

RESIDENTIAL REAL ESTATE PURCHASE AGREEMENT



Date of Prepared Agreement _____ 20____

TO _____ (SELLERS)

1. **REAL ESTATE DESCRIPTION.** The undersigned BUYERS hereby offer to purchase and the undersigned SELLERS by their acceptance agree to sell the real property situated in _____ County, Iowa, locally known as: _____ and legally described in the title document as:

_____ together with any easements and appurtenant servient estates, but subject to any reasonable easements of record for public utilities or roads, any zoning restrictions, customary restrictions, customary restrictive covenants and mineral reservations of record, if any, herein referred to as the "Property," upon the following terms and conditions provided BUYERS, on possession, are permitted to use the Property for residential purposes.

If applicable, see HOMEOWNERS ASSOCIATION/CONDOMINIUM ASSOCIATION/COMMON INTEREST COMMUNITY ADDENDUM (HOA).

2. **PURCHASE PRICE.** The Purchase Price shall be \$ _____ and the method of payment shall be as follows: \$ _____ with this offer as earnest money to be deposited upon acceptance of this offer; made payable to and held in trust by _____. In the event this Purchase Agreement is not acceptable to both BUYERS and SELLERS or all contingencies or sub-contingencies are not met in a timely manner as specified below, then said earnest money is to be returned to BUYERS. The balance of the purchase price shall be paid as indicated below. Select below all that apply, (A) through (E).

A. **NEW MORTGAGE:** (CONV) (FHA) (VA) (Other) _____.

This Purchase Agreement is contingent upon the BUYERS obtaining a written commitment for a first real estate mortgage for ____ % of the purchase price with interest on the promissory note secured thereby of not more than ____ % amortized over a term of not less than ____ years. BUYERS agree to pay all customary loan costs. BUYERS agree upon acceptance of this offer to make application **within three (3) business days** for such mortgage with a commercial mortgage lender and to exercise good faith efforts to obtain a mortgage commitment as above provided. Upon receiving written loan commitment, (supported by the lender's required appraisal), BUYERS shall release this contingency in writing. If BUYERS have not delivered a written financing contingency release containing the above terms, or terms acceptable to SELLERS on or before _____, 20____, at _____ (A.M. P.M.) either SELLERS or BUYERS may declare this Purchase Agreement null and void and all payments made hereunder shall be returned. BUYERS shall pay the balance of the purchase price at the time of the closing by combination of BUYERS' personal funds and the net mortgage proceeds.

BUYERS have credit approval from _____ (lender), _____ (loan officer) subject to the terms and conditions of the attached approval letter. Copy of Approval is attached.

B. **CASH:** BUYERS will pay the balance of the purchase price in cash at the time of closing. This Purchase Agreement is not contingent upon BUYERS obtaining such funds. BUYERS also agree to provide, within three (3) business days, verifiable evidence of the availability of the funds needed to purchase and close.

C. **CONTRACT FOR DEED.** BUYER will assume SELLERS' loan or contract. See attached addendum.

D. **OTHER FINANCING TERMS:** _____

E. **SALE OF BUYERS' PROPERTY:**

This Agreement is contingent upon the sale and settlement of the BUYERS' property locally known as _____ on or before _____, 20____. If settlement has not been made by this date, the SELLERS may rescind this Agreement by giving notice to BUYERS that unless sale and settlement of BUYERS' property is made within five (5) business days of such notice, then this Agreement shall be null and void. Unless SELLERS give such written notice, this Agreement shall remain valid until the sale of BUYERS' property.

