



SUMMARY OF CHANGES IN 2020 FORMS

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RISK REDUCTION COMMITTEE

2020 FORMS

SUMMARY OF CHANGES

Changes to the 2020 ARA Forms are shown on the following pages.

The changes are indicated as follows:

~~strike through~~ for deleted language
underlines for new wording
Rationales are shown in italics

Applicable to all forms: In the forms in which a paragraph is added or a paragraph is removed, there is a re-numbering or re-lettering of the subsequent paragraphs and in any cross-referencing to the re-numbered paragraph.

Applicable to all forms: Throughout the 2020 forms, some editorial changes and corrections were made in punctuation, capitalization, and rephrasing that are not listed one by one in this manual; these changes do not affect the meaning or intent of the wording.

GLOBAL CHANGE: ALL 2020 FORMS HAVE BEEN CHANGED TO REFLECT THE 2020 DATE ON THE FORM AND ON THE EXPIRATION DATE OF THE FORM.

THERE WILL BE ONE (1) FORM NAME CHANGE FOR 2020.

Code	Form Name	Changes in 2020
AERSA AAA	Addendum to the Exclusive Right to Sell Agreement renamed Agency Agreement Addendum	√
AAC	Agency Addendum (Commercial)	Year Only
ARDR	Agency Representation Disclosure (Rental)	Year Only
BPO	Broker Price Opinion Notice and Letter	Year Only
CDMA	Closing Date Modification Addendum	Year Only
CCLOI	Commercial Contract Letter of Intent	Year Only
CLA	Commercial Lease Agreement	Year Only
CLLOI	Commercial Lease Letter of Intent	Year Only
CTHA	Condominium-Town Home Addendum	Year Only
CRA	Contingency Removal Addendum	Year Only
DOA	Delayed Occupancy Addendum	Year Only
DA	Documents Acknowledgment	Year Only
EOA	Early Occupancy Addendum	Year Only
EMA	Earnest Money Addendum	√
EACC	Exclusive Agency Agreement (Commercial)	Year Only
EBAA	Exclusive Buyer Agency Agreement	√
EBLAAC	Exclusive Buyer/Lessee Agency Agreement (Commercial)	Year Only
ERSAALF	Exclusive Right to Sell Agreement (AgriBusiness Land & Farm)	√
ERSAA	Exclusive Right to Sell Agreement (Auctions)	√
ERSAC	Exclusive Right to Sell/Lease Agreement (Commercial)	√
ERSALA	Exclusive Right to Sell Agreement (Lots & Acreage)	√
ERSAR	Exclusive Right to Sell Agreement (Residential)	√
FTCIRA	FTC Insulation Requirement Addendum*	Year Only
GA	General Addendum	Year Only
GBD	General Buyer Disclaimer	Year Only
HTEN	Homestead Tax Exemption Notice	Year Only
IRSA	Inspection, Repair and Survey Addendum	√
LBPR	Lead Based Paint Disclosure (Rentals)	Year Only
LBPS	Lead Based Paint Disclosure (Sales)	Year Only
LAA	Loan Assumption Addendum	Year Only
MPCD	Multi-Party Compensation Disclosure	Year Only
NEBRA	Non Exclusive Buyer Representation Addendum	Year Only
NRDA	Non-Representation Disclosure Addendum	Year Only
NDWNH	Notice of Disclaimer of Warranty on New Homes	Year Only
NEREC	Notification of Existing Real Estate Contract	Year Only
PTSA	Permission to Show Agreement	Year Only
PMA	Property Management Agreement	Year Only
RECALF	Real Estate Contract (AgriBusiness Land & Farm)	Year Only
RECA	Real Estate Contract (at Auction)	Year Only
RECC	Real Estate Contract (Commercial)	√
RECLA	Real Estate Contract (Lots & Acreage)	Year Only
RECNC	Real Estate Contract (New Construction)	Year Only
RECR	Real Estate Contract (Residential)	√
RLRA	Residential Lease/Rental Agreement	√
SFIA	Seller Financing Information Addendum	Year Only
SCNA	Seller's Contingency Notice Addendum	Year Only
SCTREC	Seller's Counter to the Real Estate Contract	Year Only
SPD	Seller's Property Disclosure	√

