

Purchase Agreement

General/Financed Contract

Date _____

The undersigned Buyer(s) _____ hereby agree(s) to purchase, and the undersigned Seller(s) _____ hereby agree(s) to sell

the following described real estate, together with all improvements, shrubbery, planting, fixtures and appurtenances (the "Property") situated in the City of _____, County of _____, Alabama, on the terms stated below:

Address: _____ Zip: _____

Legal Description: Lot _____ Block _____ Subdivision _____

Plat/Deed _____ Page _____

Buyer and Seller acknowledge, in the event this contract is cancelled or not closed, fees or costs paid in advance may be non-refundable.

1. **THE PURCHASE PRICE SHALL BE** \$ _____

Earnest Money (Receipt of which is hereby acknowledged by the Agent).....\$ _____

(A) **FINANCING:** (Check as applicable)

Buyer will pay cash for the property with no financing contingency.

This contract is contingent on Buyer obtaining loan approval as specified in (a) or (b) below by _____, 20____.

Buyer and Seller acknowledge that letters of pre-approval issued by a lending institution are not warranted by the Brokers and Sales Associates.

Conventional FHA VA Equity Other _____ (if FHA or VA, see attached addendum).

Seller financing or Assumption of mortgage (See attached addendum).

Buyer will apply for financing and provide a letter of pre-approval within _____ days from contract acceptance date (5 days if not specified) and will provide any and all credit, employment, financial and other information required by the lender. Either party may cancel this Contract if the Buyer, after using diligence and good faith, cannot obtain the financing. In this event, all earnest money shall be promptly refunded to Buyer.

Appraisals – Conventional Loan. If Conventional financing is used, the Buyer(s) acknowledge(s) that any appraisal required by the lender is used to determine the maximum mortgage amount and does not warrant the value or condition of the property. Further it is expressly agreed that notwithstanding any other provision of this Contract, Buyer(s) shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein if the contract purchase price exceeds the appraised value. Buyer(s) shall,

however, have the privilege and option of proceeding with the consummation of the contract without regard to the appraised value. (FHA/VA requirements to be determined in addendum)

(B) SELLER to pay the following expenses: _____

PURCHASER to pay the following expenses: _____

2. **CLOSING & POSSESSION DATES** : The sale shall be closed and the deed delivered on or before _____, 20____, except **Seller shall have a reasonable length of time within which to perfect title or cure defects in the title to the property** . Possession is to be given on delivery of the deed, if the property is then vacant; otherwise; possession shall be delivered on _____, 20____, at _____ AM PM.

NOTE: If Buyer is to be given possession prior to closing, or if Seller is to remain in possession after closing, it is recommended that the parties enter into a written occupancy agreement. **If closing date is changed, possession date may need to be changed accordingly.**

3. **EARNEST MONEY & BUYER'S DEFAULT:** Listing Broker Selling Broker _____, to hold the earnest money in trust until this contract has been accepted and signed by all parties, at which time the earnest money will be promptly deposited into the escrow account of the Broker; cash shall be deposited immediately. In the event Buyer fails to carry out and perform the terms of this Contract, the earnest money shall be forfeited as liquidated damages at the option of Seller, provided Seller agrees to the cancellation of this Contract. In the event either Buyer or Seller claim the earnest money without the agreement of the other party, the holder of the earnest money, in accordance with Alabama Real Estate License Law Rule: 790-X-3-.03 (4)(5), the Broker must either retain the earnest money until there is a written agreement among the parties or interplead the disputed portion of the earnest money into court. The broker shall be entitled to deduct from the earnest money for court costs, attorney fees and other expenses relating to the interpleader. **Seller, at Seller's option, may cancel this agreement if the earnest money check is rejected by the financial institution.**

4. **AGENCY DISCLOSURE:**

The Listing Company is: _____
(Two blocks may be checked)

The Selling Company is: _____
(Two blocks may be checked)

An agent of the Seller

An agent of the Seller

An agent of the Buyer

An agent of the Buyer

An agent of both the Seller and Buyer, and is acting as a limited consensual dual agent

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Assisting the

Assisting the

Buyer Seller as a transaction broker

Buyer Seller as a transaction broker

Seller(s) Initials _____

Buyer(s) Initials _____

5. **SURVEY:** It is suggested that the Buyer obtain a survey. Buyer does does not request a survey by a registered Alabama land surveyor. The survey shall be at Buyers Sellers expense. (NOTE: Lender may require a survey.)

