



**MLS #** \_\_\_\_\_

**CONTRACT FOR PURCHASE/SALE OF REAL ESTATE**

The herein described Seller/s agree to sell and convey to the herein described Buyer/s and Buyer/s agree to purchase from Seller/s, upon the following terms and conditions, the following described real property in its AS IS condition without any warranties, expressed or implied, except to the extent otherwise provided for in this Agreement, and subject to any and all existing covenants, restrictions, easements of record, zoning ordinances, leases, and/or liens or encumbrances incurred in this transaction:

I. Property (herein called the "property") \_\_\_\_\_  
 Address \_\_\_\_\_ (City), Alabama \_\_\_\_\_ (County)  
 \_\_\_\_\_ (Legal)

II. Buyer(s) (herein called the "Buyer" whether one or more):  
 \_\_\_\_\_

III. Seller(s) (herein called the "Seller" whether one or more):  
 \_\_\_\_\_

IV. Terms of purchase:

1. Purchase/sales Price: \$ \_\_\_\_\_
2. Earnest Money: \$ \_\_\_\_\_ ( ) Check to be deposited upon acceptance of contract. ( ) Cash to be deposited immediately.
3. Seller to contribute up to \$ \_\_\_\_\_ towards closing costs which includes abstract or title update and deed preparation.
4. Buyer responsible for all prepaid items and any closing costs in excess of seller contribution in Section (IV) Number 3.
5. This contract is subject to Buyer obtaining a loan in the amount of approximately \$ \_\_\_\_\_. ( ) VA ( ) FHA ( ) Conventional
6. Cash Sale ( ) This contract is not subject to financing, only to verification of funds within \_\_\_\_ days of contract acceptance. If not verified in time allotted the contract is terminated at Seller/s option.
7. Closing to be on or about \_\_\_\_\_ except as stipulated in Paragraph 11 (Conveyance and Deed), with possession to be \_\_\_\_\_.
8. Home Warranty provided \_\_\_\_\_ Yes / \_\_\_\_\_ No Paid for by: \_\_\_\_\_.
9. Wood Infestation Report requested \_\_\_\_\_ Yes/\_\_\_\_ No (per Paragraph 4)
10. Survey Requested ( ) Yes ( ) No ( ) New ( ) Existing

Paid for by: \_\_\_\_\_ as part of closing costs.

Buyer Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

11. Additional Terms: \_\_\_\_\_

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**CONDITIONS**

**1. INSPECTION PERIOD:** Buyer has until 5:00 P.M. on \_\_\_\_\_ (date) to complete and be satisfied with any inspections and/or any investigations performed by a licensed inspector, licensed contractor the Buyer deems necessary (at Buyer's expense) to make a decision to purchase/sale the property. The utilities for the property will be made available by Seller for the Buyer inspection/s. If Buyer is not satisfied with the condition of the property, Buyer may cancel this contract in writing by providing notice to the Listing Real Estate Licensee or Broker prior to the above said date and time, or this contingency is deemed waived and completely removed from the Agreement. Seller reserves the right to correct said defective condition/s, not to exceed a cost deemed reasonable to Seller or as agreed to in writing by the Seller and Buyer. If Seller does not agree to correct said defective condition/s, or an agreement is not made between Seller and Buyer, Buyer has the option to accept the property "as is" or may cancel the purchase/sales contract and receive a full refund of the earnest money.

**2. FINAL WALK-THROUGH INSPECTION:** Buyer shall have the right to make a final inspection just prior to possession to determine that there have been no material changes in the condition of the property since the date of the contract. The utilities for the property will be made available by Seller for the final walk-through inspection. If material changes are discovered in the condition since the date of the contract, the Seller shall repair and restore the property to its previous condition.

**3. FINANCIAL CONTINGENCY:** Buyer has until 5:00 P.M. on \_\_\_\_\_ (date) to be "Pre-approved" for credit worthiness by lender in writing or Seller has the option to terminate this contract.

**4. WOOD INFESTATION REPORT:** If a Wood Infestation Report (the "WIR") is requested, such WIR shall be dated no sooner than 30 days from closing, or in the case of new construction, a soil treatment letter is to be provided. The WIR will be part of Seller closing costs. If the WIR indicates active or previous infestation or damage from Termites, Powder Post Beetles, Wood Boring Beetles, or Wood Decaying Fungus, Seller shall immediately treat, and repair same, not to exceed a cost deemed reasonable to Seller or agreeable to Seller and Buyer, the Seller may terminate this contract unless Buyer agrees to pay the difference or accept, with mortgage company approval, the property so damaged.