Code	Form Name	Changes in 2020
SPDALF	Seller's Property Disclosure (AgriBusiness Land & Farm)	Year Only
SPDC	Seller's Property Disclosure (Commercial)	Year Only
SSSAALF	Septic or Sewage System Addendum (Agri Land Farm)	Year Only
SSAERSA	Short Sale Addendum to the Exclusive-Right-to-Sell Agreement	Year Only
SSARECR	Short Sale Addendum to the Real Estate Contract (Residential)	Year Only
TRECA	Termination of Real Estate Contract Addendum	Year Only
TRLRAA	Termination of Residential Lease/Rental Agreement Addendum	v
TRECAALF	Termination of Real Estate Contract Addendum (Agri Land Farm)	Year Only

2019 ARA Form Changes for 2020 Forms

Changes are listed alphabetically by form name

FORM: ADDENDUM TO THE EXCLUSIVE RIGHT TO SELL AGREEMENT **NEW NAME OF FORM: AGENCY AGREEMENT ADDENDUM**

NF.6 Change: ADD A NEW FORM CALLED Addendum to the Buyer Agency Agreement

NO new form was created - yet the Addendum to the Exclusive Right to Sell Agreement form was revamped to include all agency agreement changes/updates and renamed.

~~Addendum to the Exclusive Right to Sell Agreement~~
Agency Agreement Addendum



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Regarding the ~~Exclusive Right to Sell Agreement~~Agency Agreement _____

_____ (type of Agency Agreement being modified)

(Form Serial Number _____) dated (month) _____ (day) _____, (year) _____,
between _____ (hereafter called

“Listing Firm” or “Selling Firm”) and _____
_____ (hereafter called “Seller” or “Buyer”)

~~covering the real property known as~~ _____
_____ (the “Property”), the following changes and/or additions apply:

Offering Price Change

Seller agrees to allow Listing Firm to promote a new price ~~on the Property~~covering the real property known as
_____ (the “Property”). The
current Offering Price is \$ _____ and is now changed to \$ _____.

Expiration Date Change

Seller/Buyer and Listing/Selling Firm agree to extend the current Agency Agreement expiration date from the
current expiration date of (month) _____ (day) _____, (year) _____, to a
new expiration date of (month) _____ (day) _____, (year) _____.

Other Changes and/or Additions

This ~~Agency Agreement-Addendum to the Exclusive Right to Sell Agreement~~, upon its execution by both parties, is herewith made an integral part of the aforementioned ~~Exclusive Right to Sell Agreement~~Agency Agreement.

All other terms as provided in the initial ~~Exclusive Right to Sell Agreement~~Agency Agreement are incorporated herein by reference and remain exactly as set forth therein, solely except those amended above.

This ~~Agency Agreement-Addendum to the Exclusive Right to Sell Agreement~~ may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same. Electronic signatures shall be deemed original signatures and shall be binding upon the parties.

THIS IS A LEGALLY BINDING ADDENDUM WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

THIS FORM IS PRODUCED AND COPYRIGHTED BY THE ARKANSAS REALTORS® ASSOCIATION. THE SERIAL NUMBER BELOW IS A UNIQUE NUMBER NOT USED ON ANY OTHER FORM. THE SERIAL NUMBER BELOW SHOULD BE AN ORIGINAL PRINTING, NOT MACHINE COPIED, OTHERWISE THE FORM MAY HAVE BEEN ALTERED. DO NOT SIGN THIS FORM IF IT WAS PREPARED AFTER DECEMBER 31, ~~2019~~2020.

FORM SERIAL NUMBER:

The above ~~Agency Agreement Addendum to the Exclusive Right to Sell Agreement~~ is executed on (month) _____ (day) _____, (year) _____, at _____ (a.m.)(p.m.).

Listing/Selling Firm

Signature: _____

Signature: _____

Printed Name: _____
Principal or Executive Broker

Printed Name: _____
Seller/Buyer

Signature: _____

Signature: _____

Printed Name: _____
Assigned Agent

Printed Name: _____
Seller/Buyer

Seller's/Buyer's Address

City, State Zip

Seller's/Buyer's Phone

Rationale: *On multiple occasions, we have needed an addendum to our Buyer Agency Agreement. For instance, we sometimes reduce our buyer agency commission to make the deal work (or we agree to pay for a home warranty) or make some other modification and we need an addendum to the agreement rather than drafting a whole new one.*

Agency Agreement Addendum



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Regarding the Agency Agreement _____
(type of Agency Agreement being modified)

(Form Serial Number _____) dated (month) _____ (day) _____, (year) _____,
between _____ (hereafter called
"Listing Firm" or "Selling Firm") and _____
_____ (hereafter called "Seller" or "Buyer")

Offering Price Change

Seller agrees to allow Listing Firm to promote a new price covering the real property known as _____
_____ (the "Property"). The current Offering Price is
\$ _____ and is now changed to \$ _____.

