

# Standard Purchase and Sales Agreement

Parties (BUYER) \_\_\_\_\_ and (SELLER) \_\_\_\_\_ which terms may be singular or plural and will include the heirs successors, personal representatives and assigns of Seller and Buyer, hereby agree that Seller will sell and Buyer will buy the following property, upon the following terms and conditions if completed or marked. In any conflict of terms or conditions, that which is added will supersede that which is printed or marked.

The property is located at: \_\_\_\_\_, City, \_\_\_\_\_ and located in the State of \_\_\_\_\_, County \_\_\_\_\_, and is further described as follows:

It is understood that the Property will be conveyed by General Warranty Deed (unless otherwise required) subject to taxes, existing zoning (unless otherwise specified in paragraph 16), covenants, restrictions and easements of record.

1. Total Purchase Price to be paid by Buyer is payable as follows:

A. Binder deposit which will remain as a binder until closing, unless sooner forfeited or returned, according to the provisions in this Agreement.

B. Additional binder deposit due within days after date of this agreement. \$ \_\_\_\_\_.

C. Balance due at closing (not including Buyer's closing cost, prepaid items or proration's) in U.S. cash or locally drawn certified or cashiers check approximately / exactly .

\$ \_\_\_\_\_.

D. Proceeds of a new loan to be executed by Buyer to any lender other than Seller.

E. Purchase money loan to Seller on terms set forth in Paragraph 2B.

\$ \_\_\_\_\_.

F. Other financing.

\$ \_\_\_\_\_.

G. Existing mortgage balance encumbering the Property to be taken subject to by Buyer (approximately).

\$ \_\_\_\_\_.

H. Total Purchase Price approximately / exactly .

\$ \_\_\_\_\_.

2. Financing: If buyer does not obtain the required financing but otherwise complies with the terms hereof, the binder deposit less sales and loan processing costs incurred, will be returned to the Buyer.

A. [ ] Application: The application for the mortgage described in paragraph 1D will be made with lender selected by [ ] Seller of [ ] Buyer. Unless such mortgage loan is approved without continued contingencies other than those elsewhere covered in this agreement within days of the date of acceptance of this agreement, Seller and Buyer will have the right to terminate this agreement, and

Buyer will return to Seller all the title evidence and surveys received from Seller. Buyer will make application for financing within days of the date of acceptance of this agreement and in a timely manner furnish any and all credit, employment, financial and other information required by the lender. In the event the original loan application is denied, Buyer, if requested by Seller, will reapply within days of such request at an alternate institution

B.  Seller: The balance due to Seller will be evidenced by a negotiable promissory note of Borrower, secured by a valid purchase money mortgage or Trust Deed on the Property and delivered by Buyer to Seller dated the date of closing bearing annual interest rate of % and payable \$ per for  years  months. Privilege of prepayment  does apply  does not apply. The loan will be due on sale not due on sale of Property.

3. Buyer Will Pay:

A. Closing Costs  Recording fees  Note stamps  Intangible tax  Credit reports  Loan transfer and assumption charges  VA funding fee  Loan origination fee  Loan insurance premium  Loan discount not to exceed  Transfer Tax  Wood Destroying Organism Report

B.  Appraisal  Survey  Title Insurance Policy Other

4. Seller Will Pay:

A. Closing Costs  Transfer tax  Title insurance policy  Attorney's fee  Real estate brokerage fee  Loan discount not to exceed  Satisfaction and recording fee  Repairs or replacements, in addition to those in paragraph 9, not to exceed \$ \_\_\_\_\_ .  Wood destroying organism report  Appraisal fee  Survey  Other

B. All other charges required by lender which Buyer is prohibited from paying by law or regulation.

C. All mortgage payments or condominium and association fees will be current at Seller's expense at the time of closing.

5. Payment of Expenses: If Buyer fails to perform, all loan and sale processing and closing costs incurred, whether the same were to be paid by Seller or Buyer will be the responsibility of the Buyer, with costs deducted from binder deposit. If Seller fails to perform, all loan, sales processing and closing costs incurred whether same were to be paid by Seller or Buyer will be the responsibility of Seller, and Buyer will be entitled to the return of the Binder deposit This will include, but not be limited to the transaction not being closed because Seller is unable to complete the transaction for a qualified Buyer, or because the property does not appraise for an amount sufficient to enable the lender to make the required loan, or because Seller elects not to pay for the excess amount in paragraphs 4 (with respect to repairs), 9, or 11, or because the zoning is not as required in paragraph 16 or because Seller cannot deliver marketable title.

6. Proration's: All taxes, rentals, condominium or association fees, prepaid hazard insurance premiums (if assumed), monthly mortgage insurance premiums and interest on loans will be prorated as of the date of closing.

7. Title Evidence: Within days  after acceptance  after date of satisfaction of all conditions in paragraph 19. Seller will deliver to Buyer or closing attorney  Title insurance commitment for an owner's policy in the amount of the purchase price. Any expense of curing title including but not limited to legal fees, discharge of liens and recording fees will be paid by Seller

8. Survey: Within days  after date of acceptance  after date of satisfaction of all conditions on paragraph 19, Seller will deliver to Buyer or closing attorney  A new staked survey dated within 3 months of closing showing all improvements now existing thereon and certified to Buyer, lender and the title insurer  A copy of a previously made survey of the Property showing all improvements now existing thereon.  No survey is required.

