

RE/MAX[®] REVOLUTION

AGENT TRAINING

PURCHASE AGREEMENT

WHAT DOES THE PA SAY?

KNOW WHAT YOU WRITE



PURCHASE AGREEMENTS: KNOW WHAT YOUR CONTRACT SAYS SO YOU DONT LOOK STUPID TO YOUR CLIENTS OR THE CO-OP AGENT! PLUS YOU ALREADY KNOW WHAT STACEY AND RYAN WILL SAY WHEN YOU ASK WHAT TO DO NEXT... "WHAT DOES THE PURCHASE AGREEMENT SAY?"

WHAT DOES THE PURCHASE AGREEMENT MEAN?

Lines 3-6 DEFINITIONS: Introduces definitions for "Parties," "Buyer," "Seller," and "Acceptance." For clarification that ensures everyone is using consistent language. It's just helpful for avoiding misunderstandings in legal review.

Lines 8-12 AGENCY: This agreement makes it clear who each agent is working for. The buyer's agent is on the buyer's team and the seller's agent is on the seller's team — they each have their client's back. If by chance one agent is working with both the buyer and the seller, everyone has to agree to that in writing ahead of time (that's called dual agency). Also, each party has been officially told in writing who their agent represents, so there are no surprises.

Lines 14-18 CALCULATING TIME PERIOD: This is how this purchase agreement calculates days.

- Days means business days (Monday through Friday), unless otherwise stated.
- Weekends and legal holidays don't count.
- A business day runs from 12:00 AM to 11:59 PM.
- Don't count the day the event happens (like the day of acceptance).
- Do count the final day unless it lands on a weekend or holiday, then it rolls to the next business day.

Example: If a contract is accepted on Monday and the buyer has 5 business days to inspect, the clock starts Tuesday and ends the following Monday (unless there's a holiday).

Lines 20 & 21 PARTIES: Use full names as they want to take title and as they are on title. Entities are the Entity name not the signer.

Lines 23-27 SPECIFIC PROPERTY: The buyer is officially making an offer to purchase a specific property. The offer includes the location and legal description and the understanding that the property comes with anything legally tied to it, like: Easements (for things like utility access), Zoning rules (like whether it's residential or commercial), Any neighborhood covenants (like HOA rules), and existing mineral rights that may not transfer with the land. Basically, the buyer is saying: *"I want to buy this exact property, and I'm okay with any standard legal stuff attached to it."*

Lines 29-33 OFFER PRICE & EARNEST MONEY: This section states how much the buyer is offering to pay for the home and how much they're putting down as earnest money. Earnest money is not a fee. It's the first part of the down payment, meant to show they're serious about the purchase.

Lines 29-33 OFFER PRICE & EARNEST MONEY: Continued...

Earnest money is typically held in a trust account by the listing brokerage, but if that brokerage doesn't have one, it may be held by an attorney's office or another neutral party. It's due within 3 days of the seller signing the agreement. If it's not turned in on time, the seller can cancel the deal—but once the money is paid, the contract stays in place.

Lines 35-68 HOW THE BUYER PLANS TO PAY: This section explains how the buyer plans to pay the rest of the price, after the earnest money. They'll check all that apply from the list below A through G:

Lines 26-43 NEW MORTGAGE: If the buyer is getting a new mortgage, this part says the sale depends on them getting full loan approval from their lender.

- The buyer will fill in the type of loan (like FHA, VA, or conventional), the maximum loan amount (as a percentage of the purchase price), the interest rate, and the length of the loan (like 30 years).
- That loan percentage is called the Loan-to-Value (LTV) ratio. For example, if it's an FHA loan with 3.5% down, the LTV would be 96.5%—meaning the loan covers 96.5% of the price and the buyer puts down the other 3.5%.
- Once the seller signs the agreement, the buyer agrees to apply for the loan right away and do everything in good faith to get approved.
- The buyer must give the seller a preliminary approval letter (pre-approval) within a set number of days. This shows they qualify for the loan based on income, credit, etc., with only standard lender conditions left.
- We recommend having the preapproval prior to making the offer and using 1 day in the blank, but if they haven't gotten preapproved yet you may need to put 2 or 3 days. Offers are strongest with a preapproval.
- Later, the buyer must provide final loan approval (also called a "clear to close"), which confirms that all lender requirements—including the appraisal, if needed—are fully satisfied. We have prefilled this to 5 days prior to closing.
- If the buyer doesn't get final approval in time, the seller can send a written notice giving the buyer 5 extra days to provide it. If the buyer still can't, the deal is canceled.
If the seller doesn't send that notice, the contract stays in place until the buyer either provides final approval or gets denied.
- At closing, the buyer pays the rest of the purchase price (not covered by the loan) in cash, adjusted for closing costs.
- There's also a section on who's paying for the buyers closing costs (Loan costs).

Lines 50-54 CLOSING COSTS: Within this section you can ask for closing cost to be paid by the seller on behalf of the buyer. Use a firm dollar amount. You might typically see between \$2500-\$5000 needed for closing costs. This isn't firm just a typical range. Always ask the loan originator how much the buyer needs for closing costs ahead of time.

These are all examples of closing costs associated with getting a loan. (Not an exhaustive list)

Origination fee
Lender processing fee
Abstracting fees (buyers portion)
Credit report
Flood certification
Settlement company fees
Prepaid interest from closing to first payment
Appraisal fee and reinspection fee
Escrows (for future taxes and insurance)
Homeowners insurance
Governmental filings
Recording fees for deed and mortgage
HOA (homeowners association) buyers proration of month of closing
Title charges
Title exam to law firm who did buyer search
Title guaranty expenses
Buyer admin fee

Line 56 ASSUMPTION OR CONTRACT FOR DEED: If the buyer is choosing either a loan assumption or a contract for deed, this section points to the Financing Addendum, which lays out all the details. These options are complex, contact your brokers if you're not experienced with them.

- Assumption means the buyer takes over the seller's current mortgage. This can be a great option if the seller has a low interest rate, but it's time-consuming and not all loans are assumable. You'll need lender approval, and it can take several weeks or longer to get processed.
- Contract for Deed means the seller acts like the lender. The buyer makes payments directly to the seller instead of getting a mortgage through a bank. These deals often sell at a higher price than market value, which benefits the seller since they're not getting paid all at once. Our Contract Financing Addendum includes all the important terms (like purchase price, interest rate, down payment, balloon payment, etc.), so you can agree to everything up front and then have an attorney draft the final contract.

LINES 58-60 CASH: The buyer is paying in full without a loan. A new section for "Source of Funds" of the cash has been added to write in the source of these cash funds such as checking account, insurance settlement, asset sale, or other cash origin.

Lines 62–65 CONTINGENCY CLAUSE FOR OBTAINING CASH FUNDS: A check box to clearly indicate whether the purchase is contingent upon actually receiving those funds — a critical clarification if the cash is not currently available (liquid). This adds transparency when evaluating cash offers. Knowing whether funds are from a checking account, asset sale, or pending legal payout can shape how a seller responds to an offer. This reduces ambiguity and may prevent disputes over proof of funds.

If the buyer checks the NOT CONTINGENT on obtaining these funds, they're agreeing to bring the full remaining amount of the purchase price to closing in cash. In this case the agreement is not dependent on them getting a loan, waiting for a payout, or anything else to come up with the money.

The seller can request proof of funds within 5 days of accepting the offer—usually a bank or investment statement showing the money is readily available.

