



PURCHASE / LISTING AGREEMENT CLAUSES

The purpose of the following clauses is to provide Associates of Lichtenstein Rowan, REALTORS with clauses that have been used over a period of time that are not provided as part of the RVAR Standard Clauses Addendum. You are encouraged to consider using these when writing or accepting offers.

Remember:

- All Contingencies must have a termination date.
- Self-extinguishing contingencies should be avoided.
- All contingencies should be deleted in writing on an amendment... not scratching through the original Purchase Agreement or addendum.
- Addendums are used at the time offers are written
- Amendments are used after the offer has been signed and becomes a fully ratified contract.

Additional clauses which are part of the RVAR Suggested Lot/Land Purchase Agreement, should be used when appropriate. They include Engineering, Environmental and Feasibility Studies, Soil Study (perc test) and Zoning.

(c)

HOLDING CHECK CLAUSE

Avoid holding a check for an earnest money deposit. The check must be turned in within 24 hours of acceptance of the Purchase Agreement. Failure to deposit the earnest deposit without informing the Seller is a violation of the Virginia Real Estate Board.

The Sales Associate must have the Buyers check dated no later than the date on the Purchase Agreement. If the Buyer requests the check be held for up to five (5) days, the following clause must be included in the Purchase Agreement:

It is understood and agreed that the Purchaser has instructed Agent to hold the above described deposit check until _____(date) on which date said check is to be deposited in Lichtenstein Rowan’s escrow account.

