

RESIDENTIAL PURCHASE AGREEMENT

(Explanation Guide – Rev 7/2024)

NOTICE: This is a legally binding contract. If there are any terms of this document which you do not understand, consult an attorney before signing.

County: _____, Alabama Date: _____
Buyer(s) _____ (“Buyer”) agree(s) to purchase, and Seller(s) _____ (“Seller”) (collectively, the “Parties”) agree(s) to sell the following described property (“Property”) on the terms stated herein:

Unless specified otherwise, all references to days are calendar days and times are in Central Time. Notices must be in writing received by the party specified or that party’s Broker.

1. AGENCY DISCLOSURE:

The Listing Company is: _____ The Selling Company is: _____

- Options for each of the Parties is: 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 Buyer or Seller as a transaction broker.

Seller and Buyer acknowledge that the Alabama Real Estate Consumer Agency Disclosure (RECAD) Rule 790-x-3-.13 has been explained to them.

2. PROPERTY DESCRIPTION: (Select at least one.)

Street Address: _____

City: _____ County: _____, AL Zip: _____

MLS No.: _____ Property Tax Id/PPIN: _____

Legal Description: _____

_____ DB/PB#: _____ PG# _____

Metes/ Bounds (attach description or survey)

3. PURCHASE PRICE, EARNEST MONEY, AND FINANCING:

a) The purchase price is \$ _____.

b) **EARNEST MONEY:** \$ _____ (\$0 if blank) of the Purchase Price will be payable by Buyer as Earnest Money as set forth below. The Earnest Money will be delivered by Buyer in trust (*select one*) on or before _____ or the day Agreement is accepted and signed by all parties (“Earnest Money Delivery Date”). Earnest Money will be delivered to the (*select one*) Seller’s Broker Buyer’s Broker Other _____, who will serve as the Escrow Agent. Earnest Money may be held until this Agreement has been accepted and signed by all parties, at which time the Earnest Money will be promptly delivered to the Escrow Agent on or before the Earnest Money Delivery Date, or if this Agreement is not signed, Earnest Money will be returned to the Buyer without a release. Cash will be deposited immediately. **Seller, at Seller’s option, may cancel this agreement if the Earnest Money**

Commented [JH1]: This section identifies the listing and selling companies and defines the working relationship with each client. Acknowledgement of RECAD for Seller and Buyer.

Commented [JH2]: This section states at least one of the following: physical location, legal description, or metes and bounds.

Commented [JH3]: This section is multi-faceted. The amount offered for the purchase of the property is stated here in addition to details about the Earnest Money. The Earnest Money delivery date to the Escrow Agent is important to follow to avoid Seller cancellation of contract. Instruction is included for handling Earnest Money disputes.

The Buyer specifies how the property will be purchased: Cash or Financing. Buyer must fulfill responsibility and follow timeline for applying for financing and provide a letter of pre-approval or proof of funds. Follow the timeline carefully to avoid forfeiting earnest money.

check is rejected by the financial institution or if the Earnest Money is not delivered by Buyer on or before the Earnest Money Delivery Date.

Default: As specified in this Agreement, certain events or failures of the parties may determine whether the Earnest Money is refunded or not refunded to Buyer. **Buyer and Seller agree that, where this Agreement specifies one party is due the Earnest Money, a mutual release will be signed by both parties to that effect.** If a dispute over earnest money arises and an Alabama real estate licensee holds the funds, the licensee may (1) retain the funds until there is a written mutual release from all parties to this Agreement; (2) interplead the disputed funds into the appropriate court (in which case the licensee is entitled to deduct court costs, attorney fees, and similar expenses related to the interpleader from the earnest money); or (3) disburse the funds according to the non-appealable order of a court of competent jurisdiction. (See Alabama Real Estate License Law Rule: 790-X-3-.03.)

c) **FINANCING:** (Select one)

Buyer will purchase the Property with no financing contingency and provide proof of adequate finances to Seller within ___ days (5 days if left blank) of Agreement Acceptance Date;

OR

This Agreement is contingent on Buyer obtaining loan approval as specified below by the Loan Approval Date. Specify type: Conventional FHA VA (if FHA or VA, see attached addendum) Equity Seller financing Assumption of mortgage (See attached addendum from lender) Rural Development/USDA

Other: _____. If known, indicate Minimum Loan to Value: ____ %.