6. **TAX PRORATION, ASSOCIATION FEES AND LEASES:** All ad valorem taxes, any association fees and any rents being collected from existing tenants will be prorated at time of closing. Existing leases shall be transferred to purchaser at closing. NOTE: Taxes are prorated based upon current information furnished by the Tax Assessor's Office.
7. **MERCHANTABLE TITLE:** The seller shall convey good and merchantable title in fee simple to said property to the buyer by warranty or other appropriate deed, free of all encumbrances, except as herein stated. In the event that the title is unmerchantable, earnest money shall be refunded.

TITLE EVIDENCE: Good and merchantable title to be issued in the form of: Owner's Title Insurance Mortgagee Title Insurance Title Opinion Title Abstract. This cost shall be the Buyer's Seller's. The property is sold and is to be conveyed subject to any mineral and/or mining rights not owned by Seller.

8. **HOME WARRANTY:** Buyer does does not require a Home Warranty Policy at closing to be paid by Buyer Seller at a cost not to exceed \$ _____.

9. **BUYER INSPECTIONS AND/OR DISCLOSURES**

- (A) Buyer accepts property in **AS IS** condition. Seller(s) Initials _____ Buyer(s) Initials _____
- (B) Buyer/s have the right to make any professional inspection/s by licensed or certified inspector/s or contractor/s, at Buyer/s expense, prior to the expiration of exactly _____ consecutive calendar days of contract's acceptance by all parties as indicated below by the date and time Buyer/s acknowledge receipt of the copy of the accepted agreement. The utilities for the property will be made available by Seller/s for the Buyer/s inspection/s. Failure of Buyer/s to provide a copy of any professional inspection report/s within _____ consecutive day/s time period on which the Buyer/s have identified the necessary item/s to be repaired, constitutes a waiver of same and Buyer/s relinquish any right to rely thereon and release Seller/s and real estate licensees from all liability. Seller/s reserve the right to correct said defective condition/s, not to exceed a cost of \$ _____ unless otherwise agreed to after inspection in writing by the Seller/s and Buyer/s. If Seller/s do not agree to correct said defective condition/s, or an agreement is not made between Seller/s and Buyer/s, Buyer/s have the option to accept the property "as is" or may cancel the purchase/sales contract and receive a full refund of their earnest money.

Buyer further acknowledges and agrees that he/she is aware that professional inspection services and/or contractors may be engaged for this purpose and that _____ strongly recommends the use of such professionals. Buyer understands and agrees that real estate licensees lack the expertise to determine the condition of a property, and therefore, Buyer will not rely on any statements or omissions made by the real estate licensees regarding the condition of a property.

- (C) **SEWER/SEPTIC SYSTEMS:** Seller represents that property is is not connected to sewer and all impact and connection fees have been paid. If not on sewer, Seller represents that the property is, is not connected to a septic system. If property is on a septic system, Buyer does does not require a septic system inspection at Buyer(s) expense.
- (D) **TERMITE AND/OR WOOD INFESTATION/FUNGUS REPORT:**
 Seller shall provide to Buyer before closing a current written "Official Alabama Wood Infestation Report," issued by a licensed pest control company, stating that the accessible areas of the property were properly inspected and showed no evidence of any active or previous signs of subterranean or dry wood termites, powder post, wood boring beetles or wood decaying fungus. In the event the infestation report reflects any active or previous signs of termite, fungus, decay, or other infestation, Buyer or Seller shall have the right to cancel this agreement without penalty and the Buyer shall be refunded all earnest money, or Buyer may request Seller, at Seller's expense, to provide a treatment contract from a license pest control company. Any repairs required per Wood Infestation Report will be at cost of Seller Buyer not to exceed \$ _____ unless otherwise agreed to in writing after inspection is completed. This does not preclude the Buyer's and Seller's right to negotiate other options.

(E) LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS:

Lead-based paint disclosure required yes no This disclosure is Federally mandated for properties built prior to 1978 (see addendum). Seller(s) Initials _____ Buyer(s) Initials _____

