



# Black Hills Association of REALTORS® PURCHASE AGREEMENT



*This is a legal and binding contract between the Buyer and Seller. If not fully understood, seek legal advice.*

**Agency Disclosure.** Buyer and Seller acknowledge that they have received a copy of an agency disclosure.

**This is a Limited Agency Transaction.** With the knowledge and understanding of the explanation of limited agency, Buyer and Seller authorize and instruct the Broker and Licensees to act as limited agents in this transaction by initialing below:

Buyer initials: \_\_\_\_\_ Seller initials: \_\_\_\_\_

**1. EARNEST MONEY DEPOSIT – PARTIES TO CONTRACT – PROPERTY:**

Received from \_\_\_\_\_ Buyer, Earnest Money

Cash or  Check in the amount (\$ \_\_\_\_\_) \_\_\_\_\_ DOLLARS is herein attached. The listing office shall deposit and hold all earnest monies and other deposits until the sale is closed. If the Seller does not accept this offer, the earnest money shall be returned in full. If Buyer is unable to secure financing as stated in paragraph 4 below or if no agreement is reached regarding conditions found on inspection report(s) as stated in paragraph 11, Buyer's money shall be returned in full, less any expenses incurred on Buyer's behalf. The parties agree to execute a cancellation agreement if the transaction does not close. The earnest money will be deposited upon acceptance of this offer on the property legally described as:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

County: \_\_\_\_\_

also known as: \_\_\_\_\_

Seller's name: \_\_\_\_\_

**2. PURCHASE PRICE:** The total purchase price (hereby \_\_\_\_\_) \_\_\_\_\_ DOLLARS. After earnest money is credited, the remaining balance is to be paid in full by the Buyer at closing.

**3. APPRAISAL:** This offer  is or  is not subject to the property appraising for at least the purchase price.

**4. FINANCING:**

**New Mortgage.** This offer is contingent upon Buyer obtaining a new  VA,  FHA,  Conventional, or  \_\_\_\_\_ type of loan. A letter of Buyer's loan status from \_\_\_\_\_

is attached or  will be delivered by \_\_\_\_\_ (date). Buyer shall pay the appropriate down payment required with this loan. In lieu of other instructions, Buyer is to pay any loan discount or funding fees, if applicable. Buyer agrees, within five business days, to make application for and diligently and in good faith endeavor to secure a new loan, pay all application fees, and to sign all financing documents without delay. Buyer also agrees to immediately deposit with the lender, at time of loan application, all required funds for credit report and appraisal; and authorizes lender to immediately order, unless otherwise agreed. Buyer reserves the right to obtain alternative financing as long as there are no increased costs to Seller. If the appraisal reveals repairs, which must be made, the Buyer and Seller will negotiate which party will complete which repairs and pay for any re-inspection fees. Appraisal  will /  will not be ordered until any home inspection contingency is removed.

**Assumption.** See Attached Addendum.

**Contract for Deed/Private Mortgage.** See Attached Addendum.

**Cash.** This is a cash offer. The remaining balance of \$ \_\_\_\_\_ will be paid at closing by certified check. A letter of verification from \_\_\_\_\_ regarding the availability of funds  is attached or  will be delivered by \_\_\_\_\_ (date).

**Homeowner Insurance:** Offer  is or  is not contingent upon buyer providing proof of insurability within \_\_\_\_\_ business days of acceptance of offer or this agreement shall be deemed null and void in its entirety.

**5. PERSONAL PROPERTY:** The following items of personal property, free of liens and without warranty of condition, shall be transferred to Buyer by a separate Bill of Sale: \_\_\_\_\_

**6. SALE OF BUYER'S PROPERTY:**

A.  This offer is not contingent upon the sale or close of property owned by the Buyer.

B.  This offer is contingent upon the sale and close of the buyer's property located at (address including city & state) \_\_\_\_\_  within \_\_\_\_\_ days or  within the time specified

for closing the Seller's property. The Seller shall have the right to continue to offer the property for sale and accept any offers under the following terms: (NOTE: If offer is contingent, Buyer is to check one of the following:)

1)  Seller may accept other offers until the contingency clause is removed in writing by the Buyer. If another offer is accepted by the Seller, the Seller will notify the Buyer that the contract is no longer valid and deposits will be returned according to paragraph 1 of this agreement. If the Buyer's property sells within the above stated time, the Buyer agrees to buy and the Seller

Initials: Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Seller: \_\_\_\_\_ Date: \_\_\_\_\_  
Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Seller: \_\_\_\_\_ Date: \_\_\_\_\_

agrees to sell according to the terms agreed to herein.