Buyer will apply for financing and provide a letter of pre-approval within ___ days (5 days if left blank) from Agreement Acceptance Date and will provide any information required by the lender for the pre-approval letter. Unless Buyer elects to waive the financing contingency of this Agreement, either party may cancel the Agreement if Buyer cannot obtain the above-indicated financing by _____, 20____ (“Financing Deadline”). In such event, both parties agree to execute a Mutual Release and Earnest Money will be returned to Buyer. If Buyer does not attempt to obtain or provide to Seller a letter of pre-approval, apply for financing, or cancel this Agreement by the Financing Deadline, Earnest Money will be forfeited to Seller. **No terms of this financing contingency can be changed without a written agreement signed by both parties. Unless otherwise agreed in writing by both parties, this Agreement is not contingent on the sale or closing of any other property.**

Lender-Required Repairs: Lender-required repairs, if any, will be specifically categorized and provided to Seller upon Buyer’s receipt from lender. The cost of lender-required repairs will be subject to a separate written agreement by the Parties. *Buyer and Seller acknowledge that letters of pre-approval issued by a lending institution are not required by the Seller’s Broker/Company or Buyer’s Broker/Company.*

4. **APPRAISAL:** This Agreement is is not contingent upon the Property appraising at the Purchase Price or higher. If Buyer requires an appraisal, the cost of such is to be paid by the Buyer unless otherwise indicated herein. If financing is used, Buyer acknowledges that any appraisal required by the lender is used to determine the maximum mortgage amount and does not guarantee the value or condition of the Property. Buyer will not incur any penalty by forfeiture of Earnest Money or otherwise be obligated to complete the

Commented [JH4]: The Purchase Agreement may or may not be contingent on an Appraisal. The buyer typically pays for the Appraisal as part of the closing costs. The Appraisal determines maximum mortgage amount, not value or condition of Property. If the Property does not appraise for the purchase price, the Buyer has options.

purchase of the Property if the Property does not appraise for the Purchase Price or higher. Buyer will, however, have the option of proceeding with closing without regard to the appraised value. (FHA/VA requirements to be determined in addendum.) If the Property does not appraise for the Purchase Price or higher, the Parties will agree on a mutually acceptable resolution within ___ days (5 days if left blank) of receipt of appraisal by both parties, or the Agreement will be deemed cancelled, and Earnest Money will be refunded to Buyer.

5. **CLOSING AND POSSESSION DATES:** The sale will be closed and the deed delivered on or before _____. However, if this Agreement is contingent upon Buyer obtaining financing, and closing funds from Buyer's lender(s) are not available on the Closing Date due to Consumer Financial Protection Bureau Closing Disclosure delivery requirements (CFPB Requirements), then the Closing Date will be extended for such period necessary to satisfy CFPB Requirements, provided such period does not exceed 7 calendar days. **Additionally, Seller will have a reasonable length of time, not to exceed ___ days (30 days if blank), within which to perfect title or cure defects on the title to the Property.**

Commented [JH5]: The sale will be closed on or before a specified date. Possession of the property is to be given at closing or on a specified date and time. Pre-closing and Post-closing Occupancy Agreements may be in effect.

Possession is to be given at (select one) closing or on _____ at _____ AM PM.

If possession is to be given on a date other than the closing date, it is recommended that the Parties enter into a written occupancy agreement. If the closing date is changed, the possession date may need to be changed accordingly.

6. **NON-DISCRIMINATION:** Federal law, Alabama law, the REALTOR® Code of Ethics, and this Agreement prohibit discrimination in the sale of real property on the basis of race, color, national origin, religion, familial status, disability, sex, sexual orientation, or gender identity.

Commented [JH6]: It is a violation of Federal and State law and the Code of Ethics to discriminate against any protected class.

7. **EXPENSES:** Except as noted herein, Buyer is to pay all closing costs, prepaid expenses, funding fees, and recording fees that are ordinarily paid by Buyer and associated with financing selected above. Buyer will pay any discount points and all fees, costs, and/or expenses, unless agreed otherwise herein. In the case of FHA or VA financing, Seller will pay all costs that Buyer is prohibited from paying under FHA/VA rules.

Commented [JH7]: This section states those expenses that a Buyer typically pays to purchase the property. It also provides an opportunity for the Buyer to ask the Seller to pay for their Buyer Broker's compensation. In addition, there is an opportunity to ask for a Seller Concession to help with additional expenses, closing costs, or Buyer Broker compensation.

