



All about FORCE MAJEURE

There are basically two provisions in the FarBar Contract that address the situation. They are Paragraph 5 (b) and Paragraph 18 G, respectively.

More specifically, Paragraph 5 (b) states:

If an event constituting “Force Majeure” causes services essential for Closing to be unavailable, including the unavailability of utilities or issuance of hazard, wind, flood, or homeowners’ insurance, Closing Date shall be extended as provided in Standard G.

5. EXTENSION OF CLOSING DATE:

- (a) If Paragraph 8(b) is checked and Closing funds from Buyer’s lender(s) are not available on Closing Date due to Consumer Financial Protection Bureau Closing Disclosure delivery requirements (“CFPB Requirements”), then Closing Date shall be extended for such period necessary to satisfy CFPB Requirements, provided such period shall not exceed 10 days.
- (b) If an event constituting “Force Majeure” causes services essential for Closing to be unavailable, including the unavailability of utilities or issuance of hazard, wind, flood or homeowners’ insurance, Closing Date shall be extended as provided in STANDARD G.

Standard G under Paragraph 18 of the Contract is the Force Majeure provision. It states: Buyer or Seller shall not be required to perform any obligation under this Contract or be liable to each other for damages so long as performance or non-performance of the obligation, or the availability of services, insurance, or required approvals essential to Closing, is disrupted, delayed, caused or prevented by Force Majeure. “Force Majeure” refers to hurricanes, floods, extreme weather, earthquakes, fire, or other “acts of God”....which, by the exercise of reasonable diligent effort, the non-performing party is unable as a whole or in part to prevent or overcome.

425 **G. FORCE MAJEURE:** Buyer or Seller shall not be required to perform any obligation under this Contract or be
 426 liable to each other for damages so long as performance or non-performance of the obligation, or the availability of
 427 services, insurance or required approvals essential to Closing, is disrupted, delayed, caused or prevented by Force
 428 Majeure. “Force Majeure” means: hurricanes, floods, extreme weather, earthquakes, fire, or other acts of God,
 429 unusual transportation delays, or wars, insurrections, or acts of terrorism, which, by exercise of reasonable diligent
 430 effort, the non-performing party is unable in whole or in part to prevent or overcome. All time periods, including
 431 Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure no longer prevents
 432 performance under this Contract, provided, however, if such Force Majeure continues to prevent performance under
 433 this Contract more than 30 days beyond Closing Date, then either party may terminate this Contract by delivering
 434 written notice to the other and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all
 435 further obligations under this Contract.

According to Paragraph 18 G, all time periods, including the Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure no longer prevents performance under the Contract, provided, however, if such Force Majeure continues to prevent performance under the Contract more than 30 days beyond the Closing Date. Either party may terminate the Contract by delivering written notice to the other, and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under the Contract. Additionally, keep in mind the Seller must still comply with the Maintenance Requirement under the terms of the Contract (See Paragraph 11 of both the FarBar As-Is and Repair Contracts). Further, the Risk of Loss provision (See Paragraph 18 M) is still in play.