**5. CONTINGENCIES:** The subject property shall remain on the market under contingent status until all contingencies are removed or the time for removal of such contingencies expires. In the event that the above time frames are not met then either party may void the Contract in writing.

**6. APPRAISALS (ONLY APPLICABLE IF FHA, VA, OR CONVENTIONAL FINANCING ARE USED):**

**FHA LOAN:** If FHA financing is used, it is expressly agreed that, notwithstanding any other provisions of this contract, Buyer shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless Mortgagee has delivered to Buyer a written statement issued by the Federal Housing Commissioner or a Direct Endorsement lender setting forth the appraised value of the property (excluding closing costs). of not less than the purchase/sales price amount described above which statement Mortgagee hereby agrees to deliver to Buyer promptly after such appraised value statement is made available to Mortgagee. Buyer shall, however, have the privilege and option of proceeding with the consummation of the contract without regard to the amount of the appraised valuation made by the Federal Housing Commissioner. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the property. Buyer should satisfy themselves that the price and condition of the property are acceptable.

**VA LOAN:** If VA financing is used it is expressly agreed that notwithstanding any other provisions of this contract, Buyer 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 purchase/sales price exceeds the reasonable value of the property established by the Veterans Administration. Buyer shall, however, have the privilege and option of proceeding with the consummation of the contract without regard to the amount of the reasonable value established by the Veterans Administration.

**CONVENTIONAL LOAN:** If Conventional financing is used the Buyer acknowledges that any appraisal required by the lender is used by the lender 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 provisions of this contract, Buyer 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/sales price exceeds the appraised value. Buyer shall, however, have the privilege and option of proceeding with the consummation of the contract without regard to the appraised value.

**7. DISCLAIMERS BY REAL ESTATE LICENSEES:** Seller and Buyer acknowledge that they have not relied upon any advice or representations of any real estate licensees involved in this sale relative, but not limited to, (i) the legal or tax consequences of this contract and the sale, purchase, or ownership of the property, (ii) the structural condition of the property including the condition of the roof, foundation, and basement, (iii) construction materials, (iv) the nature and operating condition of the electrical, gas, heating, air conditioning, plumbing and water heating systems, and appliances, (v) the age and square footage of the improvement, and the size or area of the property, (vi) the availability and condition of utilities, sewer service and septic system(s), (vii) the character of the neighborhood, (viii) the investment or resale value of the property (ix) flood zone, (x) school zone, (xi) the proper construction of the property by the builder or developer, or the compliance of the builder or developer under any builder/developer warranty, or the future financial stability of the builder or developer, (xii) any other matter affecting Seller's or Buyer's willingness to sell or purchase the property on the terms and price herein set forth. Seller and Buyer acknowledge that if such matters are of concern to them in the decision to sell or purchase the property, they have sought and obtained independent advice relative thereto.

Buyer Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**8. DISCLAIMERS BY SELLER:** Neither the Seller nor any real estate licensee make any representations or warranties regarding the condition of the property except to the extent expressly and specifically set forth herein. Unless otherwise stated herein, said property is sold in AS IS condition without any warranties express or implied. Buyer has the obligation to determine, whether personally or through, or with, a representative of Buyer's choosing, any and all conditions of the property material to Buyer's decision to buy the property, including without limitation, the condition of the heating, cooling, plumbing, electrical and gas systems, and any built-in appliances; the roof and basement, including leaks therein; the age, size, square footage, or area of the property; construction materials including floors; structural condition; flood zone, school zone, utility and sewer or septic tank availability and condition; and any matters affecting the character of the neighborhood.

**9. FIXTURES AND APPURTENANCES:** All of the following that are now situated and attached to the premises, remain and form a part of this sale, unless otherwise stated: heating and air conditioning equipment, draperies, curtains, blinds, shutters and related equipment, (including traverse rods and cornice boards), chandeliers, television antennas, satellite dish and related equipment, installed exterior gas or electric lights, doorbell, mantels, water heaters, plumbing fixtures, light fixtures, switch plates, attic fans, bathroom mirrors, ceiling fans, gas logs, wall-to-wall carpeting, kitchen range, disposal, dishwasher, trash compactor, built-in microwave, fences, mailboxes, outbuildings, trees and shrubbery.

**10. PRORATION:** All taxes, homeowners' association dues, and condominium fees (if applicable) shall be prorated as of the date of closing, with Buyer to pay the costs from the date of closing. The tax proration herein called for shall be based upon the current information obtained from the Tax Assessor or Revenue Commissioner's office.