Buyer Broker Compensation (Optional): In consideration of the purchase price being offered, the services provided by the Buyer Broker in assisting with the consummation of this Agreement, and the other terms of this Purchase Agreement, Seller agrees to pay to Buyer's Broker _____ % of the gross sales price and \$ _____ (both 0 if left blank), which is due and payable at closing. Closing Agent/Attorney is directed to disburse these funds at closing to the Buyer's Broker from the Seller's proceeds from the sale of Property.

There will be prorated expenses between the Buyer and Seller for taxes, HOA fees, and Closing Attorney fees. The Closing Attorney will be identified in this section.

Seller Concession (Optional): Seller to contribute up to \$ _____ (\$0 if left blank) in expenses, closing costs, recording fees and prepaids, and (if checked) discount points ("Seller Concession"). The Seller Concession is in addition to the FHA/VA expenses Buyer is prohibited from paying. In addition to the costs and expenses to be paid by Buyer specifically provided for in this Agreement, Buyer is responsible for any closing costs and prepaids in excess of the Seller Concession. The Seller Concession, when available, shall cover only those expenses which are indicated in this Agreement. If a Seller Concession is made available, the Buyer shall determine which expense(s) to apply the Seller Concession toward.

To be completed by Buyer: The Seller Concession, if available, is is not to be credited toward buyer broker compensation costs. If yes, indicate the amount or rate that will be contributed from the Seller Concession toward the Buyer's Broker's compensation: _____.

Prorated Expenses: Ad valorem taxes, association fees or dues, other fees or dues, and any rents being collected from existing tenants on the Property will be prorated between Buyer and Seller at time of closing. If transferable, existing leases will be transferred and assigned to Buyer at closing. Taxes are prorated based upon current information furnished by the Tax Assessor's Office as of date of closing, unless otherwise agreed to by the Parties. Any increase or decrease in taxes when taxes are due will be Buyer's responsibility.

Closing Agent/Attorney: Buyer and Seller hereby agree: (select one) to share the fees of a Closing Agent/Attorney equally; that the Buyer will pay the full cost of the Closing Agent/Attorney; or Other: _____ . The Closing Agent/Attorney will represent the mortgage lender if the sale is financed. If either Party bears full responsibility for the payment of the cost of the Closing Agent/Attorney, that Party shall select the Closing Agent/Attorney. The Parties acknowledge and agree that any sharing of fees may involve a conflict of interest on the part of the attorney, and that the attorney may require that an affidavit be signed at closing acknowledging the conflict of interest and the Parties' acceptance of the same. The Parties further acknowledge that all Parties have the right to be represented by separate and independent counsel of their own choosing and at their own expense, in connection with this Agreement. If known, the Parties agree that the Closing Agent/Attorney will be _____. The Parties agree that all funds due at closing, whether from Buyer or Seller, will be delivered in a form acceptable to the Closing Agent/Attorney.

8. **INSPECTIONS:** Buyer acknowledges that Alabama is a *caveat emptor* (or "buyer beware") state. Buyer is responsible for determining the condition of the Property. Buyer further acknowledges and agrees that (s)he is aware that professional inspection expertise to determine the condition of a property, and therefore, Buyer will not rely on any statements or omissions made by the real estate licensees regarding the condition of a property. Buyer elects to purchase the Property (select one):

WITHOUT INSPECTION: Buyer accepts Property without a right of inspection, in as-is condition.

OR

WITH INSPECTION: This offer is contingent on inspection(s) satisfactory to Buyer. Within _____ days (14 days if left blank) of Agreement Acceptance Date ("Inspection Period"), Buyer has the right to have the Property inspected. Such inspection will be at Buyer's Seller's expense. If at Seller's expense, the cost will will not be included in the Seller Concession, to the extent a Seller Concession is available. The utilities for the Property will be made available by Seller during the Inspection Period, and Seller will pay any re-inspection fees up to \$ _____ (\$200 if left blank) if utilities are not active during the Inspection Period. If Buyer does not receive a satisfactory inspection, Buyer has until the end of the Inspection Period to either cancel this Agreement in writing, in which case Earnest Money shall be returned to Buyer, or to request in writing that Seller correct the unsatisfactory item(s). If Seller requests, Buyer shall furnish Seller with a copy

Commented [JH8]: The Buyer is responsible for determining the condition of the Property and can elect to purchase the Property with or without an inspection contingency. If the Buyer chooses the inspection contingency, this section defines the process and Seller and Buyer rights and responsibilities and specific deadline dates during the Inspection Period.