Expiration Date Change

Seller/Buyer and Listing/Selling Firm agree to extend the current Agency Agreement expiration date from the
current expiration date of (month) _____ (day) _____, (year) _____, to a
new expiration date of (month) _____ (day) _____, (year) _____.

Other Changes and/or Additions

This Agency Agreement, upon its execution by both parties, is herewith made an integral part of the aforementioned Agency Agreement.

All other terms as provided in the initial Agency Agreement are incorporated herein by reference and remain exactly as set forth therein, solely except those amended above.

This Agency Agreement Addendum may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same. Electronic signatures shall be deemed original signatures and shall be binding upon the parties.

THIS IS A LEGALLY BINDING ADDENDUM WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

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FORM SERIAL NUMBER:

The above **Agency Agreement Addendum** is executed on (month) _____ (day) _____, (year) _____, at _____ (a.m.)(p.m.).

Listing/Selling Firm

Signature: _____

Signature: _____

Printed Name: _____
Principal or Executive Broker

Printed Name: _____
Seller/Buyer

Signature: _____

Signature: _____

Printed Name: _____
Assigned Agent

Printed Name: _____
Seller/Buyer

Seller's/Buyer's Address

City, State Zip

Seller's/Buyer's Phone

Form: EARNEST MONEY ADDENDUM

EMA.0 Change: Earnest Money: Real Estate Contract (Lots & Acreage) end of first line states

"Paragraphs 3(i)" there is no 3(i) should read 34 or 3

EARNEST MONEY: Earnest money is in the amount of \$ _____ ("Earnest Money"), which shall apply toward Buyer's Purchase Price or Closing Costs.

- Real Estate Contract (Lots & Acreage):** If at least one or more of the conditions of Paragraphs 3~~(i)~~, 4, 5, 6(if any), 10, 11, 13, 16B, 18B, 20, 21B and 22 have not been fulfilled, performed or removed, Earnest Money shall be promptly refunded to Buyer.

Rationale: clerical clean-up

Form: EXCLUSIVE BUYER AGENCY AGREEMENT

EBA6.0 Change: I would like to see an option C. that states: **C. Selling Firm's fee shall be limited to the payment offered by Seller or Listing Firm plus \$ _____ for professional services rendered.**

6. SELLING FIRM'S FEE: ~~Selling Firm is authorized to accept partial or complete payment of Selling Firm's fee from Seller or from Listing Firm. This fee will be due at the scheduled Closing of the transaction. Buyer is obligated to pay Selling Firm's fee. Should Buyer obtain a VA Loan, the SOLE SOURCE of Selling Firm's fee shall be limited to the payment offered by Seller or Listing Firm.~~

In consideration of the services to be performed by Selling Firm, Buyer shall pay Selling Firm a professional fee of either:

- A. _____ percent (_____ %) of the gross amount of any accepted Real Estate Contract entered into by Buyer (or value of any property exchanged for the Property) plus \$ _____ for professional services rendered; or
- B. \$ _____ for professional services rendered.

~~This fee will be due at the scheduled Closing of the transaction. Buyer is obligated to pay Selling Firm's fee. However, Selling Firm is authorized to accept partial or complete payment of Selling Firm's fee from Seller or from Listing Firm. Should Buyer obtain a VA Loan, the SOLE SOURCE of Selling Firm's fee shall be limited to the payment offered by Seller or Listing Firm.~~

Rationale: Adding the suggestion stated above would eliminate the need for an agent to amend the Exclusive Buyer Agency Agreement when the co-brokerage fee being offered is less than or greater than the % written in A. Most agents are willing to accept the co-brokerage fee as full payment and most buyers expect agents to accept full payment from the seller or listing firm. I think it makes sense to combine the language already used in Paragraph 6 to allow another option for payment. I also think if this is added, more agents would use this form.

Form: EXCLUSIVE RIGHT TO SELL AGREEMENT
(AGRIBUSINESS, AT AUCTION, COMMERCIAL, LOTS & ACREAGE & RESIDENTIAL)

ERSA15.0 Change: Remove the check boxes under A in this paragraph. State that the seller acknowledges that the items listed below are likely to take place one the property is exposed to the internet. This is a suggestion given to me when out teaching forms by folks who were unlikely to fill out this request themselves.

MULTI-LIST SERVICE AND INTERNET: Seller warrants, represents and authorizes Listing Firm to offer the Property in a multi-list or co-op brokerage, subject to the options selected in Paragraph 11 of this Exclusive Right-to-Sell Agreement, and comply with all rules and regulations associated with multi-list or co-op brokerage.