**11. CONVEYANCE AND DEED:** Seller shall furnish to closing attorney/settlement agent either an abstract of title commencing from and extending to a date accepted by local practice, or a title commitment or title binder accepted by local practice, disclosing a good and merchantable fee simple title, subject to taxes for the current year, easements, covenants, restrictions and matters of record which under local practice do not interfere with Buyer's use of the property, except as otherwise stated in this agreement. If the abstract, title commitment or title binder fails to show a good and merchantable fee simple title, Seller shall have a reasonable time (not to exceed thirty (30) days) after receipt of written notice of defects from the Buyer to cure such defects and make said title merchantable. If Seller is unable to provide a good and merchantable fee simple title within thirty (30) days, any earnest money paid shall be refunded to Buyer or Buyer may waive such defect and elect to purchase said property with such defect. Buyer may elect to purchase owner's title insurance at time of closing. At closing, Seller shall convey title by a warranty deed or in case of a foreclosure property, statutory warranty deed or foreclosure deed.

**12. 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 delivered. If the property is destroyed or materially damaged between the date hereof and the closing and Seller is unable or unwilling to restore it to its previous condition prior to closing, Buyer shall have the option of canceling this contract and the earnest money shall be refunded, or accepting the property in its then condition. 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/sales price or otherwise be payable to Buyer.

**13. EARNEST MONEY/TRUST ACCOUNT:** The Seller and Buyer hereby authorize the listing agency to hold the earnest money in trust pending the fulfillment of this contract with the understanding that (a) it is not a party to this contract and does not assume any liability for performance or non-performance of any parties, (b) it has the right to require from all parties a written release of liability of the listing agency, (and the selling agency, if applicable) which authorizes the release of the earnest money, (c) it is not liable for interest or other charges on the funds held, and (d) in the event a dispute arises between the parties to this agreement as to which shall be entitled to said earnest money, the listing agency shall be authorized to interplead said earnest money into the proper court, and in so doing, the listing agency shall be entitled to deduct a reasonable attorney's fee so incurred for interpleading said earnest money into the proper court from the sums so interpleaded. The prevailing party shall be entitled to all cost of interpleading the earnest money and any attorney fees so incurred from the non-prevailing party.

**14A. DEFAULT/ LEGAL REMEDIES:** If Seller defaults by wrongfully refusing to sell, or otherwise breaching this agreement, and the sale and purchase of the property does not close, Seller agrees (i) to pay said full brokerage fee due broker/s had the sale been consummated and (ii) Buyer may either pursue all remedies available to Buyer at law or in equity including but not limited to Specific Performance or in the event of a breach, Buyer may waive such breach and elect to purchase said property. If Buyer defaults by wrongfully refusing to purchase, or by breaching this agreement, and the sale and purchase of the property does not close, Buyer agrees (i) to pay said full brokerage fee due broker/s had sale been consummated and (ii) Seller may pursue all legal remedies available to Seller at law and equity including but not limited to Specific Performance and may elect that the earnest money be forfeited by Buyer as liquidated damages which shall be equally divided between (1) Seller and (2) listing broker (the sum to listing broker shall not exceed the full commission). Should Buyer default and if Specific Performance is enforced, and Buyer has not paid the full brokerage fee due broker/s had the sale been consummated, Seller shall pay said full brokerage fee due broker/s had the sale been consummated. In the event of default by either Seller or Buyer, all reasonable attorney fees and court costs may be recoverable against the defaulting party.

**14B. CONTROVERSIES, CLAIMS, COMPLAINTS, OR DISPUTES:** The parties agree that the property being sold and purchased has been involved in, and necessarily involves, interstate commerce, and that any controversy, claim, complaint, or dispute arising between parties, or between the parties and the real estate licensees, the Montgomery Area Association of REALTORS®, Inc., (hereinafter referred to as "MAAR") and/or the Multiple Listing Service, Inc. of the Montgomery Area Association of REALTORS®, Inc (hereinafter referred to as "MLS"), or arising out of this Agreement, shall be resolved exclusively by binding arbitration. All parties specifically waive any rights they have to commence an action other than arbitration against each other or against real estate licensees, MAAR, and/or MLS. Any controversies, claims, complaints, or disputes arising or evolving out of or relating to this agreement or breach thereof, shall be settled under the Commercial Arbitration Rules then in force of the American Arbitration Association, unless this Section 14B has been submitted to and approved by the American Arbitration Association, in which case such controversies, claims, complaints, or disputes shall be settled under the Consumer Arbitration Rules then in force of the American Arbitration Association, and all parties agree to be bound by the decision of this arbitration. The decision of the Arbitrator shall be a final and binding resolution, which may be entered as a judgment by a court of competent jurisdiction; and may then be enforced by use of legal remedies.