Additional contingencies could include a Radon Inspection and a Sewer/Septic System Inspection.

of any inspections and/or reports ordered by Buyer. Failure by Buyer to cancel this Agreement or submit a list within the Inspection Period will constitute a waiver of Buyer's right of inspection, and in this event, Buyer will release Seller and real estate licensees from all liability related to the condition of the Property, accepting the Property as-is.

Upon receipt of the list of Buyer's requested repairs, Seller has ____ days (3 days if blank) to respond in writing to the Buyer. If, within that timeframe, Seller fails to respond or request an extension not to exceed ____ days (3 days if left blank), Seller declines to make all requested repairs. If Seller timely responds to Buyer's requested repairs, Seller reserves the right to correct the unsatisfactory items, not to exceed a cost deemed reasonable to Seller and as agreed to in writing by the Parties. If such repairs exceed this amount and Seller refuses to pay the excess cost, or if Seller declines to make the repairs, Buyer may: (i) pay the excess cost, (ii) if not prohibited by Buyer's lender, accept the Property with no or limited repairs, (iii) if agreed to by Seller, accept an agreed upon in writing reduction of the purchase price, or (iv) Buyer may cancel this Agreement and be refunded the Earnest Money by notifying Seller in writing within ____ days (2 days if left blank) of Buyer being informed of Seller's refusal. If Buyer fails to timely cancel this Agreement after being informed of Seller's refusal to pay the excess cost or to complete the requested repairs, the inspection contingency is forfeited, and closing will occur as scheduled.

Radon Inspection – Purchase Agreement is is not contingent on Buyer obtaining a satisfactory Radon inspection within the Inspection Period listed above. If requested, the Radon inspection will be at Buyer's Seller's expense. If at Seller's expense, the cost will will not be included in the Seller Concession, to the extent a Seller Concession is available. If the Radon inspection is unsatisfactory to Buyer, the provisions and time periods in the "With Inspection" sub-section apply as to the rights and responsibilities of the Parties related to the unsatisfactory radon inspection.

Sewer/Septic Systems – Check here if Property utilizes well water. Property is subject to a sewer septic system. Purchase Agreement is is not contingent on a sewer/septic system inspection. Within ____ days (21 days if left blank) of Agreement Acceptance Date ("Sewer/Septic Inspection Period"), Buyer has the right to have the sewer/ septic system inspected. If requested, such sewer/ septic inspection will be at Buyer's Seller's expense. If at Seller's expense, the cost will will not be included in the Seller Concession, to the extent a Seller Concession is available. If the sewer/septic inspection is unsatisfactory to Buyer, the provisions and time periods in the "With Inspection" sub-section apply as to the rights and responsibilities of the Parties related to the unsatisfactory sewer/septic inspection. Seller represents that all sewer/septic assessments, impact fees, and connection fees have been paid.

9. **FINAL WALK-THROUGH:** Buyer has the right to conduct a final inspection of the Property prior to closing to ensure the conditions of the Property are materially unchanged, except as agreed upon, since Agreement Acceptance Date. If material changes are discovered, the Buyer will notify Seller in writing as soon as practical prior to closing and Seller shall have a duty to repair the material changes to their condition as of the Agreement Acceptance Date. After closing (subject to Seller's obligations under a post-occupancy addendum), all conditions of the Property are the responsibility of the Buyer.

Commented [JH9]: The Buyer has the right to conduct a final inspection of the Property prior to closing to ensure the conditions of the Property are materially unchanged, except as agreed upon, since the Agreement Acceptance Date.

10. **TERMITE AND/OR WOOD INFESTATION/FUNGUS REPORT (WIR):** Purchase Agreement is is not contingent upon a Wood Infestation/ Fungus Report (WIR) satisfactory to Buyer. The cost of the WIR will be

Commented [JH10]: The Buyer may elect or the lender may require a termite inspection. This section addresses the procedure and the Buyer's options if active termite activity is discovered.

paid by Buyer Seller Other _____ and if it is to be paid by Seller, is to be included not to be included in the Seller Concession, to the extent a Seller Concession is available. The WIR will be dated within lender guidelines or, in the absence of lender guidelines, within 45 days of closing and issued by a licensed pest control company, stating that the accessible areas of the Property were properly inspected.

