

REAL ESTATE PURCHASE CONTRACT (RESIDENTIAL)

STATE OF _____

COUNTY OF _____

1. PARTIES: _____ (Seller)

agrees to sell and convey to _____
_____ (Purchaser), and Purchaser agrees to buy from Seller the Property described below.

2. PROPERTY: (a) *Land:* Address: _____

[insert full address] or more specifically described as: _____

_____, or as described in the attached exhibit. (b) *Improvements:* The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following permanently installed and built-in items, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas and satellite dish system and equipment, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property owned by Seller and attached to the above described real property. (c) *Accessories:* The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, controls for satellite dish system, controls for garage door openers, entry gate controls, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, and artificial fireplace logs. (d) *Exclusions:* The following improvements and accessories will be retained by Seller and excluded:

The land, improvements and accessories are collectively referred to as the "Property".

3. PURCHASE PRICE: The Total Price shall be \$ _____ payable as follows:

Earnest money: (Receipt of which is hereby acknowledged) \$ _____

Cash or certified funds due at closing: \$ _____

4. FINANCING: The portion of Sales Price not payable in cash will be paid as follows: [*Check applicable items below.*]

_____ (a) *Third Party Financing:* One or more third party mortgage loans in the total amount of \$ _____. If the Property does not satisfy the lenders' underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Purchaser. [*Check one item only:*]

_____ (1) This contract is subject to Purchaser being approved for the financing described in the attached *Third Party Financing Condition Addendum*.

_____ (2) This contract is not subject to Purchaser being approved for financing and does not involve FHA or VA financing.

_____ (b) *Assumption:* The assumption of the unpaid principal balance of one or more promissory notes described in the attached *Loan Assumption Addendum*.

_____ (c) *Seller Financing:* A promissory note from Purchaser to Seller of \$ _____ bearing _____% interest per annum, secured by [*choose the appropriate instrument authorized within the state:*] _____ mortgage, or _____ vendor's and deed of trust liens, and containing the terms and

conditions described in the attached *Seller Financing Addendum*. If an owner policy of title insurance is furnished, Purchaser shall furnish Seller with a mortgagee policy of title insurance.

5. TITLE INSURANCE: Seller agrees to furnish to Purchaser a standard form title insurance commitment, issued by a company qualified to insure titles in _____ [state], in the amount of the purchase price, insuring the mortgagee against loss on account of any defect or encumbrance in the title, unless herein excepted; otherwise, the earnest money shall be refunded. Said property is sold and is to be conveyed subject to any mineral and mining rights not owned by the undersigned Seller and subject to present zoning classification.

6. PRORATIONS & HAZARD INSURANCE: The taxes, as determined on the date of closing, are to be prorated between Seller and Purchaser as of the date of delivery of the deed. Seller shall keep in force sufficient hazard insurance on the property to protect all interests until this sale is closed and the deed delivered. If the property is destroyed or materially damaged between the date hereof and the closing and Seller is unable or unwilling to restore it to its previous condition prior to closing, Purchaser shall have the option of canceling the contract and receiving back the earnest money, or accepting the property in its damaged condition, any insurance proceeds otherwise payable to Seller by reason of such damage shall be applied to the balance of the purchase price or otherwise be payable to Purchaser.

7. CLOSING COSTS & DATE: The sale shall be closed and the deed delivered within sixty (60) days from the execution of this Agreement by all parties, except Seller shall have a reasonable length of time within which to perfect title or cure defects in the title to the said property. The Seller agrees to pay the cost of deed preparation and a mortgagee's title insurance policy, all other closing costs shall be paid by Purchaser. Purchaser agrees to allow Seller to remain in possession of said property subject to separate terms of a month to month lease agreement to be executed at closing for a lease period not to extend beyond _____ [insert month/day/year].

8. CONVEYANCE: Seller agrees to convey a good merchantable title and General Warranty Deed of said property insuring that property is free of all encumbrances, except as hereinabove set out and Seller and Purchaser agree that any encumbrances shall be paid in full at the time of closing from sales proceeds.

9. CONDITION OF PROPERTY: (a) *General Provisions and Obligations of Parties:* Seller agrees to deliver the heating, cooling, plumbing and electrical systems and any built-in appliances in operable condition at the time of closing. It shall be the responsibility of Purchaser, at Purchaser's expense, to satisfy himself/herself that all conditions of this contract are satisfied before closing. Said sale is contingent upon a satisfactory inspection of the property to be completed and reported to Seller prior to or on _____, 20____. Said contract shall only be renegotiable upon a major defect with an individual repair cost in excess of \$500.00. After closing, all conditions of the property, as well as any aforementioned items and systems, are the responsibility of Purchaser and shall be deemed purchased AS-IS. (b) *Lender Required Repairs and Treatments:* Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Purchaser. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Purchaser may terminate this contract and the earnest money will be refunded to Purchaser. (c) *Completion of Repairs and Treatments:* Unless otherwise agreed in writing, Seller shall complete all agreed repairs and treatments prior to the Closing Date. All required permits must be obtained, and repairs and treatments must be performed by persons who are licensed or otherwise authorized by law to provide such repairs or treatments. At Purchaser's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Purchaser at Purchaser's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Purchaser may do so and receive reimbursement from Seller at closing. The Closing Date will be extended up to 15 days, if necessary, to complete repairs and treatments. (d) *Environmental Matters:* Purchaser is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Purchaser's intended use of the Property. If Purchaser is concerned about these matters, an addendum required by the parties should be used.

