

THIS IS A LEGALLY BINDING CONTRACT
IF NOT UNDERSTOOD, SEEK LEGAL COUNSEL

PURCHASE AGREEMENT

1. **OFFER TO PURCHASE:** The undersigned, hereinafter, known as "Buyer(s)" hereby agrees to purchase the property commonly known as: _____ and legally described as _____ (Property size and square footage of all structures located thereon are approximate and not guaranteed.) Tax ID# _____ and located in the City Village Township of _____ County of _____, Michigan, subject to all existing building and use restrictions, easements and zoning ordinances, if any, and to pay therefore, the sum of _____ dollars (\$ _____)

2. **TERMS OF THE PURCHASE:** As indicated by "X" below, (other unmarked terms do not apply). Payment of the cash portion of the purchase price is to be a cashier's check issued by a federally regulated financial institution.

- Cash Sale:** The full purchase price upon the delivery of a recordable Warranty Deed conveying title in the condition provided for herein. Funds to be verified on or before _____, payable in form of a cashier's check or certified funds.
- New Mortgage:** The full purchase price upon delivery of a recordable Warranty Deed conveying title in the condition provided for herein. Contingent upon property appraising for a minimum of sales price, if required and buyer(s)'s ability to obtain a _____ mortgage, at no cost to the Seller(s) unless agreed to in writing, amortized for no less than _____ years, in the amount of _____% of purchase price, which Buyer(s) agrees to make written application by **(Date)** _____, **at** _____ **(AM/PM)**.

In the event that the Buyer(s) does not make written application for financing by the date provided above, the Seller(s) may terminate this agreement by written notification to the Buyer(s).

Buyer(s) to provide Seller(s) with a written ***mortgage commitment*** (*Definition:* In regard to the loan applied for, the Lender has examined and underwritten the loan regarding the Buyer(s)'s credit, income reserves, and qualifying ratios.) by **(Date)** _____, **at** _____ **(AM/PM)**. In the event Buyer(s) does not provide the Seller(s) with a written mortgage commitment by the date provided above, the Seller(s) may terminate this agreement by a written notice of termination to the Buyer(s).

Buyer(s) to provide Seller(s) with a written ***clear to close*** (*Definition:* All approval conditions have been satisfied, the loan is approved and funds are available to close.) by **(Date)** _____, **at** _____ **(AM/PM)**. In the event Buyer(s) does not provide the Seller(s) with a written clear to close by the date provided above, the Seller(s) may terminate this agreement by a written notice of termination to the Buyer(s).

Buyer(s) hereby authorizes their lender to disclose all material facts regarding loan information to the Listing and Selling REALTORS®, if any, that are involved in this transaction.

Buyer(s) Initials _____

Any extensions to the above time frames must be in writing and agreed to by both parties to be valid.

Disclaimer: This form is provided as a service of 1st Choice Title Services INC. Please review both the form and details to ensure it is appropriate for the transaction. Crossroads Title Agency is not responsible for the use or misuse of the form for misrepresentation of or for warranties made in connection with the form.

Sale To Existing Mortgage or Land Contract: Upon execution and delivery of

- A recordable Warranty Deed and subject to existing mortgage.
- Assignment of vendee interest in land contract.

Buyer(s) to pay the difference (approximately \$ _____) between the purchase price and the balance as of the day of closing, of said mortgage or land contract bearing interest at _____% per annum and with monthly payments of \$ _____ which do ___ do not ___ include tax and/or insurance, which Buyer(s) assumes and agrees to pay. Buyer(s) agrees to reimburse Seller(s) for any funds held in escrow. Buyer(s) to pay all taxes and insurance costs if not included in the monthly payment stated above (see paragraph 7). **Seller(s) understands that the sale or transfer of the property described in this agreement may not relieve the seller(s) of any liability that seller(s) may have under the mortgage(s) or land contract(s) to which the property is subject, unless otherwise agreed to by the lender or vendor or required by law or regulation.**

Land Contract: The down payment of _____ Dollars (\$ _____) and the execution of a _____ land contract, acknowledging payment of that sum and calling for the payment of the remainder of the purchase money of \$ _____ in _____ payments of _____ or more, which (SHALL / SHALL NOT) include interest payment at the rate of _____% percent per annum, and which (SHALL / SHALL NOT) include prepaid taxes and insurance. The contract shall be paid in full on or before _____ years from the date of sale. Buyer(s) agrees to provide Seller(s) a recent credit report on or before _____, which must be approved or rejected in writing by the Seller(s) within ___ days of receipt of said credit report. In the event Buyer(s) does not provide the Seller(s) with a written credit report by the date provided above, the Seller(s) may terminate this agreement by a written notice to the Buyer(s).