If the WIR reflects any signs of active or previous infestation and/or fungus, either Party will have the right to cancel this Agreement, and Earnest Money will be refunded to Buyer. Any repairs required by Buyer due to the WIR will be paid by Seller Buyer, at a cost agreed upon by the Parties in writing after inspection is completed. This does not preclude the Parties' right to negotiate other options. Buyer has ___ day(s) (1 if left blank) after receiving a WIR with signs of active or previous infestation to notify Seller in writing of Buyer's desire to cancel this Agreement or seek repairs. If Buyer fails to timely cancel this Agreement or seek repairs, this contingency is forfeited, and closing will occur as scheduled.

Unless otherwise agreed in writing, it is the sole responsibility of the Buyer to obtain, at the Buyer's expense, a termite/wood infestation contract for the re-treatment and/or repair of damage caused by wood destroying insects and/or fungus, effective at or after closing, from a company of Buyer's choice with coverage satisfactory to Buyer.

11. SURVEY: Buyer does does not request a survey by a registered Alabama land surveyor. (NOTE: Lender may require a survey.) If requested, this Purchase Agreement is contingent on Buyer obtaining a satisfactory survey by the Survey Delivery Date below. The survey will be at Buyer's Seller's expense. If at Seller's expense, the cost will will not be included in the Seller Concession, to the extent a Seller Concession is available. Any survey requested will be delivered to the Buyer no later than _____ (15 before closing if left blank) ("Survey Delivery Date"). Buyer will have _____ days (3 if left blank) from the time the survey is delivered to Buyer to notify Seller in writing of any issues with the survey ("Survey Review Period"). If the closing date is scheduled to occur within the Survey Review Period, Buyer and Seller agree to modify the closing date in writing as necessary. If Buyer receives survey by the Survey Delivery Date and fails to notify Seller in writing of issues within the Survey Review Period, the survey contingency is forfeited, and closing will occur as scheduled.

Commented [JH11]: If the Buyer chooses to obtain a survey of the Property, this section determines who will pay for the survey and the timeline to follow before closing.

12. LEAD-BASED PAINT DISCLOSURE: A lead-based paint disclosure is federally mandated for properties built prior to 1978. Select whether Property was built prior to 1978: Yes No. If yes, addendum _____ is attached.

Commented [JH12]: If the home was built before 1978, a Lead-Based Paint Disclosure must accompany the Purchase Agreement.

13. RISK OF LOSS/INSURABILITY OF PROPERTY: Seller agrees to keep sufficient hazard insurance in force on Property to protect all interests until this sale is closed and the deed is delivered. If Property is destroyed or materially damaged between the date hereof and the closing, and Seller is unable to restore it to its previous condition prior to closing, the Buyer will have the option of either canceling this Agreement and recovering the Earnest Money or accepting the Property in its damaged condition, provided that notice of cancellation must be received prior to closing. If Buyer elects to accept the Property in its damaged condition, any and all insurance proceeds otherwise payable to Seller by reason of such damage will instead be payable to Buyer, less any deductible payable by Seller. It is Buyer's responsibility to provide adequate insurance after closing.

Commented [JH13]: It is the Seller's responsibility to keep sufficient hazard insurance in force on the Property until the sale is closed and the deed delivered. It is the Buyer's responsibility to provide adequate insurance after closing. The Buyer must apply for hazard insurance within a specified number of days of accepted contract.

Buyer understands that Buyer is responsible for securing hazard insurance on the Property at a premium rate acceptable to Buyer and evidence of such acceptable insurance within ____ days (7 if blank) of Agreement Acceptance Date (“Insurability Date”). Should Buyer be unable to obtain acceptable evidence of insurability by the Insurability Date, Buyer may elect to cancel this Agreement by providing written notice of such election to Seller by the Insurability Date. If Buyer properly cancels the Agreement under this subsection, the Earnest Money will be refunded to Buyer. Failure to notify Seller of Buyer’s cancellation by the Insurability Date will be deemed acceptance of any available insurance, and closing will occur as scheduled.

14. **CONVEYANCE:** Seller agrees to convey the Property to Buyer by general warranty, statutory warranty, or quitclaim deed (general warranty if no boxes checked), free of all encumbrances except as permitted in this Agreement. Seller and Buyer agree that any encumbrances not herein excepted or assumed may be cleared at the time of closing from sales proceeds. Title to be taken in the name(s) of: _____ . Check here if Buyer desires that title be held as joint tenants with rights of survivorship. The Property is to be conveyed subject to any mineral and/or mining rights not owned by Seller, as well as covenants, restrictions, and utility easements. Buyer is encouraged to verify the current zoning classification.