10. SELLER'S WARRANTIES: Seller warrants that Seller has not received notification from any lawful authority regarding any assessments, pending public improvements, repairs, replacements or alterations to said premises that have not been satisfactorily made. These warranties shall survive the delivery of the above deed.

11. EARNEST MONEY: The Earnest Money as paid by Purchaser as set forth in Paragraph 3 hereof shall be deposited by Seller only upon the execution of this contract. The Earnest Money shall be nonrefundable to Purchaser except for the occurrences of Paragraphs 5, 6, or 12.

12. DEFAULT: If Purchaser fails to comply with this contract, Purchaser will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If, due to factors beyond Seller's control, Seller fails within the time allowed to make any non-casualty repairs, Purchaser may (a) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (b) terminate this contract as the sole remedy and receive the earnest money. If Seller fails to comply with this contract for any other reason, Seller will be in default and Purchaser may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

13. MEDIATION: Any dispute between Purchaser and Seller related to this contract that is not resolved through informal discussion [*choose one.*] _____ will _____ will not be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

14. SURVIVAL OF CONTRACT: All terms, conditions and warranties not performed at the time of delivery of the deed shall survive such delivery.

15. COMMISSION FEES: Purchaser and Seller agree that said contract was negotiated at arms length without assistance of any real estate agents or brokers and that no such fees shall be paid by either party in connection with this contract or sale.

16. ADDITIONAL PROVISIONS: Any additional Provisions set forth on the reverse side, initialed by all parties, are hereby made a part of this contract and this contract states the entire agreement between the parties and merges in this agreement all statements, representations, and covenants heretofore made, and any agreements not incorporated herein are void and of no force and effect.

17. SUCCESSORS AND ASSIGNS: This contract shall be binding upon any heirs, successors and assigns of Seller or Purchaser.

18. REVOCATION OF OFFER BY PURCHASER: This contract has been first executed by Purchaser and if not accepted by all parties by noon on _____, 20____, this offer shall be void.

19. DISCLOSURES:

[The Seller should note any disclosures about the property that may be required under Federal or state law. Consult an attorney if uncertainty exists as to which disclosures may be required.]

PURCHASER:

Date

[purchaser's signature above/printed name below]

[purchaser's signature above/printed name below]

SELLER:

_____ Date

_____ [seller's signature above/printed name below]

_____ [seller's signature above/printed name below]

Note: This addendum is *only* necessary if the parties have checked the option in **Paragraph 4(a)(i)** above.

**THIRD PARTY FINANCING CONDITION ADDENDUM
CONCERNING THE PROPERTY AT:**

_____ (Address of Property)

Purchaser shall apply promptly for all financing described below and make every reasonable effort to obtain financing approval. Financing approval will be deemed to have been obtained when the lender determines that Purchaser has satisfied all of lender's financial requirements (those items relating to Purchaser's assets, income and credit history). If financing (including any financed PMI premium) approval is not obtained within _____ days after the effective date, this contract will terminate and the earnest money will be refunded to Purchaser. Each note must be secured by an appropriate instrument authorized within the state, typically either (1) a mortgage or (2) vendor's and deed of trust liens. (Consult an attorney if you are unsure as to which instrument is appropriate for this transaction.)

CHECK APPLICABLE BOXES:

_____ A. CONVENTIONAL FINANCING:

_____ (1) A first mortgage loan in the principal amount of \$_____ (excluding any financed PMI premium), due in full in _____ year(s), with interest not to exceed _____% per annum for the first _____ year(s) of the loan with Loan Fees not to exceed _____% of the loan. The loan will be [choose one:] _____ with _____ without PMI.

_____ (2) A second mortgage loan in the principal amount of \$_____ (excluding any financed PMI premium), due in full in year(s), with interest not to exceed _____% per annum for the first year(s) of the loan with Loan Fees not to exceed _____% of the loan. The loan will be with without PMI.

