



RESIDENTIAL REAL ESTATE PURCHASE AGREEMENT

This form approved by the Iowa City Area Association of REALTORS®



Date of Agreement _____ 20 _____

TO _____

(SELLERS:),

1. **REAL ESTATE DESCRIPTION.** The undersigned BUYERS hereby offer to buy real estate in _____ County, Iowa, locally known as: _____ and FOLLOWING THE LEGAL DESCRIPTION CONTAINED IN THE TITLE DOCUMENT BY WHICH THE SELLER RECEIVED TITLE TO THE PROPERTY, SUBJECT TO APPROVAL OF BUYER'S ATTORNEY, or described as follows:

with any improvements located there on, easements of record and appurtenant servient estates, and subject to the following: (a) any zoning and other ordinances; (b) any covenants of record; (c) any easements of record for public utilities, roads and highways; and (d) _____ (consider: liens, other easements, interests of others) designated the Real Estate; provided BUYERS, on possession, are permitted to make the following use of the Real Estate: _____

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 to be deposited upon acceptance of this offer, in the trust account of _____

to be delivered to the SELLERS upon performance of SELLERS' obligations and satisfaction of BUYERS' contingencies, if any, and the balance of the purchase price as designated below.

Select: (A) (B) and/or (C) or (D)

A. **NEW MORTGAGE:** Check (CONV) (FHA) or (VA)

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, with a balloon due date of not less than _____ years. BUYERS agree to pay no more than _____% for loan origination fees and points, and to pay in addition all other customary loan costs. BUYERS agree upon acceptance of this offer to immediately make application 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 BUYERS on or before _____, 20 _____, at _____ (A.M. P.M. Noon) 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.

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.

C. **OTHER FINANCING TERMS:**

D. If a Mortgage Assumption, Installment contract Assumption, or Installment contract Sale, see attached addendum.

3. **POSSESSION.** If BUYERS timely perform all obligations, possession for the Real Estate shall be delivered to BUYERS on _____, 20 _____ with any adjustments of rent, taxes, insurance, interest, and other applicable matters to be made as of the date of transfer of possession. Closing of the transaction shall occur after approval of title and vacation of the premises by the SELLERS, in the condition ready for BUYERS' possession. Possession shall not be delivered to the BUYERS until completion of the closing, which shall mean delivery to the BUYERS of all title transfer documents and receipt of the purchase price funds then due from BUYERS. If by mutual agreement the parties select a different possession or closing date, they shall execute a separate agreement setting forth the terms thereof.

4. **REAL ESTATE TAXES.** SELLERS shall pay all real estate taxes which are due and payable and constitute a lien against the above described Real Estate and any unpaid real estate taxes for any prior years. Except for the tax proration hereinafter set forth, BUYERS shall pay all subsequent real estate taxes. SELLERS shall also pay a prorated share of the real estate taxes for the fiscal year ending June 30, 20 _____, and payable in the fiscal year commencing July 1, 20 _____, based upon one of the following formulas: Select (A) (B) or (C).

A. Net taxes payable in the current fiscal year in which possession is given to BUYERS. (Do not select this alternative if the current year's taxes are based upon a vacant lot or partial construction assessment.)

B. Net taxes paid in the current fiscal year of possession (plus/minus) _____% thereof.

C. An amount calculated based upon the assessed valuation, legislative tax rollback, and real estate tax exemptions that will actually be applicable to and used for the calculation of taxes payable in the fiscal year commencing July 1, 20 _____. If, at the time of closing, the tax rate is not certified, then the most current, certified tax rate shall be used.

5. **SPECIAL ASSESSMENTS.** Select: (A) or (B)

A. SELLERS shall pay all special assessments which are a lien on the Real Estate as of the date of closing.

B. SELLERS shall pay all installments of special assessments which are a lien on the Real Estate and, if not paid, would become delinquent during the calendar year this offer is accepted, and all prior installments thereof. All other special assessments shall be paid by BUYERS.

6. **FIXTURES.** All property that integrally belongs to or is part of the Real Estate, 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 Real Estate and also including the following: _____

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

The following items shall be excluded: _____

7. **DEED.** Upon payment of the purchase price, SELLERS shall convey the Real Estate to BUYERS or their assignees, by _____ Deed, free and clear of all liens, restrictions, and encumbrances except as provided in 1(a) through 1(d). 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.

8. **TIME IS OF THE ESSENCE.** Time is of the essence in this contract.

9. **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 9B (1) of this Purchase Agreement, working condition shall be defined as operating in a manner in which the item was designed to operate.