Important clarifications:

- A home equity line of credit (HELOC) that's already open and accessible can be treated as cash as soon as its withdrawn and it doesn't require approval.
- But a home equity loan the buyer still needs to apply for is not cash—that's a loan.
- If the buyer plans to use money from a home they're selling, that's not true cash either. That's cash with a contingency, because it depends on that other sale closing (and likely depends on someone else getting a loan, too). If that's the case, the buyer should mark (New Mortgage) and (Subject to Closing) to reflect the full picture.

Bottom line: Cash means liquid and ready. If anything has to happen first for the money to be available, it's not true cash and you need to check the box that makes the sale contingent upon receiving those funds.

Lines 67-68 OTHER FINANCING TERMS: If the buyer is paying with truckload of chickens, sachet of diamonds, or wheelbarrow full of gold bars, you can indicate that here. Just kidding. It could be that the purchase is being made with 1031 exchange proceeds, combination financing, or IFA down payment assistance you could write that here. Indecently, this language must be on all 1031 exchange purchases: "Buyer intends to complete this purchase as part of a tax-deferred exchange under IRC Section 1031. Seller agrees to cooperate with Buyer and any qualified intermediary to effectuate the exchange, at no additional cost or liability to Seller."

Lines 70-72 APPRAISAL CONTINGENCY: This section explains the Appraisal contingency – This means the sale may depend on the home being appraised for at or above the purchase price. If it comes in low, the buyer may need to renegotiate or walk away.

It's usually required if the buyer is getting a loan, but optional for cash or contract purchases. Some buyers paying cash don't care about an appraisal... they want the property regardless. Others may still want one to make sure they're not overpaying. It's totally up to the buyer if the lender doesn't require it.

The appraisal must be completed at least 10 days before closing, and it's the buyer's responsibility to get it done usually through their lender as part of the loan process.

Important to know:

- If the buyer is getting a loan, the lender will almost always require an appraisal to confirm the home's value.
- If the buyer is paying cash or using a contract for deed, the appraisal is optional. Some buyers want one for peace of mind; others skip it because they plan to move forward regardless of the appraised value.
- Appraisals help protect the buyer from overpaying and give leverage if the value doesn't match the price.

Our recommendation: We advise checking (Appraisal) on all financed transactions. It protects both the buyer and the deal if the appraisal comes in low—and most lenders require it anyway.

Lines 74-77 Homeowners Insurance Contingency: Provides a contingency for buyer to obtain insurance within a set timeframe or deal is voidable if unable to get insurance. This helps avoid surprises where the buyer later finds the property uninsurable. Agents should guide buyers to contact insurers early in the process. We have this checked as a default. We have defaulted this contingency to 14 days, but that can be changed when writing an offer.

Especially in older homes, it's increasingly common for buyers to have issues obtaining acceptable homeowners' insurance. This contingency protects the buyer in case they're unable to secure coverage due to factors like an aging or wood shake roof, outdated electrical or plumbing, prior insurance claims on the property, or the home's location in a flood, wildfire, or storm-prone area.

Insurance agents are a very good source to network with to possibly get more business from so reach out to insurance agents that you know and start networking and have a list of insurance agents for your buyers to contact if they do not already have an insurance company that provides property insurance.

Lines 79-84 SUBJECT TO CLOSING OR SALE: KNOW THE DIFFERENCE!

Subject to Closing – The buyer has already sold their home and it's under contract, but it hasn't closed yet. They're just waiting for that final step to free up their funds. STC means they've already found a buyer, and their home is pending—it just hasn't closed yet. The address of the property they're selling, and the scheduled closing date should be clearly noted here.

Because the seller is agreeing to take their home off the market based on the buyer's pending sale, don't be surprised if the listing agent asks for a copy of the purchase agreement on the buyer's current home and possibly a preapproval letter for that buyer, too. This isn't to be nosy... it's to gauge how solid the deal is, since everything hinges on that sale closing successfully.

Subject to Sale – The buyer hasn't sold their home yet and still needs to find a buyer. This means their ability to buy is dependent on getting their current place sold. STS means the buyer hasn't sold their home yet, and this deal depends on them finding a buyer and getting it under contract.

The buyer must include their home's address and a deadline. If it's not sold by then, the deal automatically cancels, and earnest money is refunded... no release needed.

Use the official Subject to Sale Addendum - Do not write your own terms in a blank addendum.

While this contingency is active the seller can keep showing the home and accept other offers. If another offer is accepted, the seller sends a notice giving the buyer a set number of business hours to either remove the contingency (and be ready to show they can buy without selling), or let the deal cancel and get their earnest money back. Clock starts at 8am the next business day.

Weekends/holidays don't count.

If the buyer gets their home under contract, they must notify the seller in writing and sign the contingency removal addendum. Be prepared to show a copy of their signed offer and the new buyer's preapproval if requested. At that point, the deal becomes Subject to Closing.

If they remove the contingency without selling, they must sign the removal addendum and Show proof they can close without selling first (cash or financing). The deal then proceeds regardless of what happens with their current home.

Inspection timelines note: If this contingency is used, the inspection period starts after it's removed, not after acceptance of the subject to sale offer. STS transactions will still get turned in as earnest money will be paid. The listing agent just won't mark it pending in MLS as the house is still for sale. Your buyers need to understand it is still for sale.

Lines 86-87 HOME WARRANTY: This section asks if a home warranty is part of the deal and it also states who's paying for it, which company and plan, and the cost.

- Make sure the price listed is correct—if it's off, the agreement will need to be amended later, which creates delays and confusion.
- The listing agent usually orders the warranty, so if the buyer wants upgrades or special coverage (like appliances or HVAC add-ons), those must be written in clearly so the correct plan is ordered from the start.

Lines 89-99 BROKER/AGENT COMPENSATION: This is where you have the seller covering the commission that the buyer has already agreed to pay you on the Showing Agreement/Buyer Broker Agreement. There is no longer a need for a Broker Compensation Addendum with this embedded in the purchase agreement. The second blank is already marked "not applicable" so that two amounts don't get typed in. Usually, you are working on a percentage. If you are working on a flat fee you simply mark "N/A" the percentage blank and type in the dollar amount instead of the "not applicable" that is already typed in on the second line.

Lines 100-102 FUNDS: At closing, the buyer's funds (including any loans if financing) are applied toward the purchase price. The total funds go into the settlement process, where the closing agent or title company uses a portion to pay off any seller obligations—such as liens, back taxes, or mortgages—before the seller receives their proceeds. This ensures the buyer receives clear title. All funds are handled under the supervision of the settlement company or law firm managing the closing.

Lines 104-108 CLOSING AND POSSESSION: Closing is about ownership and possession is about having access/possession of the property.

Closing is when the buyer officially becomes the owner. It happens when all the documents are signed, funds are received, and the deed is sent to be recorded.

The language states "on or before" and this sets a firm deadline for closing. Agents should build in extra buffer for possible lender and title delays, as this language limits flexibility and could trigger breach claims more easily.

Possession is when the buyer actually gets the keys and takes physical control of the home. This can happen at closing or at a later agreed to time. This is a delicate dance between all parties. Sellers often can't move into their new home until their closes, so they may need a little time after closing to get out of the old house. That's why closing, and possession aren't always the same day—and it's perfectly normal. A slight delay in possession is very common. Things to keep in mind:

Lines 104-108 CLOSING AND POSSESSION: Continued...