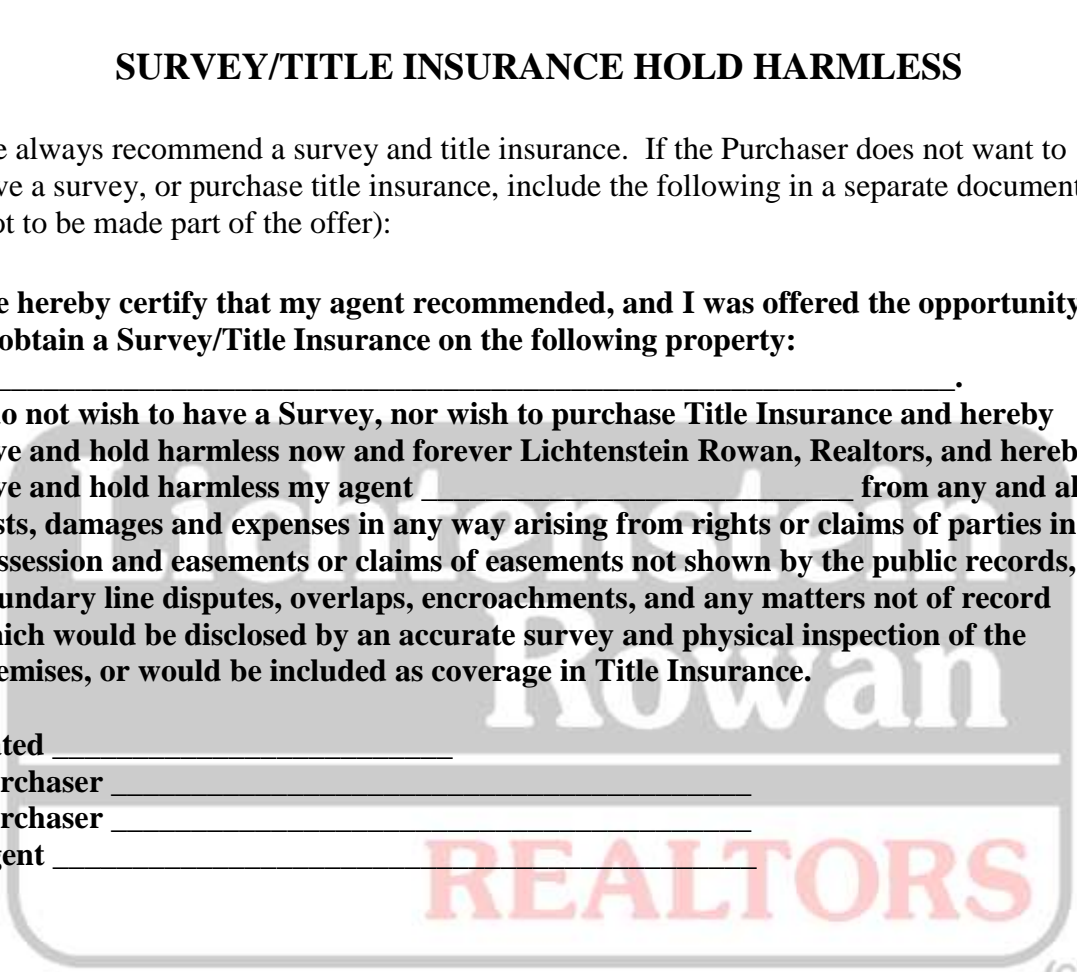
SURVEY/TITLE INSURANCE HOLD HARMLESS

We always recommend a survey and title insurance. If the Purchaser does not want to have a survey, or purchase title insurance, include the following in a separate document (not to be made part of the offer):

We hereby certify that my agent recommended, and I was offered the opportunity to obtain a Survey/Title Insurance on the following property:

I do not wish to have a Survey, nor wish to purchase Title Insurance and hereby save and hold harmless now and forever Lichtenstein Rowan, Realtors, and hereby save and hold harmless my agent _____ from any and all costs, damages and expenses in any way arising from rights or claims of parties in possession and easements or claims of easements not shown by the public records, boundary line disputes, overlaps, encroachments, and any matters not of record which would be disclosed by an accurate survey and physical inspection of the premises, or would be included as coverage in Title Insurance.

Dated _____
Purchaser _____
Purchaser _____
Agent _____



GENERAL CONTINGENCY

This Purchase Agreement is contingent until _____(Time), _____(Date) upon the Purchaser (or Seller) obtaining a satisfactory _____. Purchaser (or Seller) shall pursue the above at their own expense and with due diligence. This Purchase Agreement shall be deemed null and void unless the Purchaser (or Seller) removes this contingency in writing prior to _____(Time), _____(Date).

SUBJECT TO SPOUSES’ OR PARENTS’ DISAPPROVAL

The burden is on the Purchaser to comply by time period; this is to the advantage of the Seller and does not hold up the Seller if another offer comes in. Used when one party has seen the home but spouse or parent has not yet seen it and they wish to tie the home up until the other party can see it. Generally, use only for short period of time; for example, two to five days.

This Purchase Agreement is subject to _____ (Purchaser's Spouse or Parent) inspecting and disapproving the purchase of this home in writing by _____ O'Clock, a.m./p.m. _____ (Date) or this Purchase Agreement is in full force and effect.

SUBJECT TO LAWYERS' APPROVAL

This Purchase Agreement shall be binding in all its terms upon all parties hereto unless the Seller's/Purchaser's Attorney disapproves, in writing, as to legal content of the wording herein prior to _____ (Time), _____ (Date).

DISCOUNT POINTS

This clause may be used when the Purchaser is requesting an increase in price to cover additional points and closing costs to obtain a VA, VHDA, or FHA loan. Contact the Lender for any changes they deem appropriate for a loan product that may require exact language.

Seller agrees to pay up to \$ _____ for loan discount points in order that Purchaser may secure this _____ (VA, VHDA, FHA) loan.

If points are less than \$ _____ *, the difference between \$ _____ * and the actual cost of discount points will be credited up to a maximum of \$ _____ * (c) toward Purchaser's closing costs. If the maximum credit is not usable for closing costs, the Purchase Price will be reduced by the unusable amount.

*This amount should be the same amount that the sales price of home was increased to cover the discount points.

NEW HOME CLAUSES

The following new home clauses should be inserted, as applicable, in a blank addendum and made part of the Purchase Agreement.

- A. Custom- built Homes. If plans and specifications are available to be made a part of the Purchase Agreement, the following clause may be used:

“and home to be built in compliance with the signed set of plans and specifications which are attached to and made a part of this Purchase Agreement; Seller agrees to grade, seed, and landscape all disturbed areas of the yard and finish interior and exterior of this home in a ‘turn-key’ manner.”