The following elections cover the transfer of information to other Internet websites by the Listing Firm's Multiple Listing Service. Listing Firm cannot control Property information appearing on Internet websites which obtain information from sources other than the Listing Firm's Multiple Listing Service.

(Choose Option A or B)

A. Seller elects to allow the transfer of Property information to ~~other Internet websites to be displayed on~~ the Internet. Seller understands Property may have auto valuations, written comments or reviews on internet websites or social media.

Seller elects to allow the address of the Property to be displayed on these Internet websites.

~~Seller elects to allow the Property to have an auto valuation on these Internet websites.~~

~~Seller elects to allow written comments or reviews (blogging) when the Property is displayed on these Internet websites.~~

~~(If checking A, check all above that apply.)~~

B. Seller elects NOT to allow the transfer of Property information to other Internet websites. Seller understands and acknowledges that consumers who conduct searches for listings on the Internet may not see information about the Property in response to their search.

Rationale: We all know that once a property is placed on the internet, we have no control over where it goes. We cannot keep it from going to auto valuation and/or blog sites. Also, once it does go to those sites we have no control over being able to remove the information. When we offer the seller the ability to choose to not have any of the listed items done, we set the expectation that we do have control of that. Then when it happens the client is upset with us. It is better to just let them know up front that once on the internet, there is the distinct possibility it will appear on the other websites.

Form: INSPECTION REPAIR AND SURVEY ADDENDUM

Change: Clerical change noted by committee to clarify.

2. SELLER'S RECEIPT:

A. NO BUYER REQUESTED REPAIRS: Seller acknowledges Buyer has performed inspections within ten (10) business days as allowed by the Real Estate Contract and has requested no repairs be performed to subject property, **with the exception of Third-Party Requirements, which will be delivered in a timely manner upon receipt.** Buyer has right to re-inspect prior to closing per terms of Paragraph 16B. Paragraphs 3 and 4 are not applicable to ~~the~~this addendum.

Form: INSPECTION REPAIR AND SURVEY ADDENDUM

IRSA3.0 Change: Add Second sentence to 3A - "Paragraph four (4) is not applicable to this addendum"

3. SELLER'S RESPONSE TO REPAIR LIST:

- A.** Seller agrees to complete the list of repairs listed in Paragraph 1 of this Inspection, Repair and Survey Addendum, subject to the terms and conditions of the Real Estate Contract. Paragraph 4 is not applicable to this addendum
- B.** Other:
-

Rationale: If 3A is checked then there is no need to agree to agree - Seller said 'yes'.

Form: INSPECTION REPAIR AND SURVEY ADDENDUM

IRSA4.0 Change: Modify to apply to 3B. "Buyer acknowledges/agrees to Paragraph 3B of this Inspection, Repair and Survey Addendum."

4. BUYER'S RESPONSE: Buyer will respond to Seller's response within five (5) business days after date received with the exception of Third-Party Requirements, which will be delivered in a timely manner upon receipt.

- A.** Buyer ~~acknowledges/~~ agrees to Paragraph 3B of this Inspection, Repair and Survey Addendum
- B.** Buyer does not agree to Paragraph 3B of this Inspection, Repair and Survey Addendum. See General Addendum Form Serial Number _____
(month) _____ (day) _____, (year) _____, at _____ (a.m.)(p.m.).

Rationale: Change to 4A will reclarify the point

Form: REAL ESTATE CONTRACT (COMMERCIAL)
(ALSO ADDED TO REAL ESTATE CONTRACT (RESIDENTIAL))

RECC6.0 Change: Within three (3) business days of execution of Paragraph 4(A) or Paragraph 2(A) of the Inspection, Repair & Survey Addendum.

NON-REFUNDABLE DEPOSIT: The Non-Refundable Deposit (hereinafter referred to as "Deposit") is funds tendered by Buyer to Seller to compensate Seller for liquidated damages that may be incurred by Seller resulting from Buyer failing to close on this transaction. The liquidated damages shall include, but not be limited to, Seller's time, efforts, expenses and potential loss of marketing due to Seller's removal of property from the market.

The Deposit is not refundable to Buyer unless failure to close is exclusively the fault of Seller or if Seller cannot deliver marketable title to the Property. Paragraphs that constitute exclusive fault of the Seller include, but are not limited to, Paragraphs 5, 8, 11, 13B, 15B, 17, 18 or 20, as a termination pursuant to each of the listed paragraphs would cause Seller to forfeit the Deposit back to Buyer. The Deposit will be credited to Buyer at Closing. Buyer shall hold Listing Firm and Selling Firm harmless of any dispute regarding the Deposit. Buyer expressly acknowledges the Deposit is not to be held by either Listing Firm or Selling Firm. The Deposit may be commingled with other monies of Seller, such sum not being held in an escrow, trust or similar account.

