

FOR SALE BY OWNER - PURCHASE AGREEMENT

Dated _____

We, the undersigned _____ (Buyer name(s) hereby offer to purchase the real property locally known as _____ (address). Subject to and together with any reasonable easements, zoning restrictions, restrictive covenants and mineral reservations of record, if any, and agree as follows:

1. The purchase price shall be \$ _____ and the method of payment to be as follows: \$ _____, earnest deposit, upon acceptance, shall be deposited with the Escrow Agent **CLEAR TITLE & ABSTRACT, LLC** to be used as earnest deposit and the balance of the purchase price as designated below. Select A, B, C or D (**Choose one**)

A. NEW MORTGAGE: This agreement is contingent upon the Buyers obtaining a Conventional, FHA, VA, or other _____ (circle one) Loan. Application to be made within _____ working days from acceptance of this Agreement at _____ (Lender). Mortgage not to exceed \$ _____ (Loan Amount) with note interest at _____ %. Seller agrees to pay a discount fee of _____ % or less, of the new mortgage amount. Buyer to pay the balance of the purchase price in cash at closing. If Buyer has not obtained a written commitment on or before _____, the Seller has the right to declare this offer is null and void.

B. ASSUMPTION OF MORTGAGE: Purchaser agrees to assume and pay existing mortgage balance in favor of _____ (Lender) in the approximate amount of \$ _____ and pay the balance in cash, or be certified or cashier's check at the time of delivery of the deed. It is understood that the present mortgage terms provide for interest at _____ % per annum and payments of \$ _____ per _____. Said payments include _____. Interest on the existing loan and any mortgage insurance premium shall be prorated to the date of closing. Purchaser(s) agrees to assume Seller's escrow subject to Lender's requirements. Seller agrees that the loan will be current at the time of closing. Purchaser(s) agrees to pay assumption fees, if any. The mortgage/contract being assumed (does/does not) provide for a variable interest rate. The mortgage/contract being assumed (does/does not) contain a balloon payment. Date of balloon, if any: _____. Seller(s) understands that he/she/they are allowing his/her/their mortgage to be assumed by the above-named Buyer(s), and unless otherwise specified, the Seller(s) is/are not being released from liability with the existing mortgage.

C. CONTRACT: Buyer(s) and Seller(s) will execute a Real Estate Installment Contract. Buyer(s) agree to a down payment of \$ _____ and monthly payments of \$ _____ including principal and interest at the rate of _____ %, until the unpaid principal balance, together with accrued interest, is paid in full (if balloon payment, see below) or until the amount due is reduced to the amount of the mortgage now or hereinafter placed on the property by Seller(s), at which time Seller(s) shall deliver to Buyer(s) a Warranty Deed. Interest shall commence on the date of closing and the first monthly payment shall be due 30 days after the date of closing unless otherwise mutually agreed by the

parties. The balance of the down payment is to be paid in cash at the time of closing, with adjustments for closing costs to be added or deducted from this amount. If Seller(s) now have or hereafter place a mortgage(s) on the property, such mortgage(s) may not exceed the Real Estate contract balance, and the interest rate and amortization thereof shall be no more onerous than the interest rate and amortization on the Real Estate Contract. This agreement is contingent upon Seller(s), Lenders approval is required.

- This contract (Shall/ Shall not) have a balloon payment. Date of Balloon, if any _____
- This contract (Shall/ Shall not) allow Buyer(s) to prepay all or part of the balance without penalty
- This contract (Shall/ Shall not) be due and payable in full upon the sale or assignment by the Buyer(s)
- Seller(s) (Shall/ Shall not) provide a Deed in Escrow. Escrow fee to be paid by Buyer/ Seller/ Divided Equally
- This contract (Shall/ Shall not) require a monthly payment into an escrow account for taxes, insurance and other related expenses.

D. CASH: Buyer(s) shall provide certified funds upon closing.

E. OTHER FINANCING TERMS: _____

2. CONDITION OF PROPERTY: The property as of the date of this Agreement including buildings, ground, and all improvement will be preserved by the Seller(s) in its present condition until possession, ordinary wear and tear excepted. The Buyer(s) shall be permitted to make an inspection of the property prior to possession or closing, whichever is sooner, in order to determine that there has been no change in the condition of the property.

