will not provide any new or updated compliance. The seller agrees to pay the buyer's cost for obtaining title insurance by providing a credit to the buyer on closing."</li> <li>• 10.2 Insert after "compliance or non-conformance": "As shown on the RPR (or as shown on the letter from (name of municipality)) dated (insert date)".</li> <li>• 9.2 Add "the buyer agrees to accept the RPR and Compliance dated (insert date) and acknowledges it is not current. The seller agrees to pay the buyer's cost for obtaining title insurance by providing a credit to the buyer on closing."</li> <li>• 10.2 Delete the word "current" and insert after "RPR": "dated (insert date)".</li> <li>• If the reason the RPR is outdated is the addition of a new structure where a development permit may or may not be available and the buyer agrees to accept the risk that they may lose this structure, then add the following to 9.2 "the buyer agrees to waive the warranties in 6.1(d), 6.1(e), and 6.1(g) with respect to the (insert name of new structure) only."</li> </ul>

Scenario	Actions
<ul style="list-style-type: none"> <li>No RPR or Compliance and Structures are Present</li> <li>No RPR or Compliance and Structures are Present – Sale is for Lot Value only</li> <li>Seller has confirmed to the Buyer that there are No Permits on a Structure(s) and the Buyer accepts Structure(s) as is</li> <li>No Compliance (either with or without RPR) and Parties specifically agree Warranties are waived – refers to all structures</li> </ul> <p><u>General Clauses</u></p> <ul style="list-style-type: none"> <li>Seller will offer to pay for title insurance for buyer</li> </ul>	<ul style="list-style-type: none"> <li>The buyer has agreed to waive the requirement for an RPR and compliance, however the buyer is still expecting that the structures on the property will be compliant.</li> <li>9.2 Add: “The seller is not obligated to provide an RPR and compliance. The seller agrees to pay the buyer’s cost for obtaining title insurance by providing a credit to the buyer on closing.”</li> <li>10.2 Delete the entire paragraph.</li> <li>The buyer is planning to demolish all the structures on the property and build something new.</li> <li>9.2 Add the following: “the seller is not obligated to provide an RPR and compliance. The seller agrees to pay the buyer’s cost for obtaining title insurance by providing a credit to the buyer on closing. The warranties in 6.1(d), 6.1(e), and 6.1(g) are waived with respect to any and all structures on the property.”</li> <li>10.2 Delete the entire paragraph.</li> <li>9.2 Add: “The seller has disclosed that the (name(s) of structure) does/do not have any development permits. The buyer agrees to accept the risk that they may lose this/these structure(s) and agrees to waive the warranties in 6.1(d), 6.1(e) and 6.1(g) with respect to the (insert name of structure(s)) only. The seller agrees to pay the buyer’s cost for obtaining title insurance by providing a credit to the buyer on closing.”</li> <li>Advise buyer that if they opt for title insurance that the policy will not cover these structures</li> <li>9.2 Add the following: “the buyer agrees to accept the risk that the structures on the property may or may not be compliant and agrees to waive the warranties in 6.1(d), 6.1(e), and 6.1(g).</li> <li>Delete sections 6.1(d), 6.1(e), and 6.1(g) only.</li> <li>Advise buyer that title insurance may not cover structures found to be non-compliant in this situation</li> <li>9.2 Add the following: “The seller agrees to pay the buyer’s cost for obtaining title insurance by providing a credit to the buyer on closing.”</li> </ul>