A. The Deposit is not applicable.

B. Buyer will pay to Seller the Deposit in the amount of \$ _____

- i. Within _____ days following the date this Real Estate Contract has been signed by Buyer and Seller; or
- ii. Within three (3) business days following agreement to repairs on execution of Paragraph 4(a) of the Inspection Repair & Survey Addendum; or
- iii. Other: _____

Rationale: We had a situation where the REC called for a NRD once paragraph 4(A) of the IRSA was executed, however, the buyer asked for a price reduction in lieu of repairs. The seller selected Paragraph 2(A) which then goes on to say that paragraphs 3 & 4 are not applicable. The question then was posed as to whether the NRD was still due as Paragraph 4(A) was not required to be executed. I feel that requiring the execution of Paragraph 4(A) prior to payment of the NRD is intended to show the buyer's approval of the seller's response to the repair request and therefore the NRD is still due. Changing the language would clarify that in the event there are no repairs required the deposit is owed.

Form: REAL ESTATE CONTRACT (COMMERCIAL)

RECC27.0 Change: On 3rd line of Par 27 it states (aforementioned agents being third-party beneficiaries of the Paragraph "26", I believe it should refer to Par 27

27. ATTORNEY'S FEES: Should Buyer or Seller initiate any type of administrative proceeding, arbitration, mediation or litigation against the other (or against an agent for the initiating party or agent for the non-initiating party), it is agreed by Buyer and Seller (aforementioned agents being third-party beneficiaries of this Paragraph ~~26~~27) that all prevailing parties shall be entitled to an award of all costs and attorney's fees incurred in defense of such initiated action against the non-prevailing party.

Rationale: CLEAN UP

Form: REAL ESTATE CONTRACT (RESIDENTIAL)

RECR13.0 Change: "curtains, drapes, blinds" should be added for further clarification before "window and door coverings" because that term is not defined in the contract. It should read "...curtains, drapes, blinds, and other window and door coverings and related hardware,..." Also, "other" should be removed from "...and any other items bolted, nailed..." and should instead read "and any items bolted, nailed..."

13. FIXTURES AND ATTACHED EQUIPMENT: Unless specifically excluded herein all fixtures and attached equipment, if any, are included in the Purchase Price. Such fixtures and attached equipment shall include but not be limited to the following: dishwasher, disposal, trash compactor, ranges, ovens, water heaters, exhaust fans, heating and air conditioning systems, plumbing and septic systems, electrical system, intercom system, ceiling fans, window air conditioners, carpeting, indoor and outdoor light fixtures, window and door coverings and related hardware, gas or electric grills, awnings, mail boxes, garage door openers and remote controls, antennas, fireplace inserts, _____ and any ~~other~~ items bolted, nailed, screwed, buried or otherwise attached to the Property in a permanent manner. Television satellite receiver dish, cable wiring, water softeners, and propane and butane tanks also remain, if owned by Seller. Buyer is aware the following items are not owned by Seller or do not convey with the Property: _____

Rationale: The paragraph regarding fixtures and attached equipment is ambiguous because 1) the term "window and door coverings" is not defined in the contract and 2) it is directly followed by the sentence "...and any other items bolted, nailed..." For instance, are window coverings things that are literally covering the window? In the case of blinds and shutters, are the blinds and actually covering the window making any curtains and drapes pure decoration? Does the contract mean for curtains and drapes to convey? Do drapes and curtains only convey when blinds and shutters are not installed because the blinds and shutters are not there to cover the windows? What if the curtains and drapes are to the sides of the windows for decorative purposes only and don't actually cover the windows? If the contract is intending to convey anything actually covering the window plus any decorative curtains and drapes around it, then it should be clarified. Otherwise, there is an ambiguity. Fabric, curtains, drapes, and other window treatments can cost thousands of dollars. This very nearly resulted in a lawsuit. The reason that the word "other" should be removed is that it is assuming that everything listed before it is bolted or nailed. For instance, do only window coverings bolted or nailed (such as blinds or shutters) convey? The word other should be removed and it should just say "...and any items bolted, nailed..." because extra words allows for interpretation. I surveyed several supervising brokers and real estate instructors at several real estate companies about whether drapes and curtains convey and here were their responses: Rick Green (PB) - does not convey, Emily Walter (EB and FCBOR president) - does not convey, Jan Barrow (EB and instructor) - does convey, Melanie Ferrantelle (EB and instructor) - does not convey, Gail Ott (EB) - does not convey, Danny Been (PB and instructor) - thinks should convey but ambiguous, Paulette Richie (PB and instructor) - it is a gray area. If these supervising brokers and real estate instructors are confused about this, then the average agent has no chance!