B. Subdivision House being built but changed slightly as to porch, etc:

“and home to be built on this property similar to home built on Lot ____, Block ____, Section ____, Subdivision _____. Sale to include full front porch, deck with sliding glass doors from kitchen; self-cleaning oven; dishwasher; disposal; wall to wall carpeting and pad in all rooms except bath, foyer and kitchen at \$_____ per square yard wholesale installed; vinyl in foyer, baths and kitchen at \$ _____ per square yard wholesale installed; and light fixture allowance of \$ _____ wholesale installed. Seller agrees that all materials and workmanship are to be of a quality equal to similar homes built by Seller in this area. Seller agrees to grade, seed and landscape all disturbed areas of the yard and finish the interior and exterior of this home in a ‘turn-key’ manner.”

C. Home under construction when there is no similar house to refer to on the quality of workmanship materials:

“Sale to include: 1) carpet in all rooms except baths, foyer, and kitchen, at \$ _____ per square yard wholesale installed including pad; 2) vinyl in foyer, baths and kitchen at \$ _____ per square yard wholesale installed; 3) light fixture allowance of \$ _____ wholesale installed; 4) cabinet allowance of \$ _____ wholesale installed; 6) shrubbery allowance of \$ _____ and installed; 7) wallpaper allowance of \$ _____ per roll wholesale to be installed by Seller in the kitchen, all bathrooms and dining room. All allowances include sales tax. Seller agrees to grade, seed, and landscape all disturbed areas of the property and finish the interior and exterior of this home in a ‘turn-key’ manner.”

SHORT TERM RENTAL AGREEMENTS WITH POSSESSION PRIOR TO CLOSING

Never do this unless absolutely necessary. If necessary:

- Never allow anyone to move in without loan approval and all contingencies removed from Purchase Agreement and without a written lease. This is for short term basis only.
- Never have rent less than Purchasers monthly payment or Sellers monthly payment, whichever is greater.

- Always have the “walk-through” prior to move in.
- Ask for more deposit.
- Use the standard VAR Possession by Purchaser Agreement.

EXCLUSION OF A POTENTIAL PURCHASER FROM LISTING AGREEMENT

We recommend waiting to submit an MLS listing until a Seller has notified all potential Purchasers that they can no longer purchase the home directly from the Seller without the REALTOR being involved in the purchase. If this cannot be done, use the following::

“Seller has exempted _____ (name) from this listing agreement until 5:00 p.m. on _____ (date – 24-48 hours). In the event _____ (name) decides to purchase the home and has not executed a written Purchase Agreement by _____ (same date as above), Seller will be obligated to all terms of this listing agreement.”

WITHDRAWING A SELLER LISTING AGREEMENT

- Please see Management to obtain a Seller Listing Release Form.
- Do not allow Sellers to withdraw a listing so they can list with another firm without approval of Management. If Management approves and you agree, you should release the Seller, using the language in the clause below:

“At your request, I am removing your home from our Multiple Listing Service and will no longer actively promote it. However, should you decide to sell it during the term of the original listing, renew or within _____ days beyond its expiration to anyone who has viewed the property, our firm would be due a commission as previously agreed.”

Note: If Seller does not have a valid reason to withdraw the listing, some agents will only let Sellers out of listing if they will pay for the cost of the Sales Associates advertising for that property.

BASEMENT CLAUSE

“Seller warrants the basement against any type of water leakage for a period of one year from the date of settlement and will leave in escrow with the settlement attorney the sum of _____ (\$_____) to be used to correct any water leakage should it occur. The entire escrow or any unused portion thereof will be refunded to Seller at the termination of the above warranty.”

LEASED EQUIPMENT DISCLOSURE

“The Seller has reviewed the following list of equipment and has checked the equipment that is leased. (Check “NONE” if there is no leased equipment.) The Purchaser may elect to continue leasing the equipment. In the event the Purchaser elects not to lease the equipment, the Seller will be responsible for having the equipment removed and repairing any damage that is the result of the removal of the equipment.

- _____ NONE
- _____ Hot Water Heater
- _____ Water Softener
- _____ Security Alarm System
- _____ Propane Tank
- _____ Satellite Dish
- _____ Other (describe)

EXCESSIVE COST OF REPAIRS

“Should the estimated cost of repairs under the Home Inspection Clause of the Purchase Agreement exceed \$_____, Purchaser shall have the option to terminate this Agreement upon written notice to Seller within 5 business days of Seller advising Purchaser of the estimated cost of repairs, and receive a full refund of the deposit in accordance with the procedures defined in the Purchase Agreement.”