- SELLERS reserve the right to continue to offer the Property for sale. Should SELLERS receive another offer which they desire to accept, BUYERS shall have _____ hours from the delivery of written notice to waive the "contingency of sale." Notice from the BUYERS to the SELLERS, removing the contingency of sale, shall be timely delivered to the SELLERS along with written verification of BUYERS' financial ability to complete the purchase without the sale of the property referenced above.
- If BUYERS do timely remove such contingency, this Agreement will remain in full force and effect (but without being contingent on the sale of BUYERS' property). If BUYERS do not timely remove such contingency, SELLERS will immediately return to BUYERS all earnest money paid, this Agreement will be of no further force and effect, and neither party will have any further obligation to the other hereunder.

3. **CLOSING.** Closing shall be on _____, 20____ or sooner by mutual agreement.

4. **POSSESSION.** If BUYERS timely perform all obligations, possession for the Property shall be delivered to BUYERS as follows:

- A. At the time of closing.
- B. On _____, 20____, at _____ (A.M. P.M.)

If for any reason the closing is delayed, the BUYERS and SELLERS may make a separate agreement with adjustments as to the date of possession in the form of an amendment or interim occupancy agreement. Any unpaid balance, rents, interest or insurance for these purposes, shall be adjusted as of the date of possession and shall bear interest at the rate of _____ % per annum.

5. **REAL ESTATE TAXES.** The SELLERS shall be responsible for all real estate taxes that are attributable to the SELLER'S ownership of the property which shall include taxes that are liens for prior years and taxes that are due and payable for the fiscal year in which the closing occurs.

Subsequent taxes shall be provided for by one of the following methods:

- A. BUYERS shall be given a credit for all subsequent taxes prorated to the date of the closing. Subsequent taxes shall be calculated using the latest known applicable assessed value(s), roll back(s), exemption(s) and levy of record at the time of closing.
- B. There shall be no proration of subsequent taxes.

6. **SPECIAL ASSESSMENTS.** SELLERS shall pay in full all Special Assessments and all certified liens of record as of the date of closing. All Association fees, if any, shall also be paid currently by the SELLERS to date of closing. Any preliminary or deficiency assessments which cannot be discharged by payment at closing shall be paid through a written escrow account with sufficient funds to pay such liens when payable, with any unused funds to be returned to the SELLERS without further signatures of the BUYERS. All charges for solid waste, trash removal, sewage, utility bills and assessments for maintenance that are attributable to the SELLERS ownership shall be paid by the SELLERS.

7. **FIXTURES.** All property that integrally belongs to or is part of the Property, whether attached or detached, such as light fixtures, shades, rods, blinds, automatic garage door openers and transmitter units, all drapery rods and curtain rods, awnings, windows, storm doors, screens, plumbing fixtures, water heaters, water softeners (unless water softener is rental), automatic heating equipment, air conditioning equipment, wall-to-wall carpeting, mirrors attached to walls or doors, fireplace screen and grate, attached barbecue grills, weather vane, all built-in kitchen appliances, built-in items and electrical service cable, outside television towers and antenna, fencing, gates and landscaping shall be considered a part of Property and also including the following: _____

Each of the above included items are fixtures that integrally belong to or is a part of the Property. In the event any of the above items are characterized as personal property, such personal property items are not considered a part of the Property and shall be transferred with no monetary value, free and clear of all liens and encumbrances.

The following items shall be excluded: _____

8. **DEED.** Upon payment of the purchase price, SELLERS shall convey the Property to BUYERS or their assignees, by _____. Deed, free and clear of all liens, restrictions, and encumbrances except as provided in this Agreement. Any general warranties of title shall extend only to the time of acceptance of this offer, with special warranties as to acts of SELLERS continuing up to time of delivery of the deed.

9. **TIME IS OF THE ESSENCE.** Time is of the essence in this Purchase Agreement.

10. **CONDITION OF PROPERTY.**

A. The Property as of the date of this Purchase Agreement including buildings, grounds, and all improvements will be preserved by the SELLERS in its present condition until possession, ordinary wear and tear excepted. The SELLERS warrant that the heating, electrical, plumbing, and air conditioning systems, well (if applicable) and all included appliances will whether subject to inspection set forth hereinafter or not, be in good working order and condition as of the date of delivery of possession. In determining whether or not the warranted systems are in good working condition and, for the purpose of inspecting the Property as outlined in Paragraph 10C (1) of this Purchase Agreement, working condition shall be defined as operating in a manner in which the item was designed to operate.