3. POSSESSION AND CLOSING: Possession is to be given on _____ (date) at _____: _____ o'clock A.M./P.M. Adjustment of interest, rents, and all charges attributable to the Seller(s) possessions are to be made of like date. Closing date to be _____ (date). If for any reason possession is before or after the day of closing, the parties shall make a separate agreement with adjustments as of the date of possession. **THIS TRANSACTION SHALL BE CONSIDERED CLOSED UPON FILING OF DOCUMENTS AND RECEIPT OF ALL FUNDS.**

4. TAXES:

A. The Seller(s) shall pay all real estate taxes that are liens for prior years and all those that are due and payable on the date of closing

B. The Seller(s) shall pay their pro-rated share, based upon the date of closing of the real estate taxes for the fiscal year in which closing occurs due and payable in the subsequent fiscal year. The Buyer(s) shall be given a credit for such proration at closing based upon the last

known actual real estate taxes payable according to public record. (However, if such taxes are not based upon the full assessment of the present property improvements or the tax classification as of the date of closing, such proration shall be based on the current millage and assessed value as shown by the Assessor's Records on the date of closing. In the event of such partial assessment, it shall be the duty of the Seller(s) to so notify the Buyer(s).

C. The Seller(s) to provide good and sufficient tax escrow,
\$ _____ as of _____.

5. INCLUDED PROPERTY: Included property shall be all fixtures that belong to, are specifically adapted to or are a part of the real estate, whether attached or detached such as: Attached wall to wall carpeting, built in appliances, light fixtures (including light bulbs), ceiling fans, water softeners (**if not rented**), shutters, shades, rods, blinds, venetian blinds, awnings, storm doors, screens, television antennas, door chimes, automatic garage door openers, electrical service cables, attached mirrors, fencing, shelving, gates, bushes, trees, shrubs and plants.

6. Seller(s) shall provide an abstract of title, if available: _____ YES _____ NO

Seller(s) and Buyer(s) each agree to use **CLEAR TITLE & ABSTRACT, LLC** for as their escrow company and agreeing to pay a closing fee of **\$200.00 per side** (\$200.00 for Seller(s) and \$200.00 for Buyer(s) unless the Buyer(s) are obtaining a VA/FHA loan, then such costs of the closing shall be paid by the Seller(s).

7. SPECIAL ASSESSMENTS: The Seller(s) shall pay in full all special assessments that are certified as liens on the public record at closing. Any preliminary or deficiency assessments which cannot be discharged by payment shall be paid through an escrow account with sufficient funds to pay such liens payable with any unused funds returned to the Seller(s). All charges for solid waste removal, sewage, and assessments for maintenance that are attributable to Seller(s) possession shall be paid by Seller(s). If Seller(s) have received notification or have knowledge of any assessments on their property they must have disclosed to the Buyer(s).

8. DUTIES OF PARTIES: Seller(s) and Buyer(s) acknowledge that the Seller(s) of real property has a legal duty to disclose **MATERIAL DEFECTS** of which the Seller(s) have actual knowledge and which a reasonable inspection by the Buyer(s) would not reveal.

9. CONDITION OF PROPERTY: Buyer(s) may choose one of the following alternatives relative to the condition and quality of the property:

A. Within five (5) working days after the final acceptance date, Buyer(s) may, at their sole expense, have the property inspected by a person(s) of their choice to determine if there are any structural, mechanical, plumbing, electrical or other deficiencies. Within the same period (5 days), the Buyer(s) may notify in writing the Seller(s), or any deficiencies. The Seller(s) shall immediately notify the Buyer(s) in writing what steps the Seller(s) is willing to take to correct any deficiencies before closing. The Buyer(s) shall then immediately, in writing, notify the Seller(s) that (1) such steps are acceptable, in which case the Agreement, as so modified, shall be binding upon all parties; or (2) that such steps are not acceptable, in which case this Agreement shall be null and void, and any earnest money shall be returned to the Buyer(s). In the event that the inspection is not done within the specified time frame, the Buyer(s) acknowledge(s) that they are accepting the property in its existing condition.

B. Buyer(s) acknowledge that they have made a satisfactory inspection of the property and are purchasing the property in its existing condition

C. NEW CONSTRUCTION: If the improvements on the subject property are under construction or are to be constructed, this Agreement shall be subject to approval plans and specifications by the parties within _____ days of final acceptance of this agreement, new construction shall have the warranties applied by law, specifically made by suppliers of materials/appliances or specifically tendered by the contractor.

10. TERMITE INSPECTION: Buyer(s), at their expense shall have the property inspected for termites or other wood destroying insects by a licensed inspector prior to closing. If active infestation or damage due to prior infestation is discovered, Seller(s), shall have the option of either have the property treated for infestation by a licensed pest exterminator and having any damage repaired, OR canceling this Agreement. Buyer(s) agree(s) to accept the property after treatment and repairs. This provision shall not apply to fences, trees, shrubs or outbuildings other than garages. Provided however, Buyer(s) may accept this property in its existing condition without such treatment or repairs.