- In a chain, the first one to close is often the last to move, because everyone is waiting on everyone else.
- You may run into agents with strong opinions about how this "should" go—but what matters is what the buyer and seller agree to, not what anyone else prefers.
- If possession is delayed more than 12 hours, it's smart to use a Delayed Possession Agreement. This spells out when the seller must be out, whether they'll need to carry contents insurance, if there's a daily charge (per diem) for staying past closing and more.
- It's all negotiable, and there's no single "right" way.
- Sometimes buyers panic, thinking sellers will damage the home if they stay after closing. That's not typical, and we shouldn't plant fears that likely won't happen.
- Communicate with a listing agent about how fast their clients can move.
- Are they planning to move prior to their house selling? if so, then maybe possession is no big deal immediately at closing.
- If the seller is closing on another home immediately after their house closes you may need to find out if they get possession right away and how long they need to move their items out... think about it... where will they put their stuff?
- Ask until it all makes sense.
- Maybe the seller is more interested in a smooth transition or delayed possession over more money for their house. Ask the agent.
- If grandma has a house full of stuff maybe grandma will like an offer giving her a week or more to move everything. Don't assume it is always about money.

BE CAREFUL of DRY CLOSINGS – that means they are not FUNDING the transaction that day which means it isn't really closed. Do not give keys to a buyer who DRY CLOSED. Make sure they understand they are only signing, and it won't close until it funds.

Lines 110-113 HOMEOWNERS ASSOCIATION/COVENANTS: This section applies if the home is part of a townhome, condo, or HOA-managed property and says the seller must pay all HOA dues current through closing. The sale is subject to the HOA's rules and documents, including Declarations, Bylaws, and any amendments. The Addendum provides the specifics to the contingency such as that the seller must provide all governing docs, recent meeting minutes, financials, and the HOA's insurance certificate within a specified number of days. Buyer has time to review those materials and can cancel the deal (and get earnest money back) if they're not comfortable. If the HOA requires board approval or has a right of first refusal, the sale is contingent on that approval or waiver. All HOA dues must be paid current by the seller at closing and any special assessments (pending or current) must be paid by the party specified in the agreement.

Lines 115-121 NEW CONSTRUCTION: If the home is new construction or still being built, this agreement depends on both the buyer and seller approving the plans and specs within a certain number of days after the offer is accepted. Some warranties are included by law (like basic structure and habitability). Others may come from the builder/contractor or the manufacturers of things like appliances. Unless a specific warranty is provided in writing by the builder or supplier, there are no other guarantees. The broker and agents make no guarantees about the quality of construction or materials.

Lines 123-124 RENTAL PROPERTY: This property is currently rented and comes with tenants in place. The buyer and seller must follow the terms in the Rental Addendum.

Rental Addendum Summary:

A. Rental Docs Required: Within 5 business days, seller must provide: Leases and tenant applications, Income/expense records, Security deposit info, Tenant default/late payment history (past 12 months), City-issued rental certificates (if applicable). The buyer then gets 5 more business days to review and can cancel if the info is unacceptable.

B. Rent & Deposits: Rents will be prorated at closing and security deposits (plus interest, if any) go to the buyer

C. Seller Certifies: No known tenant issues, lawsuits, violations, or code problems—unless disclosed in writing. Seller won't sign new leases or make changes without buyer's written OK during the transaction.

D. Buyer Agrees: Buyer takes the property subject to existing leases—tenants get to stay as agreed.

E. This Addendum Survives Closing: All these terms remain in effect even after the deed is delivered.

Lines 126-144 INCLUDED OR EXCLUDED PROPERTY: This section outlines what comes with the house such as things that are permanently attached, built-in or custom-fitted, or considered part of the property (even if not physically attached), unless they're rented and disclosed in writing. It includes common items like: Light fixtures, bathroom mirrors, window treatments, and flooring, built-in appliances, shelving, brackets, and sound systems, garage door openers, thermostats, security systems, and central vacs, outdoor items like landscaping, in-ground sprinklers, fencing, and sheds and all keys, remotes, and accessories related to the home.

Commonly the seller will take items that are supposed to stay unless otherwise agreed to in writing such as video doorbells and TV brackets. Read the purchase agreement for guidance and talk with your sellers and buyers about these things.

Lines 126-144 INCLUDED OR EXCLUDED PROPERTY: Continued...

- There are also spaces to list: Other included items (things buyer specifically asks to keep) and Excluded items (things the seller is taking with them).
- Personal property items in a purchase agreement may cause an issue for the underwriter such as furniture or even a washer/dryer and may need to be included by using a BILL OF SALE.
- Agents and clients need to be very clear on what stays and what goes—don't assume. If it is important that it be included or excluded, make sure it is clearly conveyed in writing.
- Sellers must remove all excluded, rented, and personal items at their own expense before possession. Agents must clearly state in the purchase agreement if a rented LP tank or water softener system is staying with the property, and that the buyer agrees to assume the lease going forward. Agents should make sure rental disclosures are included and understood to avoid closing-day friction.
- If the seller leaves personal property behind after possession, here's what to do:
 1. Try to contact the listing agent or seller right away. Most of the time, it's accidental and they'll come get it.
 2. If they refuse or don't respond. Fully document everything left behind (photos + written list) and Buyer can Dispose of it themselves or hire someone to haul it away.
 3. If it creates a financial burden (junk removal, dumpster, labor): Tell buyer to keep receipts and they can attempt to recover costs by taking the seller to small claims court, but this is between the buyer and seller at this point.

Lines 146-147 ADDITIONAL PROVISIONS: This section is for any extra terms, conditions, or contingencies that aren't already covered elsewhere in the purchase agreement. It's a space to write in custom deal points that the buyer and seller agree to... and once included, they become legally binding, just like the rest of the contract.

Think of it as a "catch-all" for important items that don't have their own checkbox or paragraph elsewhere in the agreement. You don't want to put personal property on this line because some underwriters will reject it. Use a BILL OF SALE for personal property items. Example: *Subject to buyer's attorney review and approval of this agreement within 3 business days of acceptance.*

Lines 148-150 BROKER ADMIN FEE: The buyer agrees to pay RE/MAX REVOLUTION \$595.00 as an administrative fee. This covers the brokerage's costs for: Collecting and processing closing information, administering closing and compliance paperwork, Filing required documents with government agencies, and Supporting licensing, insurance, and record-keeping obligations.

Lines 151-158 CONDITION OF THE PROPERTY: This section covers lead-based paint, sellers disclosure, and condition of the property.

- If the home was built before 1978, the seller must disclose any known lead-based paint issues and give the buyer any records or test results they have. (See the required Lead-Based Paint Disclosure form.)
- The Seller's Property Condition Disclosure, required by Iowa law, is automatically part of this agreement—even if not copied in full here.
- The seller must keep the property in the same condition from the time the offer is accepted until the buyer takes possession. Minor wear is okay, but no damage, changes, or removal of anything agreed to.

Lines 160-198 INSPECTIONS: This section covers inspections and tells you exactly what to do.

Option 1: The buyer chooses to perform an inspection choosing either option A or B, which leads to one of two outcomes:

A: Buyer accepts the property as-is but retains the right to cancel within the inspection period. Buyer has __ days after acceptance to do any inspections (radon, roof, HVAC, etc.) at their own expense. If issues are found, they can ask the seller to fix them in writing. The seller has 3 days to respond with what they will or won't do. Then the buyer then has 2 days to accept the seller's response (the agreement is updated and moves forward) or Cancel the deal and get their earnest money back if they can't agree.

If the buyer does nothing during the timeline, they're accepting the home as-is.

If the seller doesn't respond, it's treated as a refusal, and the buyer may cancel & get their earnest money back.

B: Buyer requests repairs or modifications and enters negotiation; they may still cancel if not satisfied with seller's response to buyer's repair requests. The seller is making it clear they're selling the home "As-Is.". The buyer can still do inspections within the specified days. But instead of asking for repairs, if the buyer finds something unacceptable, they can cancel the deal and get their earnest money back... no negotiation, just a simple walk-away.

Lines 160-198 INSPECTIONS: Continued...