B. **HOME WARRANTY:** A home warranty insurance policy with a duration of _____ year(s) is to be ordered and paid for by:
 SELLERS BUYERS N/A See OTHER PROVISIONS in Paragraph 25.

C. **HOME INSPECTION:** The BUYERS must choose one of the following alternatives relative to the condition and quality of the Property:

- 1) By _____ (A.M. P.M.) on _____, 20____, the BUYERS may, at their sole expense, have the Property inspected by a person or persons of their choice, including but not limited to a qualified home inspector, contractor(s), engineer(s), or other such professional(s), to determine if there are major deficiencies in the FOLLOWING MAJOR COMPONENTS of the Property: central heating system, central cooling system, plumbing system, well and well water (if applicable), electrical system, roof, walls, ceilings, floors, foundation and basement. SELLERS and BUYERS acknowledge that the property may have imperfect cosmetic conditions that do not affect the working condition of the item and are not considered major deficiencies, including, but not limited to, broken seals in windows; minor tears, worn spots, or discoloration of floor coverings, wallpaper, or window treatments; nail holes, scratches, dents, scrapes, or chips in ceilings, walls, floors; and/or surface cracks in driveways or patios. Failure to meet present construction standards and code requirements is not considered a deficiency in the Property unless it is new construction, or unless that failure produces a condition which creates an unreasonable danger or risk to the Property or to its occupants.

RESPONSE TO HOME INSPECTION FINDINGS: By the same date indicated in this Section 10C(1), BUYERS must notify the SELLERS in writing of any MAJOR deficiencies for which they are requesting remedies. The notification must be accompanied by a copy of a written inspection report from a qualified inspector identifying the deficiencies. SELLERS shall, within FIVE (5) calendar days after receipt of BUYERS' notification, notify the BUYERS in writing either that (1) SELLERS agree to remedy the deficiencies as requested by BUYERS, in which case this Purchase Agreement as so modified shall be binding on all parties, or (2) SELLERS do not agree to the remedy request in whole or in part and offer a counter proposal to BUYERS. Upon receipt of said counter proposal from SELLERS, the BUYERS shall have FIVE (5) days in which to accept the SELLERS' counter proposal by signing it, or to notify the SELLERS in writing that such steps are not acceptable, in which case, either SELLERS or BUYERS may declare this offer null and void, and any earnest money shall be returned to BUYERS. IN THE ABSENCE OF WRITTEN NOTICE OF ANY DEFICIENCY FROM BUYERS, OR, IF BUYERS FAIL TO RESPOND TO THE SELLERS COUNTER PROPOSAL, WITHIN THE TIME SPECIFIED HEREIN, THIS PROVISION SHALL BE DEEMED WAIVED BY PARTIES AND THIS PURCHASE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT. IF THE SELLERS FAIL TO RESPOND TO THE BUYERS' REMEDY REQUEST WITHIN THE TIME SPECIFIED HEREIN, BUYERS MAY DECLARE THE OFFER NULL AND VOID AND ALL EARNEST MONEY SHALL BE RETURNED.

- 2) _____ BUYERS acknowledge that they have been advised of their right of property inspection and have declined to make said
Initials inspection.

D. **RADON INSPECTION:** The BUYERS must choose one of the following alternatives relative to the presence of radon in the home:

- 1) By _____ (A.M. P.M.) on _____, 20_____, the Buyers may, at their sole expense, have the Property tested for the presence of radon gas. Such test shall be conducted by an Iowa Certified Radon Specialist. SELLER agrees to sign documents required for the test to be completed and agrees to cooperate with the specialist in carrying out the test. By the same date, BUYERS must notify SELLER in writing of any radon in excess of _____ pCi/L. The notification shall be accompanied by a copy of the written radon report. The cost of mitigation, if necessary, shall be negotiated within the time frames and remedies in paragraph 10C(1).
- 2) _____ BUYERS acknowledge that they have been advised of their right to conduct a radon test and have declined to order
Initials said test.

