

# REAL ESTATE PURCHASE AGREEMENT

DATE: \_\_\_\_\_

TIME: \_\_\_\_\_

The undersigned offers to purchase the property commonly known as: \_\_\_\_\_ and agrees to pay the purchase price of \$ \_\_\_\_\_ in the following manner: Upon execution of this Real Estate Purchase Agreement, Buyer has paid \$ \_\_\_\_\_ as part of the earnest money/down payment, and upon execution of a contract to be entered into on or before \_\_\_\_\_, \_\_\_\_\_ will pay an additional sum of \$ \_\_\_\_\_ as earnest money/down payment. Possession and settlement, including payment of the balance of the purchase price by cashier's check, certified funds, or the equivalent, shall occur on or before the \_\_\_\_ day of \_\_\_\_\_, and on receipt of deed.

Unless otherwise agreed herein, all earnest money/down payment will be deposited into the Listing Brokerage escrow account until closing, or there is written agreement between Buyer and Seller as to its distribution, or the escrowee receives an order entered by a court of competent jurisdiction regarding its distribution. Taxes and rents, if any, shall be prorated as of the date of possession. Seller shall provide a title guarantee policy for the amount of the purchase price, with only standard exceptions. Easements and building or use restrictions of record, and zoning and building ordinances, if any, shall not be considered as rendering title unmerchantable or unacceptable, provided same are not violation by existing improvements or the use thereof.

This Purchase Agreement is contingent upon the following:

1. **FINANCING:** This Agreement is subject to Buyer obtaining (check applicable):

\_\_\_\_ Conventional (\_\_\_\_ Fixed/\_\_\_\_ ARM) \_\_\_\_\_ VA \_\_\_\_\_ FHA \_\_\_\_\_ Other \_\_\_\_\_

in an amount equal to \_\_\_\_% of the purchase price, amortized over \_\_\_\_\_ years,

(check one of the following):

\_\_\_\_ at an initial interest rate not to exceed \_\_\_\_% and points charged not in excess of \$ \_\_\_\_\_. (or)

\_\_\_\_ at the prevailing loan interest rate and terms,

and an appraisal of the property reflecting a value of not less than the stated purchase price. Seller agrees to pay up to \$ \_\_\_\_\_ in discount points, if charged by lender. Buyer agrees to make a good faith effort to apply for said financing on or before the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. In the event Buyer is unable to obtain this financing and/or the appraisal does not reflect a value of at least the stated purchase price and Buyer so notifies Seller in writing on or before the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, this Agreement shall become null and void, and any down payment paid or escrowed shall be refunded to Buyer. If Seller is not so notified, it shall be conclusively presumed that Buyer has waived this contingency.

2. **WOOD DESTROYING INSECT PROVISION:** At Buyer's expense, Buyer shall have the right to obtain a current written statement, on that form as currently approved for use by the Department of Veteran's Affairs and Department of Housing and Urban Development, from a licensed exterminator that based upon careful visual inspection of readily accessible areas there is no evidence of wood destroying insect infestation in the subject property or evidence of any previous infestation. Buyer shall submit a copy of the inspection report to Seller not less than fourteen (14) days prior to closing. In the event the inspection reveals a current active infestation, then Seller shall bear the cost of extermination. Any other treatment shall be at Buyer's expense. In the event the inspection reveals active infestation or previous infestation, then Buyer shall have the right to have the premises inspected by a qualified person of Buyer's choice, and at Buyer's expense, for the purpose of determining whether or not there is any defect in any structural member. In the event it is determined that a structural defect exists, Buyer shall cause a copy of the written report of the inspection for structural defect to be delivered to Seller not less than seven (7) days prior to closing. Seller shall then have the option of correcting such structural defect, or rescinding the Contract and returning the down payment to Buyer. Should Seller elect to rescind, Seller must give notice of such election to Buyer not less than five (5) days prior to closing. Should Seller elect to rescind, Buyer shall still have the right to consummate the purchase transaction, taking the property in "as is" condition with respect to the reported structural defect. Buyer must give Seller or Seller's attorney written notice of this intention within four (4) days of receiving Seller's notice of rescission. Structural components shall not be considered defective if they are structurally sound.

3. **LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS:**

A. If the improvements on the Real Estate subject to this Purchase Agreement were built before 1978, Buyer acknowledges receipt of a federal lead information pamphlet and the form entitled "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" and information, if any, possessed by Seller concerning the presence of lead paint on the property as required by the Federal Residential Lead-Based Paint Hazard Reduction Act.

B. Check one of the following sub-sections, 1, 2, or 3:

\_\_\_\_ (1) The improvements on the real estate subject to this Purchase Agreement were built after 1977. No risk assessment or inspection for the presence of lead-based paint or lead-based paint hazards is required.

\_\_\_\_ (2) The improvements on the real estate subject to this Purchase Agreement were built before 1978, but Buyer has knowingly and voluntarily waived the right to conduct a risk assessment or inspection for the presence of lead-based paint and lead-based paint hazards. (Disclosure Statement attached hereto and made apart hereof by this reference.)