OPTION 2: Buyer Has Already Inspected / Buys "As-Is"

The buyer has already seen enough and is agreeing to buy the home exactly as it is. The buyer waives the inspection entirely and agrees to purchase the property as-is with no repairs or cancellation right related to inspection.

IMPORTANT: Talk through this with your clients and pick the appropriate one for them and then manage their expectations based on the parameters of the option chosen. Ensure your buyer understands the commitment if they choose to waive inspections entirely.

Lines 170-171 Seller's Right to Inspection Report: This language gives the seller the right to receive a copy of the inspection report if the buyer chooses to cancel or requests repairs. Agents should inform sellers they now have a contractual right to request the inspection findings. If the transaction falls through, sellers will be obligated to disclose any material defects revealed in that report by amending the seller's disclosure.

Lines 203-207 INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM (SEPTICS): This section covers septic inspections, and you MUST use the SEPTIC ADDENDUM. If the property has a septic system, Iowa law (Code 455B.172) requires a certified inspection by a DNR-licensed inspector before it can be sold, unless the property qualifies for an exemption.

The inspection must be done within a specified number of days of offer acceptance (unless the parties agree otherwise), and either the buyer or seller will pay... check the correct box.

The law targets systems without secondary treatment (like leach fields), which illegally discharge raw sewage into ditches or streams. These must be brought up to standard.

If the system is functional and includes secondary treatment, it may not need updates even if not up to current code. If the system fails, it must be upgraded. The county makes the final decision.

If weather delays inspection, the sale can still close with a binding agreement to complete it ASAP. Buyers and sellers can also negotiate who pays for any required upgrades.

More info and inspector lists: onsiteiowa.com or wastewatertraining.com

Septic Addendum Highlights:

Broker makes no warranties about the septic system.

The seller must check one of two boxes: Property is exempt from the inspection requirement (recent inspection, foreclosure, family transfer, etc.) or Property is not exempt, and the seller confirms the system is fully on the property and believed to be in working order.

If not exempt, seller must choose:

1. Seller will do a full certified inspection and pay for required fixes. This includes pumping the tank and opening all components. If the system is working (even if not to current code), it can stay as-is. The inspection is valid for 2 years.
2. Seller will provide proof the system was pumped within the past 3 years, along with notes on tank size/condition.

If the system fails:

- The seller can choose to cancel the agreement if replacement is required.
- Buyer and seller may negotiate costs or set up an escrow for repair/replacement.
- All reports must be filed with the county and DNR.
- The abstract must reflect the inspection history.

This is a legal requirement. Don't skip the addendum. Make sure all boxes are checked and documents are handled early to avoid closing delays.

Here's a concise list of Iowa's exemptions to the Time-of-Transfer septic inspection requirement (per Iowa Code 455B.172(11)):

- Transfers under a court order, e.g. foreclosure, bankruptcy, specific performance
- Transfers to/from a mortgagee in default, deed in lieu of foreclosure, or as part of foreclosure
- Transfers by a fiduciary in estate administration, guardianship, conservatorship, or trust
- Transfers between joint tenants or tenants in common
- Transfers to a spouse or a lineal relative (parent, child, grandparent, grandchild, etc.)
- Transfers between spouses due to divorce, separation, or marital property settlement
- Transfers where the building will be demolished or razed
- Transfers of property with a new system installed within the last two years
- Deeds from a partition proceeding (e.g., dividing jointly held property)
- Tax sale deeds issued by a county treasurer

Lines 209-213 DUTIES OF THE PARTIES: The agent and the brokerage can't guarantee the home's condition, size, future value, or investment potential. The agent is there to help facilitate the deal—not to act as inspectors, appraisers, or fortune tellers. The seller must legally disclose any known material defects (big issues with the home) that a typical buyer wouldn't find in a regular inspection. If they know about an issue, they can't hide it.

Lines 215-217 SURVEY: This section covers the buyers right to have a survey done and if there are issues with it. The buyer can choose to order a survey of the property but must do so within 10 days of final acceptance and at their own expense. If the survey reveals encroachments... like a fence, garage, or structure crossing property lines... it's considered a title defect. Just like a title issue, it must be resolved before closing or the buyer could walk away.

Lines 219-225 WOOD DESTROYING INSECTS: This section covers the pest inspection. If the property is a 1-4 unit residential home, the seller must pay for a termite/wood-destroying pest inspection before closing.

In the Central Iowa area is customary for the seller to pay for the termite inspection, but some other areas typically expect the buyer to. Our purchase agreement has a checkbox to designate whether the buyer or seller will pay for the termite inspection. This checkbox allows for you to accommodate either practice although we marked it as seller paid by default. It can be changed if you are offering in another market where Seller's do not customarily pay for termite inspections.

If there's active infestation or prior damage (N/A on fences, trees, or shrubs) the seller has two choices: Have the property treated by a licensed pest company and repair any damage to the buyer's satisfaction (typical cost to treat is \$800 depending on the size of the job), or cancel the deal. The buyer can also choose to accept the property as-is, but the lender most likely will not agree to this.

Lines 227-230 Termite Waiver for New Construction: Buyer agrees not to inspect for termites unless lender requires it. Used to avoid unnecessary pushback from builders. Still protects buyer if lender requires compliance such as an FHA or VA loan, but most likely won't require one for conventional loans.

Lines 232-241 ABSTRACT: This section covers the abstracting.

- The seller must provide an updated abstract (a record of property ownership) and get it to the buyer's or lender's attorney for a title opinion.
- The seller is responsible for fixing any title issues so that the property can be legally transferred with marketable title (clean and insurable).

Lines 232-241 ABSTRACT: Continued...

If there's a title issue and the seller can't clear the title in time, either party can cancel the deal, but only after giving 5 days' written notice to the other party and the agents. However, the seller can't back out unless they've made a real effort to fix the issue.

Title insurance option: If the buyer agrees, the seller can provide title insurance instead of an abstract to guarantee ownership and protect the buyer or lender.

Lines 243-249 PROPERTY TAXES: This section covers the property taxes.

- The seller is responsible for paying any past-due and all taxes due and payable in the year of closing.
- Taxes for the year of closing (but due the next year) are prorated between buyer and seller as of the closing date. This is based on the current assessed value, exemptions, and tax rates at the time of closing.
- The seller pays anything due on or before closing, and the buyer gets a credit at closing for the seller's share of any unpaid taxes.
- If it's a contract sale, see the Financing Addendum for how taxes might be handled differently.

Lines 251-253 JOINT TENANCY (HOW TITLE IS TAKEN): This section covers how title will be taken to the property. Once the purchase is fully paid, the seller will transfer ownership to the buyer by general warranty deed (the most protective type of deed).

- If the seller owns the property as joint tenants, that ownership setup is not affected by this agreement.
- If the buyer is married, their ownership will automatically be set up as joint tenancy with rights of survivorship—unless they state otherwise in writing.
- Per Wasker Law Firm in this area it is customary that all purchases with multiple buyers will default to joint tenancy. If you have unmarried buyers who want title as Tenants in Common, you have to specify this ahead of time.
- Joint Tenancy (with Right of Survivorship) Equal ownership, If one owner dies, their share goes to the other owner(s) automatically, Avoids probate.
- Tenants in Common Each owner has a separate, distinct share, An owner can sell, gift, or will their share without the consent of the other owner(s), If one sells, the new buyer becomes a tenant in common with the remaining owner(s).

Lines 255-260 SPECIAL ASSESSMENTS: This section covers any special assessments on the property.