- 10. BUYER AND SELLER HEREBY ACKNOWLEDGE AND AGREE** the listing and selling companies, their officers, director(s), employee(s), broker(s), and sales associates shall not be held responsible or liable for any obligations or agreements that the Buyer or Seller have to one another hereunder and shall not be held responsible for any representation or the passing of any information to or from the Buyer(s) or Seller(s) and, agree to discharge and release the companies, their officers, directors, employees, brokers, and sales associates from any claims, demands, damages, actions, causes of actions or suit at law arising from the sale of said property and shall include but not be limited to the condition of the heating, cooling, plumbing, water and electrical systems and any built-in appliances; the roof and the basement, including leaks therein; the existence of asbestos; the size and area of the property; workmanship or construction materials, including floors; structural condition; utility and sewer or septic system condition, availability and location; the investment or resale value of the property; subsurface or subsoil conditions, sinkholes, and mining or other soil conditions, including radon or other potentially hazardous gases or toxic materials, toxic mold, existence of, or damage from, wood destroying insects and/or fungus; property access, easements, covenants, restrictions, developments, structures and any matters affecting the character of the neighborhood; appurtenances thereto or any related mortgage terms and conditions.
- 11. SELLER WARRANTS** that Seller has not received notification from any lawful authority regarding any assessments, pending assessments, pending public improvements, repairs, replacements, or alterations to the property that have not been satisfactorily made. Seller warrants that there is no unpaid indebtedness on the property except as described in this contract. These warranties shall survive the delivery of the deed.
- 12. FIRE/SMOKE/GAS DETECTORS:** Buyer shall satisfy himself/herself that all applicable federal, state and local statutes, ordinances and/or regulations concerning fire/smoke/gas detectors or fire protection equipment have been met. Upon closing or after taking possession of the property, whichever occurs first, Buyer shall be solely responsible for compliance with such laws.
- 13. RISK OF LOSS:** Seller agrees to keep in force sufficient hazard insurance on the property to protect all interests until this sale is closed and the deed is delivered. If the property is destroyed or materially damaged between the date hereof and the closing, and Seller is unable to restore it to its previous condition prior to closing, the Buyer shall have the option of canceling this contract and recovering the earnest money or accepting the property in its damaged condition provided that notice of cancellation must be received prior to closing. If Buyer elects to accept 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 Buyer. It is the Buyer's responsibility to ensure that adequate insurance is provided after closing and prior to possession (i.e., during time property is not owner-occupied).
- 14. IMPROVEMENT & APPURTENANCES:** All dwellings, improvements, storage buildings, and appurtenances presently situated in and on said realty, are included in the purchase price such as: ceiling fans, attached light fixtures and their shades, blinds, traverse rods, curtain rods, cornice boards, remote control garage door openers, television antennas and rotor equipment, exterior lights, doorbells, mantels, water heaters, plumbing fixtures, attic fans, carpeting, built-in kitchen appliances, door and window screens, stationary laundry tubs, heating and air conditioning equipment, smoke detectors, water pump and pressure tank, awning, pier (floating and stationary), fences, trees, shrubbery, all plantings, mail box, garbage carts and all other items which are permanently attached to the property, buildings, or appurtenances, unless otherwise specifically excluded in this agreement.

Additional items to remain: _____

Items to be excluded from sale: _____

15. **DISCLOSURE OF INFORMATION:** The purchase price and terms of this sale may be disclosed to the members and affiliate members of the _____ (local board/association) for use in the ordinary conduct of their business.

16. **ADDITIONAL PROVISIONS:** _____

17. **ENTIRE AGREEMENT:** This contract constitutes the entire agreement between Buyer and Seller regarding the property, and supercedes all prior discussions, negotiations and agreements between Buyer and Seller, whether oral or written, Neither Purchaser, Seller, Broker, nor any sales associate shall be bound by any understanding, agreement, promise, or representation concerning the property, expressed or implied, not specified herein. This is intended to be a legally binding contract. If you do not understand the legal effect of any part of this contract, seek legal advice before signing.

18. **FACSIMILE OR COUNTERPART SIGNATURES:** This contract may be signed and/or delivered by either party or all parties by facsimile and shall be binding upon the party so executing it upon the receipt by the other party of the fully executed contract.

19. **BUYER'S AND SELLER'S ACKNOWLEDGEMENT:** Buyer and Seller acknowledge receipt of a copy of this Agreement and any attached addenda.

20. **CONTRACT ACCEPTANCE DATE:** _____

Buyer Initials _____ Seller Initials _____

Buyer Initials _____ Seller Initials _____

Witness to Buyer's Signature (Date)

Buyer's Signature (Date) Social Security Number

Witness to Buyer's Signature (Date)

Buyer's Signature (Date) Social Security Number

Witness of Seller's Signature (Date)

Seller's Signature (Date) Social Security Number

Witness of Seller's Signature (Date)

Seller's Signature (Date) Social Security Number

THE USE OF THIS FORM IS VOLUNTARY AND IS MADE AVAILABLE BY AAR ONLY FOR USE BY THOSE MEMBERS WHO MAKE AN INDEPENDENT DETERMINATION FOR THE NEED FOR SUCH A FORM. BY MAKING AVAILABLE THIS FORM TO ITS MEMBERS, AAR DOES NOT RECOMMEND OR ENDORSE ITS USE OR NON-USE.