2)  Seller may only accept other offers subject to the rights of the Buyer. If the Seller accepts another offer, Seller will give the Buyer written notice of the fact. Within \_\_\_\_\_ hours of receipt of the notice, the Buyer will provide a written waiver of the contingency on the sale and close of the Buyer's property, or this agreement will terminate without further notice and deposits will be returned according to paragraph 1 of this agreement. Upon waiver of this contingency, Buyer warrants and will demonstrate to the Seller's satisfaction that the funds needed for closing will be available and the Buyer's ability to obtain financing is not contingent upon the sale and/or close of any property.

3)  Seller may accept back-up offers, subject to the rights of the Buyer, until the time period specified in paragraph 6B above has expired. After the above-specified time, this offer becomes void unless an extension is mutually agreed upon in writing.

7. **TITLE:** Merchantable title shall be conveyed by Warranty Deed properly signed and with the necessary State Transfer Fee paid by the Seller at the time of recording. At Seller's expense an owner's  Standard, or  Standard with material and labor lien (mechanic's lien) coverage, or  Full extended coverage policy of title insurance to be provided (includes required full boundary survey). The monetary difference between a standard and full extended policy shall be paid by  Seller or  Buyer. Buyer to take title as:  Husband & Wife, as joint tenants with rights of survivorship;  Joint Tenants with rights of survivorship;  Tenants in Common and not as joint tenants with rights of survivorship;  Single Person; or  \_\_\_\_\_

8. **WALK-THROUGH INSPECTION:** Buyer will have the right to conduct a walk-through inspection of the property within 24 hours prior to closing to verify that the mechanical systems are in working order and that the property is in substantially the same condition as on the date this agreement was written. All personal property, including refuse, not included in the purchase price shall be removed by the Seller prior to closing. Seller states that the heating, plumbing and electrical systems will be in working condition on the day of closing unless otherwise stipulated below. (NOTE: These representations are solely that of the Seller, and no responsibility or liability therefore is accepted by the selling or listing Broker or their agents and employees.)

9. **SELLER'S DISCLOSURE:** Buyer  has or  has not received Seller's Property Disclosure Statement. This offer  is or  is not contingent upon Buyer receiving and accepting clarification of the following items within \_\_\_\_\_ day(s) of acceptance of this offer:

-OR-

No disclosure required: This property is exempt by State Law.

10. **LEAD-BASED PAINT STATEMENT:** If the Seller's property has a residential dwelling, which was built prior to 1978, Buyer is notified that such property may present exposure to lead. See lead-based paint disclosure, if applicable.

11. **INSPECTION OF PHYSICAL CONDITION OF PROPERTY:** Buyer and Seller understand the purpose of a property inspection is to inform/educate Buyer of conditions and future maintenance of property and is not designed to be a point of renegotiation of the purchase price. Buyer acknowledges that Buyer has the option to obtain property inspection services and it is recommended that such services be obtained from a licensed professional.

This offer  is /  is not contingent upon Buyer at Buyer's expense, obtaining a Property Inspection and a Report which may include, but not be limited to the physical, structural, mechanical, pest, geological and environmental-contamination conditions relating to the property. These inspection options will be completed and written notice of the results given to the Seller or his agent within \_\_\_\_\_ business days of acceptance of this agreement. If the inspection(s) has not been completed within the specified time, the Buyer's option to have the inspection(s) shall expire and all other terms of this Purchase Agreement shall continue unaffected.

If the inspection(s) reveal conditions unsatisfactory to the Buyer or unknown to the Seller, the parties to this agreement shall have the following options: Buyer will accept the existing condition; Seller will correct the existing condition and provide certification from an inspector that the condition has been remedied; or Buyer and Seller will negotiate a settlement. If no written agreement can be reached on the results of the Inspection Report(s) within \_\_\_\_\_ business days of the date and time Seller is notified of the results of the inspection(s), this agreement shall be deemed null and void in its entirety.