\_\_\_\_ (3) This Purchase Agreement is contingent upon a risk assessment or inspection of the property for the presence of lead-based paint and/or lead-based paint hazards at Buyer's expense until 5:00 p.m. on the tenth (10th) calendar day after the effective date of this Purchase Agreement. This contingency will terminate at the aforesaid predetermined deadline unless Buyer delivers to Seller a written notice listing

THIS AGREEMENT HAS THREE PAGES PRCHAGRMNT (11-2012)

Buyer's Initials: \_\_\_\_\_

Seller's Initials: \_\_\_\_\_

the specific existing deficiencies and corrections needed, together with a copy of the inspection and/or risk assessment report. Seller may, at Seller's option, within two (2) days of delivery of the notice, elect, in writing, whether to correct the condition(s) prior to the final time of settlement of this Purchase Agreement. If Seller will correct the conditions(s), Seller shall furnish Buyer with certification from a risk assessor or inspector demonstrating that the condition(s) has been remedied before the final date of settlement. If Seller does not elect to make the repairs or remediation, or if Seller makes a counter-offer, Buyer shall have two (2) days to respond to the counter-offer or remove this contingency and take the property with whatever lead-based paint and/or lead-based paint hazards exist; otherwise, this Purchase Agreement shall become null and void, and Seller shall return the down payment to Buyer. Buyer may remove this contingency at any time without cause. (See the Disclosure Statement attached hereto and made a part of hereof by this reference.)

**4. EQUIPMENT & INSPECTIONS:**

A. To the best of Seller's knowledge, all mechanical equipment and appliances being a part of the transfer of real estate and its improvements will be in working condition on the day of closing (or possession by the Buyer, whichever occurs first), unless otherwise stated in writing and agreed upon by the Buyer. Seller makes no warranty expressed or implied, with respect to such equipment. **WORKING CONDITION MEANS THAT THE MECHANICAL EQUIPMENT AND APPLIANCES ARE IN OPERABLE CONDITIONS AND DO NOT POSE A KNOWN THREAT TO THE USER'S SAFETY OR HEALTH WHEN USED AS INTENDED AND IN A REASONABLE MANNER.**

B. At Buyer's expense, Buyer shall have the right to obtain an inspection(s) of the premise by an independent inspection service provider(s), certified/licensed, if such certification or licensing is available, and/or qualified, to determine the condition of the premises. If inspection discloses any MOLD, TOXIC HAZARDOUS WASTE, or any defects with the HEATING, AIR CONDITIONING, ELECTRICAL or PLUMBING SYSTEMS, REMAINING APPLIANCES, ROOF, STRUCTURAL COMPONENTS, WELL or SEPTIC SYSTEMS, or any unacceptable RADON levels, and Buyer wishes to request repairs or remediation, Buyer shall submit a copy of the inspection report(s) and Buyer's specific written request for remediation or repairs, if any, to Seller on or before \_\_\_\_\_.

C. If defects are reported, then Seller shall have one of the following options, and shall give written notice to Buyer or to Buyer's attorney within seven (7) days of receiving Buyer's report:

- (1) Treat the condition and repair the defects at Seller's own cost and expense.
- (2) Give Buyer credit for the cost of repair at settlement, or
- (3) Rescind the Contract and refund Buyer's earnest money.

If Seller does not so notify Buyer within seven (7) days of receiving Buyer's report, it shall be conclusively presumed that Seller has elected to rescind the Purchase Agreement and Buyer shall be entitled to a refund of earnest money.

D. If defects are timely reported, the following are conditions precedent to Seller's obligation to respond:

- (1) In the aggregate the cost of repair or replacement must equal \$500.00 or more.
- (2) The defects must not have been disclosed in the Residential Real Property Disclosure Act or other similar form.
- (3) The defects must not have been disclosed to Buyer in writing prior to the date the offer was made to purchase.
- (4) The defects must not have been readily observable and obvious. Defects which are not readily observable and obvious include concealed or obscured conditions or conditions requiring a trained person to identify, but do not include those readily apparent to the naked eye.
- (5) The roof (defined as all materials above rafters or trusses) shall not be considered defective if it is free from leaks.
- (6) The structural components shall not be considered defective if they are structurally sound.
- (7) The radon level is measured at four (4) picocuries per liter of air or higher.

E. At Buyer's expense, Buyer shall have the right to obtain a post-mitigation radon inspection by a licensed radon inspector.

F. Should Seller elect to rescind the Purchase Agreement, Buyer shall have the right to consummate the purchase transaction, taking the property in "as is" condition, with whatever defects exist. Buyer must give Seller or Seller's attorney written notice of this intention within 4 days of receiving Seller's notice of rescission.

G. Buyer shall have the right to make a final inspection of the property immediately prior to settlement to verify that its condition has not deteriorated from the date the offer was made to purchase (ordinary wear and tear excepted).

**5. HOME PROTECTION PLAN (Check One)**

Buyer waives the option to secure a home protection plan.

Buyer  Seller shall pay for the cost of a one-year home protection plan, issued by \_\_\_\_\_, with the following optional coverage \_\_\_\_\_. The home protection plan cost shall not exceed \$\_\_\_\_\_.

**6. PERSONAL PROPERTY:** The purchase price expressed above includes the following items which pass for no additional consideration:

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