SUBJECT TO APPRAISAL

“This Contract is subject to an appraisal being completed within _____ business days from the date of the fully executed Purchase Agreement, and the appraised value of the property being equal to or greater than the Sales Price.”

The Purchaser reserves the right to terminate this Contract within 3 business days from the date of receiving the appraisal if the appraised value of the property is not equal to or greater than the Sales Price. If the Purchaser terminates this contract because the appraised value of the property is not equal to or greater than the Sales Price, Seller agrees to sign a Termination Agreement and the deposit will be refunded in accordance with the Purchase Agreement.”

CLUE REPORT CLAUSE

“This Contract is subject to Purchaser obtaining, in writing, from Purchasers Homeowners Insurance Company within _____ business days from the date of the full execution of this Contract that the Purchaser qualifies for and will be able to purchase homeowner’s insurance on the Property. The Seller reserves the right to terminate this Contract in the event the Purchaser does not provide written evidence from the Homeowners Insurance Company within the above time period that the Purchaser qualifies and they will issue a homeowners insurance policy. The earnest money deposit will be returned according to the Purchase Agreement if the Purchaser is unable to obtain homeowners insurance on the Property.

The Purchaser reserves the right to terminate this Contract within the above time period if the Purchaser is denied coverage by the insurance companies because of the following: 1) the condition of the Property; 2) The Purchaser does not qualify for homeowners insurance for the property; or 3) the premium charged are more than 20% higher than the premium charged for a similar home without a claims history within the above time period. The earnest money deposit will be returned, in accordance with the Purchase Agreement if the Purchaser is unable to obtain homeowners insurance on the Property.”

GENERAL AUTHORIZATION

“The undersigned hereby authorize _____ (attorney or settlement company) to obtain a payoff statement from any mortgage lender of mine and to obtain any further information from my mortgage holder/lender that is necessary to complete the sale of my home. It is further understood that a photocopy/fax copy of this document shall be sufficient to serve as authorization to provide the information requested.”

**Signature of Seller(s) _____
Social Security Number of Seller(s) _____**

ESCALATION ADDENDUM

The following may be used as an ADDENDUM to the Purchase Agreement Offer in the case of multiple offers:

“The Parties agree that the Contract is modified as follows:

If, prior to Seller's ratification of the Contract, the Seller receives one or more additional written bona fide offers to purchase the Property with terms acceptable to Seller, and from which Seller would receive an equal or higher Net Proceeds than the Net Proceeds reflected in this offer, then this Contract Sales Price shall automatically increase by \$_____ above any other offer's net proceeds to Seller, not to exceed a maximum Sales Price of \$_____. If other offers include escalation terms, this automatic increase will be applied to the maximum Sales Price of the highest competing escalation addendum.

Any change in the Sales Price under this Addendum will be effective and binding upon Seller and Purchaser when Seller has ratified the Contract and this Addendum at the above escalated Sales Price. Seller's Agent attests to the validity of the additional Contract in which Purchasers escalated Purchase Price was determined and will retain a copy in their file.

Having read and understood the foregoing, we the undersigned, hereby ratify, accept, approve, confirm and acknowledge the same to be a part of our Contract."

Signature of Purchaser(s)
Signature of Seller(s)
Signature of Agents

WHEN PURCHASING PROPERTY FOR YOURSELF

Add the following clause when purchasing property for yourself:

"All parties acknowledge and accept that the Purchaser _____ is a licensed Real Estate Salesperson in the State of Virginia. All parties further acknowledge and accept that the real estate agent, _____, is buying the property as a principal and may sell the property in the future to make a profit. All parties acknowledge and accept the offer price may or may not be an indication of value."

INSPECTIONS FOR INFORMATIONAL PURPOSES

For properties purchased "as-is", Home, Radon, I&I, Termite, Roof, etc inspections that are performed on behalf of the Buyer should include the following clause under Additional Terms of the Home Inspection Addendum:

"Inspections are for informational purposes only – Seller is not required to do repairs; however, Purchaser reserves the right to terminate this Agreement based on the results of the inspections and receive a full refund of the deposit in accordance with the procedures defined in Section 11(A) of the Agreement."