11. SURVEY: The Buyer(s) may, prior to closing, have the property surveyed at their expense. If the survey, certified by a Registered Land Surveyor, shows an encroachment on said property or if any improvements located on the subject property encroach on lands of others, such encroachments shall be treated as title defect.

12. RENTAL PROPERTY: If subject property is going to be rental property, Buyer(s) is/are responsible to investigate and understand any housing codes that may apply, including the possibility of rental inspections.

13. INSURANCE: Seller(s) shall bear the risk of loss or damage to the property prior to closing. Seller(s) agree to maintain existing insurance and Buyer(s) may purchase additional insurance. In the event of substantial damage or destruction prior to closing, this 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. However, Buyer(s) shall have the right to complete the closing and receive insurance proceeds regardless of the extent of damage.

14. JOINT TENANCY: If Seller(s) title is held in joint tenancy this Agreement shall not sever such joint tenancy. If Buyer(s) are husband and wife, their interest hereunder shall be held in joint tenancy with rights of survivorship unless otherwise specifically indicated.

15. ABSTRACT AND TITLE: The abstract shall be continued to and including the date of acceptance of this Agreement. Such abstract shall be delivered to an attorney for a title opinion for the Buyer(s), such attorney to be selected by the Buyer(s) or their mortgagee. OR title insurance shall be prepared, the commitment costs to be equally divided between the Seller(s) or Buyer(s). Seller(s) agree to perfect the title in accordance with such opinion so that upon conveyance, title shall be deemed marketable in compliance with this Agreement, the land title laws of the State of Iowa, and the Iowa Title Standard of the Iowa Bar Association. If closing is delayed due to Seller(s) inability to provide marketable title, this Agreement shall continue in

force and effect until either party rescinds the Agreement after giving 10 days written notice to the other party.

A. () BUYER(S) choose to use Clear Title & Abstract, LLC or _____.
Buyer(s) hereby selects the expanded ALTA Homeowners Policy of Title 10/17/98, if available or _____. The costs of any title insurance policies or endorsements shall be **equally divided** between SELLER(S) and BUYER(S).

B. () BUYER(S) choose to have an attorney's opinion in which case the **SELLER(S)**, at their cost, shall have the abstract continued to and including the date of acceptance of this Agreement and delivered to an attorney selected by BUYER(S) for an opinion at **BUYER(S)** cost.

16. REMEDIES OF THE PARTIES: If the Seller(s) fail to fulfill this Agreement, the Buyer(s) shall have the right to have all payments returned and/or to proceed by any action at law or in equity, and the Seller(s) agree to pay the costs and reasonable attorney fees, and a receiver may be appointed. If the Buyer(s) fail to fulfill this Agreement, Seller(s) may forfeit this agreement as provided in Chapter 656 of the Code of Iowa, and all payments made herein shall be forfeited, or the Seller(s) may proceed by any action at law or in equity. The Buyer(s) agree to pay costs and reasonable attorney fees, and any other expenses incurred by the Seller(s), and a receiver may be appointed. Seller(s) and Buyer(s) understand that the earnest deposit held in trust can only be released through agreement of both parties, the closing of this transaction, or by court order.

17. FUNDS: It is agreed that at the time of closing, funds of the purchase price may be used to apply to the purchase price, to pay taxes or other liens, same to be handled under supervision of the appointed **ESCROW AGENT** and subject to approval of Buyer(s) attorney on title questions needed to produce marketable title.

18. GENERAL PROVISIONS: In the performance of each part of this Agreement, time shall be of the essence. This Agreement shall be binding on and insure to the benefit of the heirs, executors, administrators, assigns and successors in interest of the respective parties. This Agreement shall survive the closing. Paragraph headings are for the convenience of reference and shall not limit nor affect the meaning of this Agreement. Words and phrases herein, including any acknowledgement hereof, shall be constructed as in the singular or plural number, and as masculine, feminine or neuter gender, according to the context.

19. LOAN PROCESS: The Buyer(s) hereby gives the Seller(s) permission to monitor the loan process.

20. This agreement includes all of the provisions set forth in this document unless specifically excluded. Other provisions to be provided in the agreement are as follows: _____

21. If this offer is not accepted on or before _____ (date) it shall be come null and void and all payments shall be repaid to the Buyer(s) without liability on the part of the ESCROW AGENT to either party. **THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, PLEASE SEEK COMPETENT LEGAL ADVICE.** When accepted, this Agreement shall become a binding contract.