9. Wood destroying Organism Report: "Wood Destroying Organism" means any arthropod or plant life which damages a structure. Buyer may have property inspected by a Certified Pest Control Firm to determine whether there is any visible active wood destroying organism infestation or visible existing structural damage from wood destroying organisms to the improvements. If Buyer is informed of either or both of the foregoing, Seller will have seven (7) days from receipt of written notice thereof within which to have all such wood destroying organism damages whether visible or not inspected and estimated by a licensed building or general contractor. Seller will pay costs of treatment and repairs of all structural damage up to one percent (1 %) of the purchase price. If such costs exceed the amount agreed to be paid by Seller and Seller declines to treat and repair, Buyer will have the option of (a) terminating this

Agreement or, (b) proceeding with the transaction. In which event Seller will bear costs equal to one percent (1 %) of the purchase price.

10. Title Examination and Time for Closing:

A. If title evidence and survey, as specified above, show Seller is vested with a marketable title, subject to the usual exceptions contained in title insurance commitments (such as exceptions for survey, current taxes, zoning ordinances, covenants, restrictions and easements of record), the transaction will be closed and the deed and other closing papers delivered on or before [ ] [ ] days after the date of acceptance [ ] days after date of satisfaction of all conditions in paragraph 19 unless extended by other conditions of this Agreement or this agreement is cancelled by the Buyer.

B. If title evidence or survey reveals any defects which render the title unmarketable, Buyer will have 7 days from receipt of title commitment and survey to notify Seller of such title defects and Seller agrees to use reasonable diligence to cure such defects at Seller's expense and will have 30 days to do so, in which event this transaction will be closed within 10 days after delivery to Buyer of evidence that such defects have been cured. Seller agrees to pay for and discharge all due or delinquent taxes, liens and other encumbrances, unless otherwise agreed. If Seller is unable to convey to Buyer a marketable title, Buyer will have the right to terminate this agreement at the same time returning to Seller all title evidence and surveys received from Seller, or Buyer will have the right to accept such title as Seller may be able to convey and to close this transaction upon the terms stated herein, which election will be exercised within 10 days from notice of Seller's inability to cure.

11. Loss or Damage: If the property is damaged by fire or other casualty prior to closing, and cost of restoration does not exceed 3% of the assessed valuation of the improvements located on the Property, cost of restoration will be an obligation of the Seller and closing will proceed pursuant to the terms of this Agreement with cost thereof escrowing at closing. In the event cost of restoration exceeds 3% of the assessed valuation of the improvements and the Seller declines to repair or restore, Buyer will have the option of either taking the Property as is, together with either the said 3% or any insurance proceeds payable by virtue of such loss or damage, or of canceling this Agreement.

12. Seller agrees to deliver the *Property* in its PRESENT AS IS CONDITION except as otherwise specified herein. Seller does hereby certify and represent that Seller has legal authority and capacity to convey the property with all improvements. Seller further certifies and represents that Seller knows of no latent defects to the property and knows of no facts materially affecting the value of the property except the following:

Description of problems:

Buyer has inspected the property and HAS NOT RELIED UPON ANY REPRESENTATIONS MADE BY ANY REAL ESTATE AGENT in describing the property, and Buyer accepts the property in its PRESENT AS IS CONDITION, except as otherwise specified herein.

13. Occupancy [ ] Seller represents that there are no parties in occupancy other than Seller. Buyer will be given occupancy at closing unless otherwise specified herein . [ ] Buyer understands that property is available for rent or rented and the tenant may continue in possession following closing unless otherwise agreed in writing. Deposits will be transferred to Buyer at closing.

14. Personal Property: included in the purchase price are all fixed equipment including ceiling fans, drapery hardware, attached lighting fixtures, mailbox, fence, plants and shrubbery as now installed on the property. And these additional items : \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

Items specifically excluded from: \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

15. Default and Attorney's Fees: If Buyer defaults on this agreement; all deposits will be retained by the Seller as full settlement of any claim, whereupon Buyer and Seller will be relieved of all obligations under this agreement. If Seller defaults under this Agreement, the Buyer may seek specific performance or elect to receive the return of the Buyers deposit(s) without thereby waving any action for damages resulting from Seller's breach. In connection with any litigation arising out of this Agreement, the prevailing party will be entitled to recover all costs including a reasonable attorney's fee

16.  Zoning and Restrictions: Unless the Property is zoned and can be legally used for use, or if there is notice of proposed zoning changes, deed or other restrictions that could prevent such use at time of closing, Buyer will have the right to terminate this Agreement. Buyer will have 10 days from acceptance to verify the existing zoning and current proposed changes, and deliver written notice of objections to Seller or be deemed to have waived objections under this paragraph.