- The seller must pay off all special assessments (like street, sewer, or sidewalk improvements) that are liens on the property as of closing.
- If there are pending or unpaid assessments that can't be paid off at closing, the seller must set up an escrow account with enough money to cover them later. Any unused money gets returned to the seller automatically—no buyer signature needed.
- The seller is also responsible for paying all charges related to their ownership, like trash and solid waste fees, sewer or utility bills, any maintenance-related assessments.

Lines 262-267 HOMEOWNERS OR PROPERTY INSURANCE: This section covers insurance and if the home is damaged before closing.

- The seller is responsible for the property and must maintain insurance coverage until closing or possession, whichever happens first.
- The buyer can choose to get additional insurance if they want (for protection during the transaction).
- If the damage is major and can't be fixed before closing, the deal is automatically canceled, unless the buyer and seller agree otherwise.
- The buyer does have the option to still close and receive the insurance proceeds to handle the damage themselves.

Lines 269-272 COURT APPROVAL: If the property is part of an estate, trust, or conservatorship, this sale depends on getting court approval... unless the estate attorney says it's not needed. If court approval is required, the person handling the estate (like an executor or trustee) must get it promptly, and the deed used to transfer ownership will be a Court Officer's Deed.

Lines 274-277 DOCUMENT PREP: The buyer and seller agree that the listing or selling brokerage (and their agents or staff) may prepare and complete approved real estate forms. This is only allowed because it's expressly authorized by Iowa law and Iowa Supreme Court Rules. Without this permission, preparing these documents would be considered the unauthorized practice of law.

Lines 279-283 GENERAL PROVISIONS: This is to clarify timelines and the binding nature of the purchase agreement. Time is of the essence – All deadlines matter. Missing them can be considered a breach of contract. This agreement is legally binding on the parties and their heirs, executors, and anyone who takes over their interest in the property. Even after closing and recording the deed, the promises and responsibilities in this agreement still apply... especially things like representations, warranties, and covenants.

Lines 285-287 NOTICE: Any official notice required by this agreement is considered "given" when it's actually received... and it must be in writing. Notices can be delivered by: Hand delivery, Fax, Certified mail (return receipt), and Email. Bottom line: If it's important and part of the contract, send it in writing and make sure it's received. Notices must be sent to either the buyer or seller directly, or to their respective agents.

Lines 289-294 REMEDIES OF THE PARTIES (WHAT IF IT ALL BLOWS UP): If either party fails to follow through on this agreement, there are legal consequences:

If the seller defaults the buyer can cancel the deal and get all money back... **OR...** The buyer can take legal action. The seller may have to pay the buyer's legal costs and attorney fees and a receiver may be appointed by the court if needed.

If the buyer defaults the seller can cancel the deal and keep all money paid (as forfeiture under Iowa Code 656)... **OR...** The seller can take legal action for damages. The buyer may have to pay the seller's attorney fees.

Lines 296-301 DISPUTE RESOLUTION: This section is optional. If both the buyer and seller initial it, they agree that before filing a lawsuit, they'll first try to resolve any disputes through mediation under the Des Moines Area Association of REALTORS® Dispute Resolution System. ⚠️ If either party does not initial, this clause does not apply.

Important to know: If both parties initial and agree to mediation, but then skip it and go straight to court, the lawsuit could potentially be dismissed with prejudice for not honoring the contract terms. That means the case could be thrown out entirely and the party filing it could lose their right to refile.

Lines 303-305 FINAL WALK THROUGH: The buyer has the right to do a final walkthrough before either closing or possession—whichever comes first. This is to make sure the property is still in the same condition as when they made the offer, except for normal wear and tear.

This is not optional for the seller—if the buyer wants a walkthrough, the seller must allow it. It's part of the agreement they signed. It should be handled the same way as at the initial showing was so if seller was present for that showing they may be for this, but it is best for seller to be gone as typical for a showing. If the transaction has been especially hard with animosity between buyer and seller it is best to not have the seller and buyer be in the same space hours before closing. If it is unavoidable you may want to take your broker with you to walk through.

The walkthrough is optional for the buyer. It's their chance to confirm the property hasn't changed in condition or been damaged and make sure agreed-upon inspection repairs were done properly. Skipping it is the buyer's choice, but if they want it, they get it.

Lines 308-309 MARKETING (OFF THE MARKET): Unless otherwise agreed in writing by both the buyer and seller, the seller must take the property off the market immediately once this agreement is signed. That means it should be marked as pending in the MLS or any public marketing. If the seller intends to keep the property active during inspections, that must be clearly agreed to in writing by both parties. No verbal understandings — if it's not in writing, it's not valid.

Lines 311-314 ACKNOWLEDGEMENT: By signing this agreement, both the buyer and seller are entering into a legally binding contract with real rights and responsibilities. Once signed and accepted, it's enforceable—so know what you're agreeing to.

- It's signed voluntarily by both parties.
- If either side has concerns about what they're agreeing to, they're strongly encouraged to get legal advice before signing.

Lines 319-323 ACCEPTANCE: This agreement becomes a binding contract once the seller accepts it.

- If the seller does not accept it by the deadline listed, the offer expires, becomes null and void, and any money paid by the buyer (like earnest money) will be returned.
- If the seller accepts after the stated deadline, the buyer must ratify (initial) the late acceptance to keep the agreement valid.

⚠ If the buyer doesn't ratify the late acceptance, the agreement could be considered voidable by the buyer at any time. That's why it's important to 1) Cross out the original expiration date 2) Write in the actual date of acceptance, and 3) Have all parties initial the change. This ensures the contract remains legally valid and prevents confusion or cancellation later.

Line 326 ADDENDUMS: When this box is checked, it means the parties agree those attached addendums are official parts of the contract and they must be reviewed and signed accordingly.

Lines 329-338 BUYER SIGNATURES AND BROKERAGE INFO: This section contains the official signatures and identification of everyone involved in the agreement, and it must be filled out completely. Incomplete or missing signatures, names, or license info can cause legal issues, delays in processing, or contract disputes so make sure everything is filled in fully and accurately.

Lines 340-358 SELLER ACCEPTANCE, COUNTER, OR REJECTION: Sellers sign here and check the appropriate box for acceptance, counteroffer, or rejection. If the seller doesn't agree to all terms in the buyer's original offer we strongly prefer to avoid Counter-Offer Addendums as they often create confusion. Instead, once the buyer and seller agree to new terms, we recommend drafting a clean, updated purchase agreement reflecting the final deal.

Lines 340-358 SELLER ACCEPTANCE, COUNTER, OR REJECTION: Continued...

If the seller chooses to reject the buyer's offer outright, without making a counteroffer. The seller could then sign and date this section, which can serve as written proof that the offer was reviewed and declined. This rejection is not required by law, but a buyer or cooperating agent may request it to confirm that the listing agent actually presented the offer to the seller.

Updated PA Quick Find

1. Days Calculation – Lines 14-18
2. Earnest Money Deadline – Line 30
3. Buyer Delay / Closing Date – Lines 46-49 & 104-106
4. Verification of Funds – Lines 58-60
5. Appraisal – Lines 70-72
6. Off-Market Once Accepted – Lines 308-309
7. Seller Disclosure = Part of Agreement – Line 155-157
8. Seller to Preserve Property – Lines 157-158
9. Damage Before Closing – Lines 262-267
10. Inspection Deficiencies – Lines 178-198
11. Seller has the right to receive copy of inspection – Lines 170-171
12. Buyer Fails to Inspect – Lines 191-193
13. Walk-Through Rights – Lines 303-305
14. If Termites Found – Lines 219-225
15. Termite Waiver (New Construction) – Lines 227-230
16. Buyer Selects Title Attorney – Lines 232-233
17. Title Delay / Marketable Title – Lines 234-241
18. Party Defaults & Dispute Resolution – Lines 289-299
19. Offer Expiration / Late Acceptance – Lines 321-323

PURCHASE AGREEMENT**DATE:** 07/25/2025**MLS Number:** 123456

DEFINITIONS: For the purposes of this form, 'Parties' refers to 'Seller(s)' or 'Buyer(s)' and shall include the singular and plural forms of 'Seller' or 'Buyer' respectively. The terms 'Seller' or 'Buyer' will be used consistently throughout this document. 'Acceptance' shall mean written acceptance of this Agreement and delivery to all parties.