BUYER SIGNATURE

Buyer Printed Name

SOCIAL SECURITY NUMBER

_____-_____-_____-

BUYER SIGNATURE

Buyer Printed Name

SOCIAL SECURITY NUMBER

_____-_____-_____-

ACCEPTANCE: We the Seller(s), hereby accept this offer on this _____ day of _____, _____. In the event of a counter offer, Buyer(s) and Seller(s) understand that the Seller(s) has/have the right to accept any other offers that may be presented to them until the counter offer has been accepted by the Buyer(s) and the agreement acknowledged.

SELLER SIGNATURE

Seller Printed Name

SOCIAL SECURITY NUMBER

_____-_____-_____-

SELLER SIGNATURE

Seller Printed Name

SOCIAL SECURITY NUMBER

_____-_____-_____-

BUYER(S) PLEASE NOTE: Please bring a certified funds or a cashier's check for the balance of your payments. This will permit prompt delivery of the papers. If property is used as your principal residence, check with County Assessor's Office for a Homestead Exemption Application. Please do so approximately 3 weeks after closing. With reference to Paragraph 1-D, Buyer(s) will pay the balance of the purchase price in certified funds or cashier's check at the time of closing with adjustment for closing costs to be added or deducted from this amount. This Agreement is not contingent upon Buyer(s) obtaining such funds.

SELLER(S) PLEASE NOTE: Upon termination of Seller(s) insurance at closing, Seller(s) should insure all personal property remaining on the premises should be removed prior to delivering possession.



535 West Broadway, Suite #203,
Council Bluffs, IA 51503
Phone: 712-328-1017
Fax: 712-328-1161

ADDENDUM TO PURCHASE AGREEMENT

Seller(s): _____

Buyer(s): _____

Address: _____

The following are changes to the original purchase agreement:

- 1. _____

- 2. _____

- 3. _____

- 4. _____

- 5. _____

- 6. _____

- 7. _____

The herein agreement, upon its execution by both parties, is herewith made an integral part of the aforementioned Agreement of Sale.

Dated _____

Dated _____

Buyer

Seller

Buyer

Seller

DISCLOSURE OF INFORMATION AND ACKNOWLEDGEMENT LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

Lead Warning Statement:

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

(a) Presence of lead based paint and/or lead-based paint hazards (check one below)

- Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):
- Seller has no knowledge of lead-based paint and/or lead based paint hazards in the

(b) Records and Reports available to the seller (check one below)

- Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the house.

Purchaser's Acknowledgment (initial)

(c) Purchaser has received copies of all information listed above.

(d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*

(e) Purchaser has (check one below)

- Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Certificate of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller _____

Buyer _____

Dated _____

Dated _____

Seller _____

Buyer _____

Dated _____

Dated _____

Dated _____

Property located at _____

VETERANS ADMINISTRATION (VA) ESCAPE CLAUSE

It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest deposit or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the V.A. The purchaser shall, however have the privilege and option to proceedings with the consummation of this contract without regard to the amount of reasonable value established by the V.A.

Seller _____ Date _____ Buyer _____ Date _____

Seller _____ Date _____ Buyer _____ Date _____

**FEDERAL HOUSING ADMINISTRATION (FHA) AMENDATORY CLAUSE
[4155.2 REV-4 (6/92)]**

It is expressly agreed that notwithstanding any other provisions of this contract, the purchase 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 the purchaser has been given in accordance with HUD, FHA or VA requirements a written statement by the Federal Housing Commission, Veterans Administration, or a Direct Endorsement lender setting forth the appraised value of the property of not less than \$_____. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. 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 not the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable. The dollar amount to be inserted in the amendatory clause is the sales price stated in the contract. If the borrower and seller agree to adjust the sales price in response to an appraised value that is less than the sales price, a new amendatory clause is NOT required. However, the loan application package must include the original sales contract with the same price as shown on the amendatory clause along with the revised or amended sale contract.

Seller _____ Date _____ Buyer _____ Date _____

Seller _____ Date _____ Buyer _____ Date _____

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FEDERAL HOUSING
ADMINISTRATIVE IMPORTANCE OF HOME INSPECTIONS**

FHA DOES NOT WARRANT THE VALUE OF THE CONDITION OF A HOME! While FHA requires the lender to have an appraiser determine the value of the property, it is an estimate only and is used to determine the amount of the mortgage FHA will insure and if the condition of the property make it eligible for FHA mortgage insurance. It is not, however, a guarantee that the property is free of defects.

As the purchaser, YOU should carefully examine the property or have it inspected by a qualified home inspection company to make sure that the condition is acceptable to you. You should do this before you sign the sales contract or make the contract contingent on the inspection. If repairs are needed, you may negotiate with the owner about having the faults corrected.

