Offer to Purchase Real Estate

To:  \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, referred to herein as BUYER, offers to purchase the following described real estate from \_\_\_\_\_\_\_\_\_\_\_\_, referred to herein as SELLER, upon the terms and conditions stated herein.

This offer shall expire unless accepted by 5:00 p.m. on \_\_\_\_ \_\_\_\_\_\_\_\_. SELLER shall signify acceptance by executing the attached form of acceptance.

The gross purchase price shall be $ \_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_\_\_ &\_\_\_/100 dollars). The legal description of the property is:

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

To be paid upon the following terms:

$ \_\_\_\_\_(\_\_\_\_\_\_\_\_\_\_\_\_\_\_ &\_\_\_/100 Dollars), to be paid at closing.

The buyer shall assume and agree to pay the following existing mortgages upon the property. The unpaid principal balance of these mortgages shall be a credit towards the purchase price:

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

At least 5 business days before closing, SELLER shall provide to BUYER estoppel letters providing the balance, assumability and current good standing of the above stated mortgage(s).

The BUYER shall execute a new purchase money mortgage to SELLER, in the principal amount of $\_\_\_\_\_\_\_\_, (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ &\_\_\_/100 dollars) payable as follows:

Interest at the rate of: \_\_ percent Payment schedule: \_\_\_\_\_\_\_

Said mortgage shall have the following priority:

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

This offer is conditioned upon BUYER obtaining loan approval at least \_\_ days prior to closing of this transaction, of a mortgage loan as follows:

Principal amount: $\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ &\_\_\_/100 Dollars)

Loan term: \_\_\_\_\_\_\_\_\_\_\_\_

Maximum interest rate as APR under regulation Z: \_\_\_\_ percent

Maximum points to be paid by BUYER: \_\_\_\_

Maximum application fee: $\_\_\_\_

BUYER shall make a mortgage loan application within 3 working days of the acceptance of this offer, and should the BUYER's loan application be denied, the BUYER shall have the option, within 2 business days to rescind this transaction. If BUYER elects to rescind the transaction, BUYER shall receive any deposits made from SELLER.

The closing will be held within \_\_\_\_ days of the acceptance of this offer to the SELLER, but in no event in less than 20 days from the notice. The SELLER shall convey to the owner by warranty deed the property herein, and the title thereto shall be merchantable. Within 30 days of acceptance, the SELLER shall provide a binder for title insurance in the principal amount of the purchase price. The title shall be free and clear of any encumbrances other than those, if any, to be assumed by the BUYER at closing. Should any defects be in the title, the SELLER shall have 60 days to clear the same. If the SELLER is unable to do so, BUYER shall have the option of closing or rescinding this contract. Should BUYER rescind the contract, then the SELLER shall refund as liquidated damages, and not a penalty, the funds paid for the option to BUYER.

The BUYER may at its expense obtain a current survey of the property. Should the survey indicate encroachments, then the SELLER shall remedy the same within 60 days. Should SELLER fail to clear such encroachments, then the BUYER shall have the option of closing or rescinding this contract. Should BUYER rescind the contract, then the SELLER shall refund as liquidated damages, and not a penalty, the funds paid for the option to BUYER.

The SELLER shall maintain the property and all improvements in the same condition as that which exists on the date of acceptance of this agreement, and shall deliver the same to the BUYER in the same condition, ordinary wear and tear excepted.

At closing, SELLER shall provide a report from a licensed entomologist certifying the absence of termites and other wood destroying organisms. Should the report show the active presence of any wood destroying organisms, and the BUYER shall have the following options:

a) if the damage and cost of treatment is less than 10% of the purchase price, the BUYER may withhold this sum and close, and the same shall be a credit on the sums due at closing;

b) if the damage exceeds 10% the BUYER may agree to an extension of closing for 90 days to allow SELLER to repair the same at its expense, or, the BUYER may refuse to close, and shall have the sums paid for the option fully refunded by SELLER.

During the period between exercise of the option by the buyer and the closing the premises shall be adequately insured for fire and other perils.

The following closing costs will be paid by SELLER:

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

The following closing costs will be paid by BUYER:

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

The parties hereto acknowledge that \_\_\_\_\_\_\_\_\_\_\_, a licensed real estate broker/salesman was the procuring broker herein.

Should the premises or any portion thereof be leased, SELLER shall provide to the BUYER either a copy of and any all leases in effect, or, should there be any tenants in possession without current written leases, the SELLER shall provide estoppel letters at least 5 days prior to closing stating that there is no lease and the duration of any verbal lease, and the terms of the verbal lease.

All taxes for the current year, escrows on mortgages assumed by the BUYER, prepaid insurance on policies assumed by BUYER, homeowners association dues, shall be prorated between the parties as of the date of closing.

At the time of closing SELLER shall provide an affidavit to

BUYER that either:

a) there have been no improvements made which would subject the property to the filing of mechanic's, materialman, labor or other such liens; or

b) that there were improvements made to the subject property and all persons having the right under law to lien the property were paid or lien waivers obtained.