Form: REAL ESTATE CONTRACT (RESIDENTIAL)

RECR29.0 Change: ADD the following wording to the BUYER'S DISCLAIMER OF RELIANCE: "ANY COVENANTS THAT MAY AFFECT THE PROPERTY" AND CHANGE OTHER WORDING FOR CLARITY

29. BUYER'S DISCLAIMER OF RELIANCE:

- A. BUYER CERTIFIES BUYER WILL PERSONALLY INSPECT OR HAVE A REPRESENTATIVE INSPECT THE PROPERTY AS FULLY AS DESIRED PRIOR TO CLOSING. BUYER CERTIFIES BUYER HAS NOT AND WILL NOT RELY ON ANY WARRANTIES, REPRESENTATIONS, OR STATEMENTS OF SELLER, LISTING FIRM, SELLING FIRM, OR ANY AGENT, INDEPENDENT CONTRACTOR, OR EMPLOYEE ASSOCIATED WITH THOSE ENTITIES, OR INFORMATION FROM MULTIPLE LISTING SERVICES OR OTHER WEBSITES REGARDING MINERAL RIGHTS, YEAR BUILT, SIZE (INCLUDING WITHOUT LIMITATION THE SQUARE FEET IN IMPROVEMENTS LOCATED ON THE PROPERTY), QUALITY, VALUE OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION ALL IMPROVEMENTS, APPLIANCES, PLUMBING, ELECTRICAL OR MECHANICAL SYSTEMS. HOWEVER, BUYER MAY RELY UPON ANY WRITTEN DISCLOSURES PROVIDED BY SELLER. LISTING FIRM AND SELLING FIRM CANNOT GIVE LEGAL ADVICE TO BUYER OR SELLER. LISTING FIRM AND SELLING FIRM STRONGLY URGE STATUS OF TITLE TO THE PROPERTY, -COVENANTS, DEED RESTRICTIONS, CONDITION OF PROPERTY, MINERAL RIGHTS, AND SQUARE FOOTAGE OF IMPROVEMENTS, QUESTIONS OF SURVEY AND ALL OTHER REQUIREMENTS OF BUYER SHOULD EACH BE INDEPENDENTLY VERIFIED AND INVESTIGATED BY BUYER OR A REPRESENTATIVE CHOSEN BY BUYER.
- B. BUYER AGREES TO SIGN PAGE 4 OF THE INSPECTION, REPAIR AND SURVEY ADDENDUM PRIOR TO CLOSING IF BUYER ACCEPTS THE CONDITION OF THE PROPERTY AND INTENDS TO CLOSE.

Rationale: Should the Agent not inform the Buyer about the possibility that covenants may exist, the Buyer should be put on notice to investigate the possibility, if desired. Also, provides some protection for the agent/agency as well. The following wording of this Paragraph 29A doesn't read clearly:

"LISTING FIRM AND SELLING FIRM STRONGLY URGE THAT STATUS OF TITLE TO THE PROPERTY, CONDITION OF PROPERTY, MINERAL RIGHTS, AND SQUARE FOOTAGE OF IMPROVEMENTS, QUESTIONS OF SURVEY AND ALL OTHER REQUIREMENTS OF BUYER SHOULD EACH BE INDEPENDENTLY VERIFIED AND INVESTIGATED BY BUYER OR A REPRESENTATIVE CHOSEN BY BUYER."

The word "AND" in front of square footage of improvements should be removed, "THAT" should be included after "URGE" and it seems to me that it would be better to remove "SHOULD EACH". That way you are saying Listing Firm and Selling Firm strongly urge that (each item named) be independently verified OR, write it as written in the RECOMMENDATION above which says the same thing, I think.

Form: RESIDENTIAL LEASE/RENTAL AGREEMENT

RLRA21/22.0 Change: BOTH REQUESTS BELOW WERE SENT TO THE PROPERTY MANAGEMENT TASK FORCE FOR REVIEW. CHANGES MADE IN PARAGRAPHS 1, 17, 21 AND 22

Line 5, "unless terminated otherwise, either party may terminate this Residential Lease/Rental Agreement after the initial term..." change the word after to PRIOR.

Rationale: The way these paragraphs are written, it does not require the Tenant to give advance written notice to vacate. They can move out and return keys the day the lease expires without notice. We need to give the property owner some protection from surprise move outs & vacancy loss by requiring at least 30 days written notice.