_____ B. FHA INSURED FINANCING: A Section _____ FHA insured loan of not less than \$_____ (excluding any financed MIP), amortizable monthly for not less than _____ years, with interest not to exceed _____% per annum for the first _____ year(s) of the loan with Loan Fees not to exceed _____% of the loan. As required by HUD-FHA, if FHA valuation is unknown, "*It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser (Purchaser) shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser (Purchaser) has been given in accordance with HUD/FHA or VA requirements a written statement issue by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than \$_____. The purchaser (Purchaser) shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. 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 (Purchaser) should satisfy himself/herself that the price and the condition of the Property are acceptable.*"

If the FHA appraised value of the Property (excluding closing costs and MIP) is less than the Sales Price, Seller may reduce the Sales Price to an amount equal to the FHA appraised value (excluding

closing costs and MIP) and the sale will be closed at the lower Sales Price with proportionate adjustments to the down payment and loan amount.

_____ C. VA GUARANTEED FINANCING: A VA guaranteed loan of not less than \$ _____ (excluding any financed Funding Fee), amortizable monthly for not less than _____ years, with interest not to exceed _____% per annum for the first _____ year(s) of the loan with Loan Fees not to exceed _____% of the loan.

VA NOTICE TO PURCHASER: *"It is expressly agreed that, notwithstanding any other provisions of this contract, the Purchaser 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 Department of Veterans Affairs. The Purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs."*

If Purchaser elects to complete the purchase at an amount in excess of the reasonable value established by VA, Purchaser shall pay such excess amount in cash from a source which Purchaser agrees to disclose to the VA and which Purchaser represents will not be from borrowed funds except as approved by VA. If VA reasonable value of the Property is less than the Sales Price, Seller may reduce the Sales Price to an amount equal to the VA reasonable value and the sale will be closed at the lower Sales Price with proportionate adjustments to the down payment and the loan amount.

PURCHASER:

Date [purchaser's signature above/printed name below]

[purchaser's signature above/printed name below]

SELLER:

Date [seller's signature above/printed name below]

[seller's signature above/printed name below]

Note: This addendum is *only* necessary if the parties have checked the option in **Paragraph 4(b)** above.

LOAN ASSUMPTION ADDENDUM
TO CONTRACT CONCERNING THE PROPERTY AT:

(Address of Property)

A. CREDIT DOCUMENTATION: Within _____ days after the effective date of this contract, Purchaser shall deliver to Seller the following: [*check all applicable items:*] _____ credit report _____ verification of employment, including salary _____ verification of funds on deposit in financial institutions _____ current financial statement to establish Purchaser's creditworthiness. Purchaser hereby authorizes any credit reporting agency to furnish to Seller at Purchaser's sole expense copies of Purchaser's credit reports.

B. CREDIT APPROVAL: If Purchaser's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Purchaser within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Purchaser's credit is unacceptable, Seller may terminate this contract by notice to Purchaser within 7 days after expiration of the time for delivery and the earnest money will be refunded to Purchaser. If Seller does not terminate this contract, Seller will be deemed to have accepted Purchaser's credit.

C. ASSUMPTION:

_____ (1) The unpaid principal balance of a first lien promissory note payable to which unpaid balance at closing will be \$_____. The total current monthly payment including principal, interest and any reserve deposits is \$_____. Purchaser's initial payment will be the first payment due after closing.

_____ (2) The unpaid principal balance of a second lien promissory note payable to which unpaid balance at closing will be \$_____. The total current monthly payment including principal, interest and any reserve deposits is \$_____. Purchaser's initial payment will be the first payment due after closing.

Purchaser's assumption of an existing note includes all obligations imposed by the deed of trust securing the note. If the unpaid principal balance(s) of any assumed loan(s) as of the Closing Date varies from the loan balance(s) stated above, the [check only one:] _____ cash payable at closing _____ Sales Price will be adjusted by the amount of any variance; provided, if the total principal balance of all assumed loans varies in an amount greater than \$350.00 at closing, either party may terminate this contract and the earnest money will be refunded to Purchaser unless the other party elects to eliminate the excess in the variance by an appropriate adjustment at closing. Purchaser may terminate this contract and the earnest money will be refunded to Purchaser if the noteholder requires (a) payment of an assumption fee in excess of \$_____ in (1) above or \$_____ in (2) above and Seller declines to pay such excess, (b) an increase in the interest rate to more than _____% in (1) above, or _____% in (2) above, (c) any other modification of the loan documents, or (d) consent to the assumption of the loan and fails to consent. An appropriate instrument authorized within the state, typically either (1) a mortgage or (2) vendor's and deed of trust liens, to secure the assumption will be required, and it will automatically be released on execution and delivery of a release by noteholder. If Seller is released from liability on any assumed note, the instrument securing the assumption will not be required. If noteholder maintains an escrow account, the escrow account must be transferred to Purchaser without any deficiency. Purchaser shall reimburse Seller for the amount in the transferred accounts.