Commented [JH14]: The property will convey by a General Warranty Deed free of all encumbrances unless otherwise noted.

Legal Notice: Seller acknowledges that, under Alabama case law, simply entering into this Purchase Agreement to sell the Property destroys a joint tenancy with right of survivorship and creates a tenancy-in-common, unless expressly specified otherwise. If Seller holds title to the property as joint tenants with rights of survivorship, indicate whether (*select one*): Seller’s intent is to maintain ownership as joint tenants with right of survivorship or Seller’s intent is to enter into a tenancy-in-common.

15. **MERCHANTABLE TITLE:** The Seller will convey good and merchantable title in fee simple to Property to the Buyer by the above-indicated deed, free of all encumbrances, except as herein stated. If the title is unmerchantable and incurable within the time provided in Paragraph 5, the Agreement will be deemed cancelled, and the Earnest Money will be refunded to Buyer.

Commented [JH15]: This section describes the title that will convey and in what form it will be issued.

Good and merchantable title to be issued in the form of (*select all that apply*): Owner’s Title Insurance Mortgagee Title Insurance Title Opinion Title Abstract. This cost will be at Buyer’s Seller’s expense. If at Seller’s expense, the cost will will not be included in the Seller Concession, to the extent a Seller Concession is available.

16. **HOME WARRANTY:** Buyer does does not require a Home Warranty policy of Buyer’s choosing, effective at closing, to run for one calendar year, and will be at Buyer’s Seller’s expense at a cost not to exceed \$ _____. If at Seller’s expense, the cost will will not be included in the Seller Concession, to the extent a Seller Concession is available.

Commented [JH16]: This section gives the Buyer an opportunity to choose whether or not (s)he will require a Home Warranty policy.

17. **IMPROVEMENTS & APPURTENANCES:** All dwellings, improvements, storage buildings on permanent foundations, and appurtenances presently situated in and on property, are included in the purchase price including, but not limited to: ceiling fans, attached light fixtures and their shades, attached wall mirrors, blinds, traverse rods, cornice boards, remote control garage door openers, security systems and/or cameras, attached audio/visual equipment, television antennas and rotor equipment, exterior lights, doorbells,

Commented [JH17]: This section identifies what must stay with the property and what is excluded in the sale. Personal items remaining with the Property after closing will become the property of the Buyer.

attached mantels, disposals, dishwashers, trash compactors, kitchen ranges, ovens, cooktops, water heaters, plumbing fixtures, attic fans, installed carpeting, built-in kitchen appliances, door and window screens, stationary laundry tubs, heating and air conditioning equipment, smoke detectors, water pumps and pressure tanks, pool pumps, awnings, piers (floating and stationary), fences, trees, shrubbery, all plantings, mail boxes, garbage carts, all other items which are permanently attached to the property, buildings, or appurtenances, and any additional items stated below, unless specifically excluded in this Agreement or an addendum to this Agreement.

Unless otherwise agreed to in writing, any personal items remaining with the Property after closing, whether listed herein or not, will be at no additional cost to Buyer, will not add to the value of the Property, will be in “as-is” condition, will be unencumbered at the time of closing, and will become the property of the Buyer.

Additional items to remain:

Items to be excluded from sale:

18. **COMMUNITY ASSOCIATIONS:** The Property is is not subject to a Homeowners’, Condominium Owners’, or other Community Association. If yes, see attached addendum ____ related to the Community Association.

Commented [JH18]: A Community Association addendum will accompany the Purchase Agreement if the Property is subject to a HOA.

19. **DISCLAIMER:** The Parties hereby acknowledge and agree the Seller’s Broker’s and Buyer’s Broker’s Companies, their officers, director(s), employee(s), broker(s), and sales associates will not be held responsible or liable for: (i) any obligations or agreements that the Parties have to one another hereunder; or (ii) any representation or the passing of any information to or from the Parties, and the Parties agree to discharge and release the companies, their officers, directors, employees, brokers, and sales associates from any claims, demands, damages, actions, causes of actions or suit at law arising from the sale of said property, which will include but not be limited to: (a) the condition of the heating, cooling, plumbing, water and electrical systems and any built-in appliances, (b) the condition of the roof and the basement, including leaks therein, (c) the existence of asbestos, (d) the size and area of the property, (e) workmanship or construction materials, including floors, (f) structural conditions, (g) utility and sewer or septic system condition, availability, and location, (h) the investment or resale value of the property, (i) subsurface or subsoil conditions, sinkholes, and mining or other soil conditions, including radon or other potentially hazardous gases or toxic materials, toxic mold, existence of, or damage from, wood destroying insects and/or fungus, (j) property access, easements, covenants, restrictions, developments, and structures, and (k) appurtenances thereto or any related mortgage terms and conditions. The Parties 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.