Line 3, "Tenant fails to give proper 30-days' advance written notice of Tenant's intent to terminate after completion of the initial term." change the word after to PRIOR.

Rationale: The way these paragraphs are written, it does not require the Tenant to give advance written notice to vacate. They can move out and return keys the day the lease expires without notice. We need to give the property owner some protection from surprise move outs & vacancy loss by requiring at least 30 days written notice.

1. TERM AND DESCRIPTION: Owner/**Management** -hereby leases to Tenant, based on Tenant's representation, Unit Number _____ in the Property known as _____ located at _____
_____ for the term of _____
commencing on (month) _____ (day) _____, (year) _____,
and ending on (month) _____ (day) _____, (year) _____, or
 on a periodic month-to-month basis, beginning on (month) _____, (day) _____, (year) _____,
and cancelable by Tenant or Owner/**Management** -upon thirty (30)-calendar days' written notice from rental due date.

17. NOTICES: Tenant shall give a minimum thirty (30)-day written notice from rental due date prior to Tenant's vacancy. All notices required and given between the parties of this Residential Lease/Rental Agreement shall be given in writing to Management at Management's office, located at _____ and to Tenant at the Property described.

Form: RESIDENTIAL LEASE/RENTAL AGREEMENT (CONTINUED)

21. DEFAULT AND TERMINATION: Tenant's failure to comply with the provisions and conditions of this Residential Lease/Rental Agreement, or to comply within reasonable time after Management's request for compliance, shall constitute Tenant's default of this Residential Lease/Rental Agreement. In the event of such default, Management may terminate this Residential Lease/Rental Agreement during the ~~initial~~ term for good cause by written fourteen (14)-day notice, stating the specific reason for termination. Unless terminated otherwise, either party may terminate this Residential Lease/Rental Agreement after the ~~initial~~ term by ~~written~~ thirty (30)-day written notice from rental due date of such intent. Tenant agrees that no ~~afordescribed~~ notice shall be accepted by Management without the payment of rent or rent installments due under this Residential Lease/Rental Agreement. Tenant may be in default if Tenant/Occupant of Property is convicted of, pleads guilty to, pleads no contest to a) any felony offense b) any offense involving actual/potential physical harm to any person, or involving possession, use, manufacture, sale/delivery of illegal substances. This Residential Lease/Rental Agreement shall be terminated with Tenant(s) and Management both agreeing to sign a Termination of Residential Lease/Rental Agreement Addendum.

22. PREMATURE CANCELLATION: This Residential Lease/Rental Agreement shall be considered prematurely canceled or terminated if: (1) Tenant does not complete the ~~initial~~ term of this Residential Lease/Rental Agreement as described in Paragraph 1 or (2) Tenant fails to give ~~proper~~ thirty (30)-days' ~~advance~~ written notice, from rental due date of Tenant's intent to terminate after completion of the ~~initial~~ term. In the event of such premature cancellation, Tenant shall be responsible to Owner and Management for all damages and losses Owner and Management may incur as outlined in Paragraph 3 of this Residential Lease/Rental Agreement.

Form: SELLER'S PROPERTY DISCLOSURE

SPD.1 Change: I've been asked 3 times in the past 2 weeks about an issue that I'm sure the committee has addressed BUT... There have now been at least 2 houses where there appeared to be heating and cooling only to find out (1) after closing and (2) at final walk through - where it was discovered that the systems were leased/rented and no longer there to stay with the house. The 3rd situation was with a rental - no one said a thing until after the new tenant was in the home and no air. I can't believe this is only a south Arkansas problem - has this been discussed? is it anywhere on perhaps the property disclosure statement or in language somewhere on the purchase contract? Obviously, it caused a great deal of problems - one of which was resolved, the other the deal fell through.

4.	<u>To your knowledge are there any fixtures or attached items (roofs, windows, HVAC, appliances, siding, etc..) currently being leased or financed?</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown	<input type="checkbox"/> Not Applicable
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SUBSEQUENT PARAGRAPH NUMBERS WERE CHANGED TO REFLECT THE NEW QUESTION INSERTED AS WELL AS PARAGRAPHS WERE UPDATED TO REFLECT THE CORRECT QUESTION NUMBERS REFERENCED.

Rationale: We are having a problem with heat and air units - that are being LEASED/RENTED.