E. **TERMITE INSPECTION:** The BUYERS must choose one of the following alternatives relative to wood destroying insects:

- 1) By _____ (A.M. P.M.) on _____, 20_____, BUYERS may, at BUYERS' expense, have the Property inspected for termites or other wood destroying insects by a licensed Pest Inspector. If active infestation or damage due to prior infestation is discovered, SELLERS shall have the option of either having the Property treated for infestation by a licensed Pest Exterminator and having any damage repaired to the BUYERS' satisfaction, or declaring this Purchase Agreement void. This provision shall not apply to fences, trees, shrubs, or out buildings other than garages. BUYERS may accept the Property in its existing condition without such treatment or repairs. IF BUYERS ARE OBTAINING VA FINANCING, THEN THE COST OF THE TERMITE INSPECTION SHALL BE BORNE BY THE SELLERS.
- 2) _____ BUYERS acknowledge that they have been advised of their right of a pest inspection and have declined to make said
Initials unless required by lending institution at which time said inspection would be at BUYERS' expense and the BUYER will have the same rights as under paragraph 9E(1) if active infestation or damage due to prior infestation is discovered.

F. **SEPTIC SYSTEM INSPECTION:** The BUYERS must choose one of the following alternatives relative to a septic system inspection:

- 1) SELLERS represent and warrant to BUYERS that the Property is not served by a private sewage disposal system, and there are no known private sewage disposal systems on the Property.
- 2) The Property is served by a private sewage disposal system, or there is a private sewage disposal system on the Property. SELLERS and BUYERS agree to the provision selected in the attached Addendum for Inspection of Private Sewage Disposal System.
- 3) SELLERS and BUYERS agree that this transaction IS exempt from the time of transfer inspection requirements by reason that _____

G. **WELL TEST:** The BUYERS must choose one of the following alternatives relative to a well test:

- 1) SELLERS represent and warrant to BUYERS that the Property is not served by a well, and there are no known wells on the Property.
- 2) SELLERS, at SELLERS' expense, shall provide BUYERS, within _____ days after acceptance of this offer, a report issued by the county health department, or a qualified testing service, indicating the location of any well on the Property and that water from each well (1) is safe for its intended use and (2) is in sufficient quantity for its intended use. If BUYERS receive an unsatisfactory report, the basis for which cannot be resolved between BUYERS and SELLERS within _____ days of receipt thereof, then upon written notice from BUYERS to SELLERS, this agreement shall be null and void and all earnest money paid shall be returned to BUYERS.

H. The BUYERS shall be permitted access to the Property prior to possession or closing, whichever is sooner, in order to determine that there have been no changes in the condition of the Property except those mutually agreed upon and that it is ready for BUYERS' possession. At the time of closing or possession, whichever occurs sooner, BUYERS will accept Property in its present condition without further warranties or guarantees by SELLERS concerning the condition of the Property. This, however, shall not relieve the SELLERS of any liability for any condition(s) that is (are) defined as latent defect(s) or any express written warranties contained in this Purchase Agreement or other written agreement between the parties; nor shall this paragraph relieve the Sellers of any liability for any implied warranty applicable under Iowa law."