AGENCY AGREEMENT: In this Agreement, it is understood and agreed to by the parties, the Selling Agent exclusively represents the Buyer. The Listing Agent exclusively represents the Seller. If the same Agent represents both Buyer and Seller, a Consensual Dual Agency form must accompany this Agreement. Buyer and Seller acknowledge their respective Agent made a written disclosure of the type of representation being provided.

CALCULATING TIME PERIODS IN THIS AGREEMENT: All references to days shall be construed as business days unless otherwise noted. A business day is defined as any day other than weekends or legal state or federal holidays. A day shall begin at 12:00AM and end at 11:59PM. In calculating, the day of the act or event is not included. The last day is included unless that day is a state or federal holiday; in which case the last day shall be the next business day.

TO: SELLER Ryan Mathews**FROM: BUYER** Mindy Goldsberry

Buyer offers to buy the real property situated in Polk (County) Timbuktu (City), Iowa, locally known as 1234 Hello Parkway, Timbuktu, IA 50327 and legally described as Lot 8765 Made Up Legal Description subject to and together with any reasonable easements, zoning restrictions, restrictive covenants and mineral reservations of record, if any, and offer the following terms:

PURCHASE PRICE: The purchase price shall be \$ 485,000 and method of payment as follows: Earnest money via check or electronic transfer of \$ 4850 to be provided within 3 days after Acceptance; to be deposited and held in Trust by Iowa Realty.

If earnest money is not delivered within this timeframe, this Agreement may be voidable at the option of the Seller until earnest money is delivered.

The balance of the purchase price shall be paid as indicated below. Select all that apply, A through H:

☒ **A. NEW MORTGAGE:** This Agreement is contingent upon Buyer obtaining full loan approval in writing for a new mortgage. Mortgage type shall be conventional for not more than 80 % of the purchase price with note interest at 6.25 % or less, with a term no less than 30 years.

Buyer agrees upon Acceptance to immediately make application with a lender for such mortgage and to make their best good faith effort to obtain mortgage. Buyer to provide Seller a written preliminary approval within 1 days from Acceptance. This preliminary approval must show Buyer has the ability to qualify for the loan amount and terms above, subject only to such reasonable and customary conditions as the lender typically imposes. Written final loan commitment shall follow, with ALL lender contingencies met including appraisal, if required, on or before 5 days prior to closing.

If Buyer does not provide final loan commitment, Seller may rescind this Agreement by giving written notice to Buyer, stating if required documentation is not provided within 5 days of receipt of notice, then this Agreement shall be null and void. If Seller does not give such written notice, then this Agreement shall remain valid until the Buyer has provided a final loan commitment or denial. *(continued to page 2)*

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In addition to the proceeds of the mortgage, Buyer shall pay the balance of purchase price, in cash at the time of closing with adjustment for closing costs to be added or deducted.

☐ **Buyer** to pay all customary actual closing and loan costs.

☒ **Seller** to pay Buyer actual closing and loan costs (including origination fees and discount points) and prepaid expenses not to exceed \$ 3500

☐ **B. ASSUMPTION OR CONTRACT FOR DEED:** See attached Financing Addendum.

☐ **C. CASH:** Buyer will pay the balance of the purchase price in cash at the time of closing with adjustment for closing costs to be either added or deducted. Seller has the right to request and receive verification of funds within 5 days of Acceptance. Source of funds: _____.

This Agreement ☐ is not ☐ is contingent upon Buyer obtaining such funds to close. If Buyer does not provide acceptable verification of funds, Seller may rescind this Agreement by giving written notice to Buyer, stating if required documentation is not provided within 5 days of receipt of notice, then this Agreement shall be null and void. If Seller does not give such written notice, then this Agreement shall remain valid.

☐ **D. OTHER FINANCING TERMS:**

☐ **E. APPRAISAL:** This Agreement is contingent upon the property appraising at or above the purchase price. Appraisal to be completed no later than 10 days prior to closing. Obtaining an appraisal is Buyer and/or Mortgage Lender's responsibility.

☒ **F. BUYERS INSURANCE:** This Agreement is conditioned upon Buyer obtaining a homeowners or property insurance binder on the property within 14 days upon Acceptance. Buyer agrees to make immediate application for homeowners or property insurance. If Buyer is unable to obtain a binder, this offer shall be declared null and void and the Earnest Money shall be refunded to Buyer.

☐ **G. SUBJECT TO CLOSING:** This Agreement is contingent upon Buyer closing and obtaining proceeds from the sale of their property located at _____ scheduled to close on or before _____.

☐ **H. SUBJECT TO SALE:** This Agreement is contingent on the sale of Buyer property. See attached Subject to Sale Addendum.

HOME WARRANTY: A home warranty shall be included with this sale: ☐ Yes ☐ No. Warranty to be paid for by ☐ Seller ☐ Buyer. Warranty Company _____ Plan _____ Cost \$ _____

COMPENSATION: BROKER'S COMMISSION, FEES, AND COMPENSATION ARE NEGOTIABLE AND NOT SET BY LAW. Choose One Option

☒ Seller, either directly or through their Listing Broker, agrees to pay Buyer Broker Compensation of 3.5 % of final purchase price or \$ N/A to Selling Broker for Buyer.

☐ Seller is not being asked to pay Buyer Broker Compensation.

This Agreement does not interfere with a Seller or Buyer obligation to pay additional compensation to their respective Brokerage in accordance with any brokerage agreement(s) for which they are a party. Seller may pay Buyer Brokerage compensation by any method available to meet the contractual obligation.

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FUNDS: At the time of closing, funds received from Buyer and/or Buyer's lender, may be applied to purchase price, to pay taxes and liens and are to be handled under supervision of the Brokers and subject to approval of Buyer's attorney.

CLOSING: Closing shall be on or before 09/30/2025. This transaction shall be considered closed upon delivery for recording of all documents required to convey marketable title to the Buyer and receipt of all funds by the settlement agent.

POSSESSION: To be given ☐ at time of closing, or ☒ on 10/01/2025 (time) 5 ☐ AM ☒ PM.

HOMEOWNERS ASSOCIATION/COVENANTS: If this Agreement is for a townhome, condominium, or other property subject to a Homeowners Association, association fees, if any, shall be paid current by Seller to date of closing.

☐ See HOA Addendum.

NEW CONSTRUCTION: If any improvements on the property are being built or are planned to be built, the Agreement is subject to both parties approving the plans and specifications within ____ days of Acceptance. For new construction, only the following warranties apply: (1) warranties implied by law, (2) express or implied warranties provided directly by material or appliance suppliers, or (3) warranties specifically offered by the contractor. The Brokers and their Agents make no guarantees about the quality of construction or materials. Other than any express warranties from suppliers or the contractor, no other implied or express warranties apply to the construction.

RENTAL PROPERTY: This Agreement is for a property currently being rented/leased.

☐ See Rental Addendum.