Buyer accepts inspection(s) as provided by Seller, subject to clarification of the following items: \_\_\_\_\_

Buyer hereby waives the option to have an independent home inspector assess the condition of the property. \_\_\_\_\_ (Buyer initials)

12. **HOME WARRANTY:** Buyer and Seller understand there are home warranty plans available and that either party may secure such warranty at their expense.

13. **IMPROVEMENT LOCATION EXHIBIT OR SURVEY REQUEST:** (Buyer to check one of the following)  
 **New Improvement Location Exhibit** (Seller to provide). The purpose of an Improvement Location Exhibit is to provide a representation of the information gathered at the time of inspection. It is based on existing but not confirmed boundary evidence and is subject to any inaccuracies that a boundary survey might reveal. No property corners will be set and no warranty as to the location of the true boundary of the subject property is extended to the present or future owners or occupants.

**Boundary Survey and Improvement Location Exhibit** (Seller to provide, however the monetary difference between a location exhibit and a boundary survey shall be paid by the Buyer). The purpose of a Boundary Survey is to provide verified boundary information as the basis for the improvement location exhibit.

**Boundary Survey Land Only.** Paid by buyer unless otherwise agreed upon herein.

**No survey or exhibit is required by Buyer.**

**Other** \_\_\_\_\_

14. **PRORATIONS:**

Taxes, insurance, interest, rents and homeowners association fees are:

to be prorated to \_\_\_\_\_ (date). The tax proration shall be based on the previous year's taxes, or as agreed between Buyer and Seller in paragraph 19 below. (NOTE: Buyer and Seller acknowledge that taxes are computed

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Buyer: \_\_\_\_\_ Date: \_\_\_\_\_ Seller: \_\_\_\_\_ Date: \_\_\_\_\_

on assessed valuation and mill levy and these figures change from year to year, determined by changes in city, county and school budgets.)

**not to be prorated.** Any insurance premium refund is to be deposited to the escrow account, or transferred to the Buyer. Any fuel oil, or propane stored on the property  will be prorated or  will not be prorated or removed.

15. **POSSESSION/CLOSING:** Possession to go to Buyer \_\_\_\_\_ Closing will take place on or before \_\_\_\_\_(date). Escrow closing fee is to be paid by Buyer unless required by VA to be paid by Seller.

16. **DISPUTE RESOLUTION:** Any dispute or claim arising out of or relating to the sale of this property, with the exception of disputes arising out of or in any manner involving any earnest money or escrow matters, shall first be submitted to mediation in accordance with the rules and procedures of the Sellers/Buyers Dispute Resolution System. Any cost of mediation will be shared equally between the Buyer and Seller. Buyer and Seller acknowledge receipt of the "Dispute Resolution System - Mediation" pamphlet. Disputes involving escrow matters shall be resolved in accordance with the terms of any applicable escrow agreement.

17. **DEFAULT:** In the event either party defaults under this agreement the parties shall have all remedies allowed under the law of the State of South Dakota including but not limited to the right to sue for specific performance or forfeiture of earnest money.

18. **CHOICE OF LAW:** The laws of South Dakota govern this transaction.

19. **OTHER PROVISIONS:** \_\_\_\_\_  
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COPY

20. **INTEGRATION AND MODIFICATION:** This writing contains the entire agreement between the parties and there are no other oral or collateral agreements of any kind except those contained herein. This Agreement may be changed only by written agreement signed by the parties.

*This is a legal binding contract between the Buyer and Seller, if not understood, seek legal advice.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

This agreement is void if not accepted by the seller before \_\_\_\_\_ a.m./p.m. on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Buyer's Name - Typed or Printed X Buyer's Signature  
\_\_\_\_\_  
Buyer's Name - Typed or Printed X Buyer's Signature

The foregoing is  accepted,  countered (see attached counter offer), or  not accepted on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

X \_\_\_\_\_ X \_\_\_\_\_  
Seller's Signature Seller's Signature

*The following parties are listed for informational purposes only and they shall not be considered parties to the contract.*

\_\_\_\_\_  
Selling Company Selling Salesperson -  Seller Agent,  Buyer Agent,  
 Limited Agent,  Transaction Broker  
\_\_\_\_\_  
Listing Company Listing Salesperson