Commented [JH19]: This section identifies the items pertaining to the sale or purchase of this property that the Seller’s Broker’s and Buyer’s Broker’s Companies and sales associates will not be held responsible or liable for.

20. **SELLER’S DISCLAIMERS:** Seller warrants that Seller has not received notification from any lawful or other authority regarding any assessments, pending assessments, pending public improvements, repairs, replacements, or alterations to the Property that have not been satisfactorily made. Seller warrants that there is no unpaid indebtedness on the Property except as described in this Agreement. These warranties shall survive the delivery of the deed. Neither the Seller nor any agent make any representations or warranties regarding the Property’s condition except to the extent expressly set forth herein.

Commented [JH20]: This section contains protective clauses for the Seller concerning the condition of the land and structure except to the extent expressly set forth in the Purchase Agreement. The Buyer has the obligation to determine any and all conditions of the property material to the Buyer’s decision to buy the Property.

Except as expressly stated herein, Property is sold in **AS IS** condition without any warranties expressed 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, structural conditions, flood zone, and utility and sewer or septic tank availability and condition.

21. FIRE/SMOKE/GAS DETECTORS: Buyer will satisfy him/herself that all applicable federal, state and local statutes, ordinances, and/or regulations concerning fire/smoke/gas detectors or fire protection equipment have been met. Upon closing or after taking possession of the Property, whichever occurs first, Buyer will be solely responsible for compliance with such laws.

Commented [JH21]: This section contains information for the Buyer concerning detector devices.

22. OTHER OFFERS WHILE BUYER'S OFFER IS PENDING: Buyer hereby acknowledges that offers other than Buyer's offer may have been made or may be made before or while Seller is considering Buyer's offer or counteroffer. Before this Agreement becomes effective, Seller hereby expressly reserves the right to reject Buyer's offer or counteroffer or to withdraw any offer previously made by Seller to Buyer relating to the property, and to accept any other offer or counteroffer.

Commented [JH22]: Until a Purchase Agreement is ratified, Seller has the right to accept any offer that is deemed acceptable.

23. DISCLOSURE OF INFORMATION: The Purchase Price and terms of this sale may be disclosed after closing to the members and affiliate members of the Valley MLS/Huntsville Area Association of Realtors for use in the ordinary conduct of their business.

Commented [JH23]: Purchase information will be disclosed to the local MLS after the sale.

24. ADDITIONAL PROVISIONS: Additional provisions set forth below or in addenda attached to this Agreement and signed by all parties are construed as part of this Agreement:

Commented [JH24]: Additional provisions, if needed, are added here.

Insert provisions into this space.

25. OBLIGATION FOR FEES AND EXPENSES: The Parties acknowledge that, in the event this Agreement is canceled or does not close for any reason, fees or costs paid in advance may be non-refundable and services provided but unpaid are the responsibility of the Party who ordered the service.

Commented [JH25]: All fees and costs, paid or unpaid, are the responsibility of the Party who ordered the service.

26. MEDIATION AND ARBITRATION/WAIVER OF TRIAL BY JURY: If and only if initialed by both Buyer and Seller below, the Parties agree that all claims, disputes, or other matters in question arising out of or relating in any way to this Agreement or the breach thereof, including claims against any broker or sales associate, or relating to the relationship involved with, created by or concerning this Agreement, including the involvement of any sales associate ("Claim"), will be submitted to mediation with a mutually agreed upon mediator within forty-five (45) days of notice of the Claim. In the event no mediated resolution is reached within sixty (60) days of the party's notice of the claim, all claims will be resolved by binding arbitration in Alabama. The parties shall work together in good faith to select one (1) mutually acceptable arbitrator, who is an Alabama licensed attorney in good standing with the State Bar of Alabama, to administer and conduct the arbitration. If the parties cannot mutually agree on an arbitrator, the arbitrator shall be selected as follows: Each party shall simultaneously exchange with the other party a list of three arbitrators acceptable to that party to administer and conduct the arbitration. If there is only one (1) arbitrator that is common to both lists, that

Commented [JH26]: These sections spell out the steps of action to settle any disputes that cannot be resolved between the Parties personally. The Parties agree to use mediation first and then arbitration rather than a trial by jury.

arbitrator shall administer and conduct the arbitration. If there is more than one arbitrator that is common to both lists, the parties shall either mutually agree on which arbitrator shall be selected or flip a coin to select the arbitrator. If there is not initially a common arbitrator on the lists, the parties shall repeat the process by expanding their lists by two each time until there is a common name on the lists selected by the parties. The arbitration shall be conducted in accordance with the Alabama Supreme Court Commission on Dispute Resolution Guidelines for Arbitration Proceedings.