There is no requirement that you hire an inspector. If you choose to, the cost of the inspection up to \$200.00 may be included in your mortgage loan. Names of home inspections companies can be found in the yellow pages of your telephone directory under the heading "Home Inspection Service." I/We have carefully read this notice and fully understand the FHA will not perform a home inspection nor guarantee the price or condition of the property we are purchasing. I/We have carefully read this notice and fully understand the FHA will not perform a home inspection nor guarantee the price or condition of the property we are purchasing.

Seller _____ Date _____ Buyer _____ Date _____

Seller _____ Date _____ Buyer _____ Date _____

clear

TITLE & ABSTRACT, LLC

535 West Broadway, Suite #203
Council Bluffs, IA 51503
Phone: 712-328-1017
Fax: 712-328-1161

AUTHORIZATION TO OBTAIN LOAN INFORMATION

Property Address: _____

Seller(s) hereby authorize Clear Title & Abstract, LLC and its Escrow Agent to obtain any information relating to their present mortgage or mortgages and any loan information, including existing account, payoff statement, or assumption package from their existing lender.

Name of 1st Existing Lender: _____

Loan #: _____

Address: _____

Phone: _____

Name of 2nd Existing Lender: _____

Loan #: _____

Address: _____

Phone: _____

Date: _____

Seller

Seller



TITLE & ABSTRACT, LLC

535 West Broadway, Suite #203, Council Bluffs, IA 51503

Phone: 712-328-1017 Fax: 712-328-1161

CLOSING INFORMATION WORKSHEET

PROPERTY ADDRESS: _____
SALES PRICE: \$ _____ EARNEST DEPOSIT: \$ _____ CLOSING DATE: _____

SELLERS INFORMATION

SELLERS NAME: _____

MARITAL STATUS: _____ Husband & wife _____ Single _____ Other _____

PRESENT ADDRESS: _____

HOME PHONE: _____ CELL PHONE: _____

EMAIL ADDRESS: _____

FORWARDING ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

SS# _____ HIS _____ SS# _____ HERS _____

PRESENT MORTGAGE COMPANY: _____

LOAN NUMBER: _____ PHONE NUMBER: _____

2ND MORTGAGE COMPANY: _____

LOAN NUMBER: _____ PHONE NUMBER: _____

BUYERS INFORMATION

BUYER(S) NAME: _____

MARITAL STATUS: _____ Husband & wife _____ Single _____ Other _____

PRESENT ADDRESS: _____

HOME PHONE: _____ CELL PHONE: _____

EMAIL ADDRESS: _____

SS# _____ HIS _____ SS# _____ HERS _____

LENDER: _____ LOAN OFFICER: _____

LENDER ADDRESS: _____

LENDER PHONE: _____

TERMITE INSEPCION CO: _____ ORDERED: Yes or No

HOME INSPECTION CO: _____ ORDERED: Yes or No

WELL AND SEPTIC CO: _____ ORDERED: Yes or No

STEPS IN SELLING YOUR HOUSE FOR SALE BY OWNER

1. Bring a completed purchase agreement to Clear Title & Abstract, signed by all parties.
2. We will begin the process with a title search of the property, seller(s), and buyer(s).
3. Once the file is searched, copies of the search will go to the lender (if any) and to the Closing Department for further processing.
4. While the file is with the Closing Department, they will start the process of ordering payoffs and inspections.
5. The seller(s) will receive a call from the Closing Department to let them know when they can come in and sign the “deed set” to transfer the property to the new buyer(s)
6. When the lender is ready to close the transaction with the buyer(s), the Closing Department will contact the buyer(s) and set up a time for closing
7. At the completion of the Buyer(s) closing transaction, the Seller(s) will be able to stop by and pick up the proceeds check from the sale of the home.

If you have any questions, please feel free to call:

Title Department: 712-328-1017 Fax: 712-328-1161
Michelle – mfowler@cleartitlellc.com
Terri – tkrabbe@cleartitlellc.com

Closing Department: 712-328-1017 Fax: 712-388-2128
Tonja Maxwell – tmaxwell@cleartitlellc.com
Lindsey Bogardus – lbogardus@cleartitlellc.com

FEES

Customarily split as shown below

Seller	Buyer
½ fees for title or abstract	½ fees for title or abstract
Recording fees for payoffs (if any) (\$5.00/page + \$4.00/document)	Recording fees for deed and mtg (\$5.00/page + \$4.00/document)
Closing fee - \$200	Closing fee - \$200
Tax proration – TBD	Termite inspection – TBD
Overnight fee - \$20/payoff	Wire fee - \$15.00
Transfer stamps (\$1.60/1000 w/the first \$500 exempt)	