INCLUDED PROPERTY: All property integrally belonging to, specifically adapted to, or part of the real estate (except rental items disclosed in writing), whether attached or detached including but not limited to: Attached

- | | | |
|---|---|---|
| ▪ Attached satellites and/or antennas for TV or radio | ▪ Bathroom mirrors and other attached mirrors | ▪ Water softeners and purifiers |
| ▪ Attached brackets for television or audio | ▪ Attached shelving | ▪ Sump pumps |
| ▪ Built in sound systems | ▪ Window treatments | ▪ Fences including inground and receiving collars |
| ▪ Installed security systems or alarm devices | ▪ Attached or fitted floor coverings | ▪ Garage door opener and controls |
| ▪ Thermostats | ▪ Built in appliances | ▪ Outdoor buildings or sheds |
| ▪ Doorbells | ▪ Light fixtures and bulbs | ▪ Outdoor in-ground plants |
| ▪ Attic and ceiling fans and remotes if any | ▪ Central vacuum systems and accessories | ▪ Landscaping and lighting |
| | ▪ Fireplace screens, grates, equipment, and remotes | ▪ In-ground lawn sprinkler systems and components |
| | | ▪ Keys to the property including mailboxes |

OTHER INCLUDED ITEMS:

EXCLUDED PROPERTY:

Personal or rented property not included in the sale must be removed at the expense of the Seller prior to possession. ie: Water Softeners, Propane Tanks, etc.

ADDITIONAL PROVISIONS:

BUYER ADMIN FEE: Buyer agrees to pay RE/MAX REVOLUTION \$595 to cover costs to obtain and process closing information, administer closing and compliance, make governmental filings, apply towards licensing and insurance costs, and maintain records in accordance with governmental regulations.

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CONDITION OF PROPERTY: Federal Law (known as Title X) requires notification of potentially dangerous levels of lead-based paint in properties built before 1978 (See Lead-Based Paint Disclosure). If applicable, the Seller will provide the Buyer with copies of any records or prior test results pertaining to lead-based paint findings. Buyer's Agent is hereby informing the Seller of the Seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance. Any Sellers' Disclosure of Property Condition form required by Chapter 558A of the Code of Iowa is incorporated herein as if fully and completely set forth in this paragraph. The property as of the date of this Agreement, including buildings, grounds, and all improvements, will be preserved by the Seller in its present condition until possession, excluding ordinary wear and tear.

INSPECTIONS OF PROPERTY: A home inspection is not intended to bring an older home into compliance with current local building codes and in no way affects any improvements to the property that may be required by Buyer's lender.

Buyer shall select either 1. or 2. below relative to the condition of the property:

☒ 1. Within 10 days after Acceptance, Buyer may, at their sole expense, have a whole home inspection by a home inspector qualified under Iowa law. This does not prohibit Buyer from obtaining professional opinions on specific systems attached to the property. The purpose is to determine if there are deficiencies existing at the property which would constitute a hazard to any occupant of the property or any major structural, mechanical, environmental (including radon gas or fungal), roof, plumbing, electrical, siding, lead-based paint not previously disclosed in writing. The Seller shall have the right, upon request, to receive without charge, a copy of the home inspection report from the person for whom it was prepared.

Buyer shall select either A. or B. below:

☐ A. Buyer acknowledges the Seller is selling the property "As-Is" in its present condition, and no repairs or corrections will be made by the Seller. If Buyer discovers unacceptable findings, Buyer may within this same period, rescind this Agreement and any earnest money shall be returned to the Buyer.

☒ B. Within this same period, the Buyer may submit a written request to the Seller specifying any corrections they are requesting based on the findings. The Seller then has up to 3 days to respond in writing, stating which, if any, of the requested corrections they agree to address.

If the Seller chooses not to make the requested corrections identified by the Buyer, Buyer has up to 3 days from receipt of Seller response to notify the Seller in writing that:

1) Such steps are acceptable; in which case this Agreement shall be deemed modified to incorporate the requests agreed to by and between the Buyer and Seller and shall be binding on all parties.

OR

2) If parties cannot come to agreeable terms, this Agreement is null and void and the earnest money shall be returned to the Buyer.

If Buyer fails to notify Seller in writing of any requests to correct deficiencies within the specified time period, it shall be deemed as a waiver of the Buyer's inspection and repair rights. Buyer is accepting the property in its present condition.

If Seller fails to notify Buyer within the specified time period of what requests, if any, the Seller will agree to, in order to correct any deficiencies, it shall be deemed a rejection of the Buyer correction request, and the Buyer may declare this Agreement null and void and any earnest money shall be returned to the Buyer.

☐ 2. Buyer acknowledges they have made a satisfactory inspection of the property and are purchasing this property "As-Is" in its present condition, and no repairs or corrections will be made by the Seller.

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☐ **INSPECTION OF PRIVATE SEWAGE DISPOSAL SYSTEM:** Property has a private sewage disposal system or is served by a private sewage disposal system. The septic system shall be inspected and approved for real estate transfer by a licensed DNR inspector as required by Iowa Code 455B.172 (unless exempt) no later than _____ days after Acceptance, unless mutually agreed upon by all parties.

Inspection to be scheduled and paid for by: ☐ Buyer ☐ Seller ☐ Other _____

DUTIES OF THE PARTIES:

A. The Brokers, their Agents, employees, and associates make no representations or warranties as to the physical condition of the property, its size, future value or income potential.
B. Seller and Buyer acknowledge that Seller of real property has a legal duty to disclose Material Defects of which Seller has actual knowledge and which a reasonable inspection by Buyer would not reveal.

SURVEY: Buyer may have the property surveyed at their expense not to exceed 10 days after Acceptance. If survey, certified by a registered land surveyor, shows any encroachments or improvements located on subject property encroach on land of others, they shall be treated as a title defect.

WOOD DESTROYING PEST INSPECTION: If subject property is at least one and not more than a four-family residential dwelling, the property shall be inspected for termites or other wood destroying pests by a licensed pest inspector prior to closing. If active pest infestation or damage due to prior infestation is found, Seller shall have option of either treating property by a licensed pest exterminator and having any damage repaired to Buyer satisfaction, or declaring this Agreement void. This shall not apply to fences, trees or shrubs. However, Buyer may accept property in its existing condition without such treatments or repairs.

Inspection to be scheduled and paid for by: ☐ Buyer ☒ Seller ☐ Other _____

☐ If this box is checked, Buyer acknowledges that the property is NEW CONSTRUCTION and agrees that the property will NOT be inspected for termites or other wood destroying insects prior to closing as indicated above. When prevention of termite infestation is required or specified by the Lender, FHA or VA, the Seller agrees to provide evidence of compliance with all applicable State and Federal requirements.

ABSTRACT AND TITLE: Seller shall promptly provide an abstract of title continued to and including date of Acceptance. Abstract shall be delivered to an attorney (selected by Buyer or their lender) for a title opinion. Seller agrees to make every reasonable effort to promptly perfect the title in accordance with such opinions so that upon conveyance, title shall be deemed marketable in compliance with this Agreement and land title laws of the State of Iowa or title policy. If closing is delayed due to Seller inability to provide marketable title, this Agreement shall continue in force and effect until either party rescinds the Agreement after giving 5 days written notice to the other party and the Brokers. The Seller shall not be entitled to rescind unless they have made a reasonable effort to produce marketable title. With Buyer's approval, Seller has option to provide title through an owner's title guarantee or title insurance policy purchased for Buyer by Seller or lender to protect the lender's interest in the property.

PROPERTY TAXES: Seller shall pay all real estate taxes related to the property that are liens for prior years and all those due and payable in the fiscal year of closing. All real estate taxes for the fiscal year in which closing occurs, due and payable in the following fiscal year, shall be prorated to the date of closing, with such proration based upon applicable assessed value(s), rollback(s), exemption(s) and levy of record at the time of closing. Seller shall pay any real estate taxes due and payable on or before the date of closing, with Buyer receiving credit at closing for any remaining unpaid real estate taxes for which Seller is responsible under this section. If this Agreement is for a contract purchase, see Financing Addendum.