B. The BUYERS must choose one of the following alternatives relative to the condition and quality of the property:

1) By _____ AM/PM 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 Real Estate: 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. By the same date, 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.

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

1) By _____ AM/PM 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 9B(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.

D. Septic System to be Inspected and Repaired Yes No Not Applicable Iowa Code 455B.172 mandates the inspection of septic systems, unless exempt, prior to the transfer of property. If applicable see the attached Septic System Inspection and Repair Addendum.

E. 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 or BROKER 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."

- F. The inspection of any part of the property not covered in 9B(1) or the remedy of any condition not addressed in 9B(1), including but not limited to cosmetic conditions that the BUYERS require shall be addressed in Paragraph 27 of this Purchase Agreement.
10. **WOOD DESTROYING INSECT INSPECTION.** Select (A) or (B)
- A. By _____AM/PM 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.**
- B. BUYERS acknowledge that they have been advised of their right of a pest inspection and have declined to make said Initials _____ inspection 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 10A if active infestation or damage due to prior infestation is discovered.
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 Real Estate 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 remain 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 Real Estate 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 Real Estate, 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 contract to the surviving SELLER and to accept a deed from the surviving SELLER consistent with paragraph 7.
15. **JOINDER BY SELLER'S SPOUSE.** SELLER'S spouse, if not a title holder immediately preceding acceptance of this offer, executes this contract 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.
- D. In the event the BUYERS fail to perform their obligations hereunder and the SELLERS successfully forfeit any payments made under this contract, upon receipt by SELLERS, the SELLERS shall pay Broker one-half of the forfeited payment, said one-half not to exceed the total commission due to the Broker. In the event the SELLERS fail to perform SELLERS' obligations under this contract when required to do so, SELLERS shall pay to Broker the Broker's commission in the amount set forth in the SELLERS' Listing Agreement with the SELLERS' Broker.
17. **STATEMENT AS TO LIENS.** If BUYERS intend to assume or take subject to a lien on the Real Estate, 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 sale of the Real Estate is subject to Court approval, the fiduciary shall promptly submit this contract for such approval. If this contract is not so approved by the _____ day of _____, 20____, either party may declare this contract null and void, and all payments made hereunder shall be returned to BUYERS.
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. **AGENCY DISCLOSURE.** The Listing and Selling Agents/Brokers are agents of the parties hereto as outlined below, and their fiduciary duties of loyalty and faithfulness are owed to the party they represent. However, they must treat the other party with honesty and fairness.

The SELLERS in this transaction are represented by:

(Agent/Brokerage Names)

E-mail: _____ Fax: _____

The BUYERS in this transaction are represented by:

(Agent/Brokerage Names)

E-mail: _____ Fax: _____

If Agent (including Appointed Agency) and/or Brokerage (including Consensual Dual Agency) Names are shown as representing both parties, a detailed explanation of representation shall be attached. Further, the BUYERS and SELLERS acknowledge that prior to signing this Purchase Agreement that their respective Listing or Selling Agent made a written disclosure of type of representation being provided.

- 23. **RESIDENTIAL PROPERTY SELLER DISCLOSURE STATEMENT.** 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 if to BUYERS when physical delivery is received by BUYERS or by BUYERS' Agent, and effective to SELLERS when physical delivery is received by SELLERS or SELLERS' Agent. 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 to the respective principal's agent, as set forth in Paragraph 22 herein, 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, by the agent, to their principal.

For the SELLERS: _____

Address _____

For the BUYERS: _____

Address: _____

- 25. **REPRESENTATIONS.** It is understood that no representations made by the agent in the negotiation of this sale are being relied upon unless incorporated herein or endorsed in writing.
- 26. **COUNTER PARTS CLAUSE.** All parties agree to be bound to this contract even if every party does not sign on one original, as long as each copy that is signed is identical to every other signed copy.
- 27. **OTHER PROVISIONS.**

- 28. **TIME FOR ACCEPTANCE.** If this offer is not accepted by SELLERS on _____, 20_____, at _____ (A.M. P.M. Noon) 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.

DATED: _____, 20_____, at _____ (A.M. P.M. Noon).

BUYER (PRINT)

BUYER (PRINT)

BUYER (SIGNATURE)

BUYER (SIGNATURE)

This offer is accepted: _____, 20_____, at _____ (A.M., P.M.).

SELLER (PRINT)

SELLER (PRINT)

SELLER (SIGNATURE)

SELLER (SIGNATURE)

For information only.

The Seller(s) acknowledge receipt of the offer _____
(DATE) (TIME) (INITIALS)