17. The offer of BUYER shall terminate if SELLER has not indicated his acceptance of this Agreement by signing and delivering same or telegraphing acceptance to Buyer or submitting agent before :

\_\_\_\_\_ [ ]AM.[ ]PM Date (DD/MMM/YYYY)\_\_\_\_\_

18. .Additional Terms, Conditions or Addenda (lettered A, B,.C,.D.etc.)\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

19. Timing: The timing of paragraphs 7,8,9, and 10(A) will become operable after satisfaction of paragraph 2, if applicable, and those additional conditions lettered in Paragraph 18.

20. There are no other agreements, promises or understandings between these parties except as specifically set forth herein. This legal and binding agreement will be construed under Law, will not be recorded and if not understood, parties should seek competent legal advice. Seller and Buyer give real estate agent authorization to advise surrounding neighbors who will be the owner of this property.

**TIME IS OF THE ESSENCE IN THIS AGREEMENT.**

21. Signed sealed on the date herein stated

\_\_\_\_\_

\_\_\_\_\_

Buyer Date of Offer Buyer

\_\_\_\_\_

\_\_\_\_\_

Seller Date of Acceptance Seller

[ ]Agent [ ] Seller, by the signature below, acknowledge receipt of \$ [ ]Cash [ ] Check, as binder deposit, which is the amount mentioned in paragraph 1 A of this Agreement.

\_\_\_\_\_

Agent Seller

## Contingency Clauses

1. Subject to adequate appraisals to buyer's satisfactions within 15 days of acceptance.
2. Buyer reserves the right to enter and repair property upon acceptance in order to obtain new financing. Buyer releases all claim on repairs or materials installed if purchase not completed by time set her within to close.
3. Buyer will be granted a 30 day extension on this contract with a \_\_\_\_\_ cash payment.
4. Seller agrees to accept from buyer for payment of the "additional payment" described in paragraph 1B a certain mortgage on \_\_\_\_\_ described as follows:
5. All plumbing, electrical, heating, A/C and sewer systems to b in working order at closing or repaired by Seller.
6. The buyer reserves the right to substitute collateral securing the purchase money mortgage, said collateral to be of equal or greater value of owner's equity. Seller shall execute all documents necessary to do so and those documents will be held in escrow by closing agent until released by Buyer.
7. In the event seller should elect to sell the purchase money mortgage at a later date, buyer (maker) shall have the right of first refusal on any bona fide written offer.
8. This transaction is subject to Buyer's inspection and written acceptance of all the legal financial records and date of the seller on the property (including, but not limited to all leases, rent records, expense records and tax returns regarding the property) for verification of representations of income and expenses.
9. This transaction is subject to complete inspection of the property for compliance with the building, health and fire codes and Buyer's written acceptance of the condition of the premises. Seller shall correct all code violations.
10. Seller warrants that all personal property, building structure, wiring, appliances, electrical fixtures, plumbing, heating and air conditioning devices are in good operating condition and that thereof is in good repair and free of leaks and all will be so at closing and foe one year after the date of closing. These warranties shall survive and extend past delivery of deed.
11. Seller warrants there are no leases on the property for a period longer than six (6) months and no leases containing an option to renew on like terms.
12. This transaction is subject to Buyer's inspection and written approval of terms of existing mortgages. This transaction is contingent on existing mortgages not having clauses providing for a balloon payment; balance due on sale of assumption or interest increase on sale or assumption or prepayment penalty.
13. Buyer has the right to immediate possession of the property for purposes of making improvements and/showing said property.
14. This transaction is subject to an inspection by my partner within 3 days of the seller's acceptance of the offer.
15. The seller agrees to hold a purchase money mortgage and further agrees that the maker of the promissory note reserves the right to miss one payment per loan year and failure to make such payment shall not default of the said note.
16. Purchase money mortgage is to be paid as per the attached amortization schedule.
17. Seller(s) understands the Buyer(s) or assigns will be getting a first mortgage of a maximum of the appraised value less the purchase money mortgage to the Seller(s). Seller(s) hereby acknowledge that they understand tat the purchase money second mortgage that they will hold is junior to the above-mentioned first mortgage.
18. LIMITATIONS ON LIABILITY: The liability on the part of the Buyer(s) to satisfy the terms and conditions of the note(s) executed in favor of the Seller(s) as part of this agreement shall be limited to the property securing such note(s) and shall note extend beyond this. There will be no personal liability to the maker of the note.
19. Seller(s) understands that the interest of the purchase money mortgage will not begin for \_\_\_\_\_ months to give Buyer(s) time to repair property and/or find an occupant and that this means the first payment to the Seller(s) will be \_\_\_\_\_ months after closing.
20. If the house is vacant at the time of acceptance of this offer the Seller(s) hereby gives permission for the Buyer(s) to retain a key and show the premises to contractors and prospective occupants. The Buyer(s) agree that no change will be made to the property after closing without the Seller(s) written permission.
21. The purchase money mortgage shall be payable at \$ \_\_\_\_\_ per month for a period of \_\_\_\_\_ months until the total sum of \$ \_\_\_\_\_ is paid in full.