JOINT TENANCY: Upon full payment of purchase price, Seller shall deliver to Buyer a general warranty deed to this property. If Seller's title is held in joint tenancy, this Agreement shall not sever such joint tenancy. If Buyer is married, their interest shall be held in joint tenancy unless otherwise indicated.



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SPECIAL ASSESSMENTS: Seller shall pay in full all special assessments that are liens on the property as of the date of closing. Any preliminary or deficiency assessments which cannot be discharged by payment at closing shall be paid through a written escrow account with sufficient funds to pay liens when payable, with unused funds to be returned to the Seller without further signatures of the Buyer. All charges for solid waste, trash removal, sewage, utility bills and assessments for maintenance that are attributable to Seller's ownership shall be paid by Seller.

HOMEOWNERS OR PROPERTY INSURANCE: Seller shall bear risk of loss or damage to the property prior to closing or possession, whichever occurs first and agrees to maintain existing homeowners' insurance. Buyer may purchase additional insurance. If prior to closing substantial damage or destruction occurs and the property cannot be restored to its previous condition on or before the closing date, this Agreement shall be null and void, unless otherwise agreed to by the Parties. However, Buyer has the right to complete closing and receive insurance proceeds regardless of the extent of damage.

COURT APPROVAL: If the property is an asset of an estate, trust or conservatorship, this Agreement is contingent upon court approval unless the will provides authority or declared unnecessary by Buyer's attorney. If necessary, the appropriate fiduciary shall promptly obtain court approval and conveyance shall be made by Court Officers Deed.

DOCUMENT PREPARATION: Parties request the Listing or Selling Brokerage or any employees, agents or associates select, prepare, and complete form documents as authorized by Iowa law or by the Iowa Supreme Court Rule, such as purchase agreements, groundwater hazard, and declaration of value incident to a residential real estate transaction.

GENERAL PROVISIONS: Pertaining to this Agreement, time shall be of the essence. This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of the respective parties. This Agreement, its representations, warranties and covenants shall survive the closing of the transaction and the delivery and recording of all documents necessary to transfer title or an interest in the property to the Buyer.

NOTICE: Any notice required under this Agreement shall be deemed given when it is received in writing, either by hand delivery, fax, return receipt requested mail, or electronic mail. Persons designated to receive any notice for the purpose of this Agreement shall be the Seller and Buyer or their respective Agents.

REMEDIES OF THE PARTIES: If the SELLER fails to fulfill this Agreement, BUYER shall have the right to have all payments returned or to proceed by an action or actions at law or in equity. If BUYER fails to fulfill this Agreement, all payments by BUYER may be forfeited as provided by law. In addition to the foregoing remedies, BUYER and SELLER each shall be entitled to any and all other remedies, or action at law or in equity, including foreclosure, and the party at fault shall pay court costs and reasonable attorney fees, and a receiver may be appointed.

DISPUTE RESOLUTION: If initialed, Buyer and Seller agree if a dispute or claim arises out of or relating to this Agreement, before exercising any other legal remedies, the dispute or claim shall be submitted to mediation in accordance with the Rules and Procedures of the Des Moines Area Association of REALTORS® Home Seller/Homebuyer Dispute Resolution System. (Initialing or not Initialing does not constitute a Counter Offer.)

BUYER Initial SELLER Initial

FINAL WALKTHROUGH: The Buyer shall be permitted to do a final walkthrough of the property prior to possession or closing, whichever is sooner, to determine there have been no changes to the condition of the property, ordinary wear and tear excepted.

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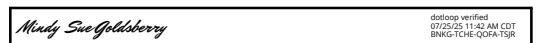
MARKETING: Unless otherwise specified in writing, Seller acknowledges and agrees the property will not be actively marketed while this Agreement is in effect.

ACKNOWLEDGEMENT: The signing of this Agreement creates important rights and liabilities on the part of both the Seller and the Buyer. This Agreement is made of free will and shall be good and binding upon the undersigned if accepted below. **This is a legally binding Agreement. If you have concerns regarding your rights and liabilities, you are encouraged to seek competent legal advice.**

Buyer Initials  _____ Seller Initials _____

ACCEPTANCE: Upon Acceptance, this Agreement shall become a binding contract. If this Agreement is not accepted on or before 07/26/2025 (time) 9 ☐ AM ☒ PM, it shall become null and void and all payments shall be repaid to Buyer without liability on the part of any Broker to either party. If accepted by Seller on a later date and such Acceptance is ratified in written or other form by Buyer, then this Agreement shall be valid and binding.

☐ SEE ATTACHED ADDENDUM(S)


Buyer Signature _____ Date _____

Buyer Signature _____ Date _____

Mindy Goldsberry
Buyer Legal Name, (Printed)

Buyer Legal Name, (Printed)

RE/MAX REVOLUTION F06080000
Name of Selling Broker & License Number

Stacey Carpenter
Name of Selling Agent & License Number

THE SELLER HAS RECEIVED THE ABOVE OFFER TO PURCHASE REAL ESTATE AND HEREBY:

☐ **ACCEPTS:** The undersigned Seller accepts this Agreement and agrees to sell this Property according to the terms offered.

☐ **COUNTERS:** The Seller submits the following Counter Offer to certain terms and conditions of this Agreement as set forth on the attached Counter Offer.

☐ **REJECTS:** The Seller rejects this Buyer's written offer. (Date/Time) _____

Seller Signature _____ Date _____

Seller Signature _____ Date _____

Seller Legal Name, (Printed)

Seller Legal Name, (Printed)

Name of Listing Broker & License Number

Name of Listing Agent & License Number

How Iowa Real Estate Agents Make Offers on HUD Homes

Register with HUD (if not already)

- Only HUD-registered brokers can submit offers on behalf of buyers.
- The **broker** must register the agent if they aren't already registered.
- If you know you are writing on a HUD home request to be registered early so you aren't held up bidding.
- Agents operate under the broker's HUD NAID number. Ours is **MCNHLD1278**

Search for HUD Properties

- Go to <https://www.hudhomestore.gov>
- Use the property search feature to find homes available in Iowa.

Review Property Details

- Each listing includes:
 - Property condition report
 - Appraisal info
 - Repair escrows (if applicable)
 - Listing period type (e.g., Owner Occupant Exclusive, Extended)

Prepare the Buyer

- Determine if your buyer qualifies (owner occupant vs. investor)
- Ensure they have a pre-approval letter or proof of funds
- Discuss the **earnest money** requirements:
 - **Up to \$50,000** purchase price = \$500
 - **Over \$50,000** = \$1,000
 - Must be a cashier's check or money order

Submit the Offer Online

- Offers are submitted electronically via [hudhomestore.gov](https://www.hudhomestore.gov)
- Select the property and click "Submit an Offer"
- Input buyer and agent info, NAID, and offer details
- Offers are **binding** and submitted as-is, so double-check everything

Wait for HUD's Decision

- Offers are reviewed at the end of the listing period or daily, depending on the phase
- HUD accepts the highest net to them
- Accepted offers will receive an email notification with next steps

Submit Signed Contract Package

- If accepted, you must submit:
 - HUD Sales Contract (HUD-9548 form)
 - Pre-approval or proof of funds
 - Earnest money check
 - Addenda (from the HUD listing packet)
- Must be **overnight** to the **Asset Manager** listed on the HUD Homestore site—each property has a different one (e.g., RAINE, Sage, etc.)

Follow HUD Timelines

- The full contract package is due within **2 business days**
- Closing must typically happen within **30–45 days**