11. **INSURANCE.** SELLERS shall bear the risk of loss or damage to the Property prior to closing or possession, whichever first occurs. SELLERS agree to maintain existing insurance and BUYERS may purchase additional insurance. In the event of substantial damage or destruction prior to closing, this Purchase Agreement shall be null and void, unless otherwise agreed by the parties. The Property shall be deemed substantially damaged or destroyed if it cannot be restored to its present condition on or before the closing date; provided, however, BUYERS shall have the option to complete the closing and receive insurance proceeds regardless of the extent of damages.
12. **USE OF PURCHASE PRICE.** At time of settlement, funds of the purchase price may be used to pay taxes and other liens and to acquire outstanding interests, if any, of others.
13. **ABSTRACT AND TITLE.** SELLERS, at their expense, shall promptly obtain an abstract of title to the Property continued through the date of acceptance of this offer, and deliver it to BUYERS for examination. It shall show merchantable title in SELLERS' names in conformity with this Purchase Agreement, Iowa law, and Title Standards of the Iowa State Bar Association. The abstract shall become the property of the BUYERS when the purchase price is paid in full. SELLERS shall pay the costs of any additional abstracting and title work due to any act or omission of SELLERS, including transfers by or the death of SELLERS or their assignees. If, at the time of closing there remains unresolved title objections, the parties agree to escrow from the sale proceeds a sufficient amount to protect the BUYERS' interests until said objections are corrected, allowing a reasonable time for the corrections of said objections; provided, however, that if the commercial mortgage lender of the BUYERS will not make the mortgage funds available with such escrow, the provisions for escrow for title defects shall not be applicable.
14. **JOINT TENANCY IN PROCEEDS AND IN REAL ESTATE.** If SELLERS, immediately preceding acceptance of the offer, hold title to the Property in joint tenancy with full right of survivorship, and the joint tenancy is not later destroyed by operation of law or by acts of the SELLERS, then the proceeds of this sale, and continuing or recaptured rights of SELLERS in the Property, shall belong to SELLERS as joint tenants with full right of survivorship and not as tenants in common; and BUYERS, in the event of the death of either SELLER, agree to pay any balance of the price due SELLERS under this Purchase Agreement to the surviving SELLER and to accept a deed from the surviving SELLER consistent with paragraph 8.

BUYERS HEREBY STATE THE DESIRE TO TAKE TITLE IN THE FOLLOWING MANNER:

Joint Tenants Tenants in Common As a single Person Other _____.

15. **JOINDER BY SELLER'S SPOUSE.** SELLER'S spouse, if not a title holder immediately preceding acceptance of this offer, executes this Purchase Agreement only for the purpose of relinquishing of all rights of dower, homestead and distributive share or in compliance with Section 561.13 of the Iowa Code and agrees to execute the deed or real estate contract for this purpose.
16. **REMEDIES OF THE PARTIES.**
 - A. If BUYERS fail to timely perform this contract, SELLERS may forfeit it as provided in the Iowa Code, and all payments made shall be forfeited or, at SELLERS' option, upon Thirty (30) days written notice of intention to accelerate the payment of the entire balance because of such failure (during which thirty days such failure is not corrected) SELLERS may declare the entire balance immediately due and payable. Thereafter this contract may be foreclosed in equity and the Court may appoint a receiver.
 - B. If SELLERS fail to timely perform this contract, BUYERS have the right to have all payments made returned to them.
 - C. BUYERS and SELLERS also are entitled to utilize any and all other remedies or actions at law or in equity available to them and shall be entitled to obtain judgment for costs and attorney fees as permitted by law.
17. **STATEMENT AS TO LIENS.** If BUYERS intend to assume or take subject to a lien on the Property, SELLERS shall furnish BUYERS with a written statement prior to closing from the holder of such lien, showing the correct balance due.
18. **APPROVAL OF COURT.** If the Property is an asset of any estate, trust or conservatorship, this Purchase Agreement is contingent upon Court approval unless declared unnecessary by BUYERS' attorney. If necessary, the appropriate fiduciary shall promptly obtain Court approval and conveyance shall be made by a Court Officer's Deed.
19. **CONTRACT BINDING ON SUCCESSORS IN INTEREST.** This contract shall apply to and bind the successors in interest of the parties.
20. **CONSTRUCTION.** Words and phrases shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender, according to context.
21. **SURVEY AND SQUARE FOOTAGE REPRESENTATION.** The BUYERS may, within _____ days of acceptance of offer, have the Property surveyed at their expense. If the survey, certified by a Registered Land Surveyor, shows any encroachment on said property or if any improvements located on the subject property encroach on lands of others, such encroachments shall be treated as a title defect. Assuming a representation for square footage has been made, BUYERS understand and agree that said representation is only an approximation of the exact number of square feet the Property contains. The BUYERS have the right to obtain their own measurement of square footage.
22. **REAL ESTATE AGENT OR BROKER.** Select one of the following:
 - Neither party has used the services of a real estate agent or broker in connection with this transaction. SELLERS agree to indemnify BUYERS and hold BUYERS harmless from any claim by any real estate agent or broker arising out of or related to this transaction between SELLERS and BUYERS.
 - BUYERS were represented by a real estate agent or broker in connection with this transaction.