Each party acknowledges that (s)he is knowingly waiving the right to a trial by jury relating to all claims.

All disputes concerning the arbitrability of any claim or the enforceability or scope of this provision will be subject to the same binding arbitration. The losing party will bear the cost of the arbitrator and any attorney's fees incurred in pursuing or defending the claim or dispute; provided the arbitrator will have the authority to equitably apportion and award costs as a part of this award to the extent authorized by applicable law. The arbitrator will follow the law applicable to any such claim. The determination of the arbitrator will be final, binding on the parties, non-appealable, and may be entered in any court of competent jurisdiction to enforce it. All claims shall be brought by a party in his or her individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. The arbitrator may not consolidate more than one person's claims and may not otherwise preside over any form of a representative or class proceeding. The Parties acknowledge and agree that the transactions contemplated by and relating to this Agreement, which may include the use of materials or components which are obtained from out-of-state, and which otherwise include the use of interstate mails, roadways and commerce, involve interstate commerce, as that term is defined in the Federal Arbitration Act, 9 U.S.C. § 2. Notwithstanding anything to the contrary contained herein, this agreement to arbitrate shall not apply to: (1) any claim regarding the handling and disbursement of earnest money; and (2) any claim of Broker regarding the entitlement to or the non-payment of a real estate commission hereunder.

27. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the Parties regarding the Property, and supersedes all prior discussions, negotiations, and agreements between Buyer and Seller, whether oral or written. Neither Buyer, Seller, Seller's Broker/Company, nor Buyer's Broker/Company will be bound by any understanding, agreement, promise, or representation concerning the Property, whether expressed or implied, not specified herein.

Commented [JH27]: Any statements, representations, or promises not included in this Agreement or an attachment will be of no effect. Any amendments to this Agreement must be in writing and signed by all Parties.

28. SEVERABILITY AND HEADINGS: If any provision of this Agreement is deemed to be unlawful or is rendered ineffective by operation of law, then such provision will be severed, and the remaining provisions will be enforced unless such severance renders the Agreement meaningless or will work a manifest injustice on either party. Headings contained herein are for information and descriptive purposes only, are not binding, and are not to be used to interpret the provisions herein.

Commented [JH28]: This section addresses provisions and headings.

29. FACSIMILE OR COUNTERPART SIGNATURES: This Agreement may be signed and/or delivered by either Party or all Parties by facsimile and will be binding upon the Party so executing it upon the receipt by the other Party of the fully executed Agreement.

Commented [JH29]: This Agreement can be fully executed if signed and delivered by facsimile.

30. FORCE MAJEURE: Certain events, including pandemics and natural disasters, may result in performance under this Agreement becoming impossible and/or impractical. The Parties agree that events resulting in the Governor of Alabama declaring a state of emergency for the state or county in which the Property is located

Commented [JH30]: This section addresses certain events that may result in the performance becoming impossible. Here are steps to take if this happens.

during the pendency of this Agreement will toll the deadlines herein by _____ days (14 days if left blank). Nothing in this provision should be construed as preventing the Parties from mutually agreeing to another deadline or canceling the Agreement, either of which must be done in writing.

31. ASSIGNMENT OF AGREEMENT: The Parties agree that this Agreement is is not assignable. If assignable and in accordance with Alabama law, Buyer plans to market his/ her rights under the Agreement, or does not plan to market his/ her rights under the Agreement. If Buyer plans to market his/her rights under the Agreement, Buyer agrees to notify Seller of an assignment in writing _____ days (no fewer than 3 days; 3 days if left blank) before the assignment.

Commented [JH31]: This section pertains mainly to investors.

32. INITIAL OFFER TIME PERIOD: This offer is void after _____ am pm on _____ or upon Buyer's earlier withdrawal in writing to Seller.

Commented [JH32]: This offer can be presented to expire, if the Buyer so desires.