Form: SELLER'S PROPERTY DISCLOSURE

SPD7.0 Change: Remove the word "repairs from the current paragraph

7 8.	To your knowledge, have there been any room additions, structural modifications or other alterations or repairs made to the Property since the Property was originally constructed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown	<input type="checkbox"/> Not Applicable
8 9.	If the answer to Question 7-8 was "Yes," to your knowledge were such structural changes done following issuance of a permit and in compliance with building codes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Unknown	<input type="checkbox"/> Not Applicable

Rationale: *I have seen where sellers were actually reading this thoroughly and checked this box, circling the word "repairs". I think you would have a hard time finding any home that has not had something repaired during its lifetime, no matter how minor. I don't think this word belongs or fits well with the intentions of this paragraph.*

Form: TERMINATION OF REAL ESTATE CONTRACT ADDENDUM

TRECA2.0 Change: ADD OPTION "G" to at bottom of page 2:

G. RETURN:

- 1. The failure to close was the fault of the Seller. Seller agrees to refund the Non-Refundable Deposit to the Buyer.**
- 2. The Seller voluntarily chooses to refund the Non-Refundable Deposit to the Buyer.**
- 3. The Seller voluntarily chooses to refund \$ of the Non-Refundable Deposit to the Buyer.**

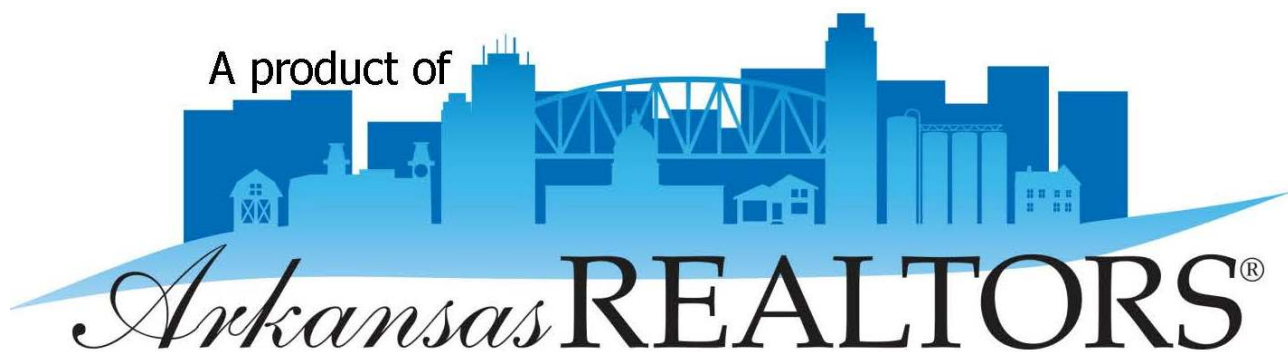
Further, Buyer and Seller mutually agree to and do hereby (i) terminate the Real Estate Contract and (ii) release each other from all obligations contained therein and from any and all other claims or causes of action that they may now or ever have, known or unknown. In addition, Buyer and Seller hereby unconditionally release and agree to indemnify Selling Firm and Listing Firm (and all employees, independent contractors, shareholders, partners, officers, agents or other representatives) from all causes of action that they may now or ever have, known or unknown.

~~Termination of Contract / Handling of Earnest Money~~

G. RETURN: Buyer and Seller mutually agree termination is the exclusive fault of the Seller or the Seller is unable to provide marketable title, the deposit in the amount of \$ _____ is forfeited by Seller and to be returned to the Buyer within three (3) business days. In addition, Buyer and Seller hereby unconditionally release and agree to indemnify Selling Firm and Listing Firm (and all employees, independent contractors, shareholders, partners, officers, agents or other representatives) from all causes of action that they may now or ever have, known or unknown.

Rationale: There is no place on this termination addendum to acknowledge "RETURN" of a Non-Refundable Deposit if it is determined that failure to close was caused by the Seller or the Seller could not deliver marketable title. Sometimes the Seller chooses to return the money or a portion thereof even if the Seller was not at fault. Possibly a builder who hasn't yet modified the new home being constructed for which the Non-Refundable Deposit was required chooses to refund the Deposit if the Buyer terminates the contract for whatever reason. The builder knows that he/she hasn't been monetarily damaged and doesn't feel good about keeping the Deposit from an ethical or moral standpoint. Or, perhaps they feel obligated to return a portion of the Deposit.

This new clause or something similar would clarify the disposition of the Deposit and releases the parties from any further obligation to the other.



SUMMARY OF CHANGES IN 2020 FORMS

Keith Montgomery, North Little Rock
2019 Chairman Risk Reduction Committee

Paulette Richie, Bryant
2019 Vice Chairman Risk Reduction Committee

DISCLAIMER

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