NOTICE TO PURCHASER: The monthly payments, interest rates or other terms of some loans may be adjusted by the noteholder at or after closing. If you are concerned about the possibility of future adjustments, do not sign the contract without examining the notes and the instrument securing the note.

NOTICE TO SELLER: Your liability to pay the note assumed by Purchaser will continue unless you obtain a release of liability from the noteholder. If you are concerned about future liability, you should use the a Release of Liability Addendum.

PURCHASER:

_____ Date _____ [purchaser's signature above/printed name below]

_____ [purchaser's signature above/printed name below]

SELLER:

_____ Date _____ [seller's signature above/printed name below]

[seller's signature above/printed name below]

Note: This addendum is *only* necessary if the parties have checked the option in **Paragraph 4(c)** above.

**SELLER FINANCING ADDENDUM
TO CONTRACT CONCERNING THE PROPERTY AT:**

(Address of Property)

A. CREDIT DOCUMENTATION: Within _____ days after the effective date of this contract, Purchaser shall deliver to Seller: [check all applicable items:] _____ credit report _____ verification of employment, including salary _____ verification of funds on deposit in financial institutions _____ current financial statement to establish Purchaser's creditworthiness. Purchaser hereby authorizes any credit reporting agency to furnish to Seller at Purchaser's sole expense copies of Purchaser's credit reports.

B. CREDIT APPROVAL: If Purchaser's documentation is not delivered within the specified time, Seller may terminate this contract by notice to Purchaser within 7 days after expiration of the time for delivery, and the earnest money will be paid to Seller. If the documentation is timely delivered, and Seller determines in Seller's sole discretion that Purchaser's credit is unacceptable, Seller may terminate this contract by notice to Purchaser within 7 days after expiration of the time for delivery and the earnest money will be refunded to Purchaser. If Seller does not terminate this contract, Seller will be deemed to have accepted Purchaser's credit.

C. PROMISSORY NOTE: The promissory note (Note) described in Paragraph 4 of this contract payable by Purchaser to the order of Seller will be payable at the place designated by Seller. Purchaser may prepay the Note in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest will immediately cease on the prepaid principal. The Note will contain a provision for payment of a late fee of 5% of any installment not paid within 10 days of the due date. The Note will be payable as follows:

_____ (1) In one payment due _____ after the date of the Note with interest payable _____.

_____ (2) In _____ installments of \$ _____, [check all applicable items:] _____ including interest _____ plus interest beginning _____ after the date of the Note and continuing at _____ intervals thereafter for _____ when the balance of the Note will be due and payable.

_____ (3) Interest only in _____ installments for the first _____ month(s) and thereafter in installments of \$ _____, [check all applicable items:] _____ including interest _____ plus interest beginning _____ after the date of the Note and continuing at _____ intervals thereafter for when the balance of the Note will be due and payable.

D. SECURING INSTRUMENT: [Choose the appropriate instrument authorized within the state:] A _____ mortgage, or _____ deed of trust lien, will provide for the following:

(1) PROPERTY TRANSFERS: [check only one:]

_____ (a) Consent Not Required: The Property may be sold, conveyed or leased without the consent of Seller, provided any subsequent Purchaser assumes the Note.

_____ (b) Consent Required: If all or any part of the Property is sold, conveyed, leased for a period longer than 3 years, leased with an option to purchase, or otherwise sold, without the prior written consent of Seller, Seller may declare the balance of the Note, to be immediately due and payable. The creation of a subordinate lien, any conveyance under threat or order of condemnation, any deed solely between Purchasers, the passage of title by reason of the death of a Purchaser or by operation of law will not entitle Seller to exercise the remedies provided in this paragraph.

(2) TAX AND INSURANCE ESCROW: *[check only one:]*

_____ (a) Escrow Not Required: Purchaser shall furnish Seller annually, before the taxes become delinquent, evidence that all taxes on the Property have been paid. Purchaser shall furnish Seller annually evidence of paid-up casualty insurance naming Seller as an additional loss payee.

_____ (b) Escrow Required: With each installment Purchaser shall deposit with Seller in escrow a pro rata part of the estimated annual ad valorem taxes and casualty insurance premiums for the Property. Purchaser shall pay any deficiency within 30 days after notice from Seller. Purchaser's failure to pay the deficiency constitutes a default under the securing instrument. Purchaser is not required to deposit any escrow payments for taxes and insurance that are deposited with a superior lienholder. The casualty insurance must name Seller as an additional loss payee.

(3) PRIOR LIENS: Any default under any lien superior to the lien securing the Note constitutes default under the deed of trust securing the Note.

PURCHASER:

_____ Date _____ *[purchaser's signature above/printed name below]*

_____ *[purchaser's signature above/printed name below]*

SELLER:

_____ Date _____ *[seller's signature above/printed name below]*

_____ *[seller's signature above/printed name below]*