23. **RESIDENTIAL PROPERTY SELLER DISCLOSURE STATEMENT.** Iowa law requires SELLERS of residential real estate property to deliver to the BUYER a written disclosure statement to reveal the condition of various important aspects of the property characteristics and structure(s). The Seller Disclosure statement **MUST** be delivered to the BUYER either (1) prior to the SELLER accepting a written offer from the BUYER, or (2) prior to the BUYER accepting a written offer from the SELLER.

The Buyer(s) acknowledge receipt of the Residential Property Seller Disclosure Statement prior to executing this Purchase Agreement. A copy of the Residential Property Seller Disclosure Statement is attached to the Purchase Agreement.

Not Applicable

24. **NOTICE.** Any notice required under this Purchase Agreement shall be in writing and shall be deemed effective to BUYERS when physical delivery is received by BUYERS, and effective to SELLERS when physical delivery is received by SELLERS. Physical delivery may be either by personal delivery or upon the date of the posting of said notice posted by Certified Mail. As an alternative to physical delivery, any signed document or written notice may be delivered, as set forth in electronic form by facsimile or e-mail. The facsimile or e-mail delivery confirmation shall constitute notice of delivery. Documents with original signatures shall be provided.

SELLER Email Address: _____ SELLER Phone: _____

SELLER Mailing Address: _____ SELLER Alt. Phone: _____

BUYER Email Address: _____ BUYER Phone: _____

BUYER Mailing Address: _____ BUYER Alt. Phone: _____

25. **OTHER PROVISIONS.**

26. **TIME FOR ACCEPTANCE.** If this offer is not accepted by SELLERS on this date of _____, 20_____, at _____ (A.M. P.M.) it shall become void and all payments shall be repaid to the BUYERS.

*** THIS IS A LEGAL, BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT LEGAL ADVICE ***
The undersigned have read and agreed to the terms and conditions of this Purchase Agreement.

OFFER DATE: _____, 20_____, at _____ (A.M. P.M.).

BUYER (PRINT)

BUYER (PRINT)

BUYER (SIGNATURE)

BUYER (SIGNATURE)

SELLERS' ACCEPTANCE. The undersigned SELLER(S) of the above property accepts the above offer and agrees to sell this property according to the terms offered on this date of: _____, 20_____, at _____ (A.M. P.M.).

SELLERS' REJECTION. The undersigned SELLER(S) of the above property rejects this BUYERS' written offer to purchase this property according to the terms offered on this date of: _____, 20_____, at _____ (A.M. P.M.).

SELLERS' COUNTER OFFER. The undersigned SELLER(S) of the above accepts the above offer subject to the terms and conditions as per the attached Counter Offer on this date of: _____, 20_____, at _____ (A.M. P.M.).

SELLER (PRINT)

SELLER (PRINT)

SELLER (SIGNATURE)

SELLER (SIGNATURE)