3. Pursuant to the above identified terms of purchase, seller(s) and buyer(s) agree to close by _____ (**Date**) but not prior to _____ (**Date**) unless otherwise mutually agreed in writing. If sale is not closed as set forth above, seller(s) has option to declare buyer(s) in default and to terminate this agreement by written notice to buyer(s)

4. **FIXTURES AND IMPROVEMENTS** – All improvements and fixtures are included in the purchase price including, if now in or on the property, the following: all buildings, landscaping; lighting fixtures and their shades and bulbs; ceiling fans; drapery and curtain hardware; window coverings, shades and blinds; built-in kitchen appliances, including garbage disposal, drop-in ranges and range hood; wall to wall carpeting, if attached; all attached mirrors; all attached shelving; attached work benches; stationary laundry tubs; water softener (unless rented); water heater; sump pump; water pump and pressure tank; heating and air stoves connected by flue pipe; fireplace screens; inserts and grates; fireplace doors, if attached; liquid heating and cooking fuels in tank(s) at time of transfer of possession (tanks will not be empty unless now empty); liquid heating and cooking fuel tanks if owned by Seller(s); TV Antenna and complete rotor equipment; all support equipment for in ground pools; screens and storm windows and doors; awnings; basketball backboard and goal; mailbox; fences; detached storage buildings; underground sprinkling, including the pump; installed outdoor grills; all plantings and bulbs; garage door opener and control(s); and any and all items and fixtures permanently affixed to the property.

Exclusions: _____

See attached Bill of Sale / Personal Property Statement

5. **TITLE** - As evidence of title, Seller(s) agrees to furnish Buyer(s) at Seller(s) cost, a title commitment, issued by **1st Choice Title Services INC**, and after closing, a policy of title insurance in an amount not less than the purchase price, bearing date later than the acceptance hereof and insuring the title in the condition as required herein.

Title Objections: If objection to the title is made, based upon a written opinion of the Buyer(s)'s attorney that the title is not in the condition as required for performance hereunder, the Seller(s) shall have thirty (30) days from the date they are notified in writing of the particular defects claimed, either (1) to remedy the title, or (2) if unable to remedy the title to refund the deposit in full termination of this agreement. If the Seller(s) remedies the title within the time specified, the Buyer(s) agrees to complete the sale.

6. **POSSESSION** – Possession to be given immediately following closing; _____ days after closing by 12:00 noon; subject to rights of tenants, if any. Seller(s) agrees to pay Buyer(s) rent (which commences the day of closing), during time of Sellers occupancy after closing \$ _____ per day; at an amount prorated per day equal to Buyer(s)'s monthly payment including principal, interest, taxes, insurance, condominium dues and association dues. Buyer(s) and Seller(s) hereby agree to settle the above rent pro-ration, if any, between themselves, subsequent to closing. Further, Seller(s) and Buyer(s) agree to prorate for water and sewer usage to date of possession.
- 6a. At the time of possession, the Seller(s) will have the property free and clear of trash and debris. Buyer(s) acknowledges responsibility of transferring all utilities the day possession is given.
- 6b. Any notification received by the Seller(s) pertaining to the property must be disclosed to the Buyer(s) prior to closing.
- 6c. If Seller(s)'s Tenants occupy the property, then:
- Seller will have the tenants vacate the property before closing.
- Buyer(s) will assign all Landlord rights and security deposit and rents prorated to date of closing, with Buyer(s) assuming Landlord rights and obligations after date of closing.
7. **TAXES – TAXES ARE PRO-RATED BASED UPON THIS AGREEMENT BETWEEN THE BUYER(S) AND THE SELLER(S).** Seller agrees to pay all taxes, fees and assessments that are a lien against the premises as of the time of closing. Further, at closing, the immediately previous December and July, if any, **tax bills will be prorated as** **paid in advance** **paid in arrears** based upon the current year of January 1st through December 31st and July 1st through June 30th respectively, unless otherwise agreed to herein.
Other: _____

Local municipalities' taxes may be based on different due dates and have no effect on tax pro-rations agreed upon in this purchase agreement.

Buyer(s) acknowledge that they are responsible for all real estate tax bills due after date of closing.