**15. REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA) / CONTROLLED BUSINESS ARRANGEMENT DISCLOSURE:** The real estate company(s) involved in this transaction is/are full service real estate company(s). In an effort to offer complete service to the public, Seller and Buyer acknowledge and understand that the Broker potentially receives remuneration, referral fees and commissions from other affiliations in real estate related fields including, but not limited to, home building/remodeling, home warranties, property management, relocation, consulting, and computerized loan originations. All parties to this contract are advised to seek other services or compare cost of services in these related fields and do business with whomever or wherever is most desirable.

**16. NO THIRD-PARTY BENEFICIARY:** No person other than Seller, Buyer, or the real estate licensees involved in this sale shall be deemed to possess any third-party beneficiary right pursuant to this Agreement. It is the intent of the parties hereto that no direct benefit to any third party is intended or implied by the execution of this Agreement.

**17. ORAL STATEMENTS NOT BINDING:** NO ORAL STATEMENT, REPRESENTATION, PROMISE OR INDUCEMENT SHALL HAVE ANY VALIDITY NOR SHALL BE A PART OF THIS AGREEMENT. All covenants, promises and understandings written herein survive the closing. All rights, privileges, obligations and duties hereby granted or assumed shall inure to the benefit of and shall be binding upon successors, assigns, heirs, administrators and executors of the parties hereto.

Buyer Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**18. SEVERABILITY OF TERMS:** If any provision of this agreement is deemed to be unlawful or is rendered inoperative by operation of law, then such provision shall be severed and the remaining provisions shall be enforced unless such severance shall render the agreement meaningless or shall work a manifest injustice on either party.

**19. SELECTION OF ATTORNEY:** The parties hereto acknowledge and agree that they may be required to execute an affidavit at closing acknowledging their recognition and acceptance of the fact that the closing attorney/settlement agent may not represent their interests. Each of the parties further acknowledges that they have the right to be represented at all times in connection with this contract and the closing by an attorney of their own choosing, at their own expense.

**20. TIME IS OF THE ESSENCE:** All parties agree that time is of the essence in regards to all provisions in the contract.

**21. ELECTRONIC TRANSACTION:** All parties hereby agree and consent that the Contract may be electronically transmitted and consent to the validity of electronic signatures, all in accordance with and governed by the Alabama Uniform Electronic Transaction Act.

**22. LEAD BASED PAINT DISCLOSURE:** The law requires that for all properties constructed before 1978 purchasers will be put on notice of their rights to test for lead-based paint and this will be a contingency of this contract. A lead-based paint warning addendum will be attached if required and made part of this purchase/sales contract.

**23. REAL ESTATE CONSUMER'S AGENCY AND DISCLOSURE ACT (RECAD) / AGENCY DISCLOSURE:**

PRINT NAME OF LISTING COMPANY \_\_\_\_\_

The listing company is : (Two blocks may be checked)

- An agent of the Seller.
- An agent of the Buyer.
- An agent of both the Seller and Buyer and is acting as a limited consensual dual agent.
- Assisting the \_\_\_\_\_ Seller Buyer \_\_\_\_\_ as a transaction broker.

PRINT NAME OF SELLING COMPANY \_\_\_\_\_

The selling company is: (Two blocks may be checked)

- An agent of the Seller.
- An agent of the Buyer.
- An agent of both the Seller and Buyer and is acting as a limited consensual dual agent.
- Assisting the \_\_\_\_\_ Seller Buyer \_\_\_\_\_ as a transaction broker.

**24. THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT LEGAL ADVICE.**

**BUYER OFFER:**

The undersigned Buyer acknowledges that he/she has read and approved each of the provisions contained herein and agrees to purchase the herein described property for the price and on the terms and conditions specified.

Buyer:

\_\_\_\_\_

Time and Date: \_\_\_\_\_

Selling Licensee(print) \_\_\_\_\_ Selling Licensee (signature) \_\_\_\_\_

Selling Company \_\_\_\_\_ Selling Company Phone Number \_\_\_\_\_

**SELLER ACCEPTANCE:**

Seller acknowledges and agrees to the terms and condition stated herein. Seller has read and understands the provisions and price. Seller authorizes the agreement to be delivered to the Buyer or his/her representative.

Seller:

\_\_\_\_\_

Time and Date: \_\_\_\_\_

Listing Licensee (print) \_\_\_\_\_ Listing Licensee (signature) \_\_\_\_\_

Listing Company \_\_\_\_\_ Listing Company Phone Number \_\_\_\_\_

Buyer Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_