The Personal Residence Exemption Status of the above named property and the potential property assessment increase due to change of ownership should be verified to Buyer(s) with the taxing entity.

8. **BUYER(S) AGREE(S)** – Buyer(s) agree(s) that they have examined the before identified property, the Seller(s) property disclosure, if applicable and agrees to accept the same “**AS IS**” unless otherwise hereafter specified:
- _____

9. **PROPERTY INSPECTIONS** – Buyer(s) shall have the option for _____ calendar days after acceptance of this agreement to have the property inspected and tested by inspector(s) of the Buyer(s) choice. The inspection(s) and test(s) may include, but are not limited to, building structure, mechanical systems, environmental items, water, septic, and pest. If not satisfied with the condition of the property, the Buyer(s) shall notify the Seller(s) in writing with a copy of the inspection report(s) specifying any defective, or unsatisfactory condition(s), no later than 3 calendar days after each test. If no written notice of a defective condition is received or no inspection or test is held within the time allotted, the right to inspect shall be deemed waived and the Buyer(s) shall accept the property “as is”. In the event of a timely and valid notice of unsatisfactory defect or unsatisfactory test result, the Buyer(s) shall have the option to request the Seller(s) to correct the defect up to applicable building code or health and environmental standards, or terminate this agreement with full refund of the Earnest Money Deposit to the Buyer(s). In the event Buyer(s) requests a correction of the defect, Seller(s) has the option to **notify in writing within 5 calendar days of said notice agreeing to** correct the defect outlined above or the **Buyer(s) Earnest Money Deposit will be returned in full termination of this agreement.**

Buyer(s) Initials: _____ Seller(s) Initials _____

- Yes No **Buyer(s) Elect to Waive Their Inspection Opportunity.** **Buyer(s) Initials:** _____
- Yes No **Home Inspection:** Buyer(s) reserves the right to have the property inspected at his/her expense.
- Yes No **Well Test:** Sale subject to Buyer(s) receipt and satisfaction of well/water test.
Test to be paid for by: Seller(s) Buyer(s)
- Yes No **Septic Test:** Sale subject to Buyer(s) receipt and satisfaction of septic test.
Test to be paid for by: Seller(s) Buyer(s)
- Yes No **Radon Test:** Sale subject to Buyer(s) receipt and satisfaction of radon test.
Test to be paid for by: Seller(s) Buyer(s)
- Yes No **Percolation Test:** Sale subject to Buyer(s) receipt and satisfaction of perk test.
Test to be paid for by: Seller(s) Buyer(s)
- Yes No **Inspection for Wood Destroying Insects:** Sale subject to Buyer(s) receipt and satisfaction of inspection for wood destroying insects by licensed contractor.
Test to be paid for by: Seller(s) Buyer(s)
- Yes No **Other Inspection:** _____
Test to be paid for by: Seller(s) Buyer(s)
- Yes No **Survey:** Sale subject to Buyer(s) receipt and satisfaction of a
 Mortgage Yes No **Stake** Yes No
Survey to be paid for by: Seller(s) Buyer(s)

NOTICE: If mortgage report (survey) is required by mortgage lender, said lender may deny financing due to easements, encroachments or other unforeseen circumstances. Buyer(s) shall be required to pay for said inspection unless otherwise agreed to in writing.

NOTICE: Lender may require the above mentioned inspection (s) as a condition of financing. If checked "no" and lender requires this report, Buyer(s) shall be required to pay for said inspection unless otherwise agreed to in writing.

LENDER REQUIRED REPAIRS, if any shall be paid by:

Seller(s) not exceed \$ _____. Buyer(s) not to exceed \$ _____.

Yes No **Home Warranty** **Paid for by:** Seller(s) Buyer(s)

10. DISCLOSURES REQUIRED BY LAW –

Agency Disclosure Lead Based Paint Seller(s) Disclosure Land Division Act, P.A 87
(If either party represent by realtor®) (See attachments, if any) [Metes & Bounds]

11. "TIME IS OF THE ESSENCE" – With respect to this agreement, the parties agree that no extensions of time limits are binding unless specifically agreed to in writing. This agreement shall be construed without regard to the party or parties responsible for its preparation.

12. DEFAULT – In the event Seller(s) or Buyer(s) defaults in the completion of this transaction, Seller(s) or Buyers may pursuer his or her legal remedies. In the event of Buyer(s) default, the earnest money deposit shall be forfeited.

