

OFFER TO PURCHASE AND CONTRACT

\_\_\_\_\_ , as Buyer, hereby offers to purchase and \_\_\_\_\_ , as Seller, upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all improvements located thereon and such fixtures and personal property as are listed below (collectively referred to as the "Property"), upon the following terms and conditions:

1. REAL PROPERTY: Located in the City of \_\_\_\_\_ , County of \_\_\_\_\_ , State of North Carolina, being known as and more particularly described as: Street Address \_\_\_\_\_ Zip \_\_\_\_\_

Legal Description: \_\_\_\_\_ (  All  A portion of the property in Deed Reference: Book \_\_\_\_\_ , Page No. \_\_\_\_\_ , \_\_\_\_\_ County. )

NOTE: Prior to signing this Offer to Purchase and Contract, Buyer is advised to review Restrictive Covenants, if any, which may limit the use of the Property, and to read the Declaration of Restrictive Covenants, By-Laws, Articles of Incorporation, Rules and Regulations, and other governing documents of the owners' association and/or the subdivision, if applicable.

2. FIXTURES: The following items, if any, are included in the purchase price free of liens: any built-in appliances, light fixtures, ceiling fans, attached floor coverings, blinds, shades, drapery rods and curtain rods, brackets and all related hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers, burglar/fire/smoke alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds, mailboxes, wall and/or door mirrors, and any other items attached or affixed to the Property, EXCEPT the following items: \_\_\_\_\_

3. PERSONAL PROPERTY: The following personal property is included in the purchase price: \_\_\_\_\_

4. PURCHASE PRICE: The purchase price is \$ \_\_\_\_\_ and shall be paid as follows:

(a) \$ \_\_\_\_\_ , EARNEST MONEY DEPOSIT with this offer by  cash  personal check  bank check  certified check  other: \_\_\_\_\_ to be deposited and held in escrow by \_\_\_\_\_ ("Escrow Agent") until the sale is closed, at which time it will be credited to Buyer, or until this contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) any of the conditions hereto are not satisfied, then all earnest monies shall be returned to Buyer. In the event of breach of this contract by Seller, upon Buyer's request, all earnest monies shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this contract, then all earnest monies shall be forfeited upon Seller's request, but receipt of such forfeited earnest monies shall not affect any other remedies available to Seller for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of earnest money held in escrow by a broker, the broker is required by state law to retain said earnest money in the broker's trust or escrow account until a written release from the parties consenting to its disposition has been obtained or until disbursement is ordered by a court of competent jurisdiction.

- (b) \$ \_\_\_\_\_ , ADDITIONAL EARNEST MONEY DEPOSIT to be paid to Escrow Agent no later than \_\_\_\_\_ , TIME BEING OF THE ESSENCE WITH REGARD TO SAID DATE.
(c) \$ \_\_\_\_\_ , BY ASSUMPTION of the unpaid principal balance and all obligations of Seller on the existing loan(s) secured by a deed of trust on the Property in accordance with the attached Loan Assumption Addendum.
(d) \$ \_\_\_\_\_ , BY SELLER FINANCING in accordance with the attached Seller Financing Addendum.
(e) \$ \_\_\_\_\_ , BALANCE of the purchase price in cash at Closing.

5. CONDITIONS: (State N/A in each blank that is not a condition to this contract.)

(a) Buyer must be able to obtain a  FHA  VA (attach FHA/VA Financing Addendum)  Conventional  Other: \_\_\_\_\_ loan at a  Fixed Rate  Adjustable Rate in the principal amount of \_\_\_\_\_ (plus any financed VA Funding Fee or FHA MIP) for a term of \_\_\_\_\_ year(s), at an initial interest rate not to exceed \_\_\_ % per annum, with mortgage loan discount points not to exceed \_\_\_ % of the loan amount. Buyer shall apply for said loan within \_\_\_ days of the Effective Date of this contract. Buyer shall use

Buyer Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

Buyer's best efforts to secure the lender's customary loan commitment letter on or before \_\_\_\_\_ and to satisfy all terms and conditions of the loan commitment letter by Closing. After the above letter date, Seller may request in writing from Buyer a copy of the loan commitment letter. If Buyer fails to provide Seller a copy of the loan commitment letter or a written waiver of this loan condition within five days of receipt of Seller's request, Seller may terminate this contract by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the letter or the waiver.

- (b) There must be no restriction, easement, zoning or other governmental regulation that would prevent the reasonable use of the Property for \_\_\_\_\_ purposes.
- (c) The Property must be in substantially the same or better condition at Closing as on the date of this offer (or as of the Option Termination Date if Alternative 2 of paragraph 13 applies), reasonable wear and tear excepted.
- (d) All deeds of trust, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Closing such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.
- (e) Title must be delivered at Closing by GENERAL WARRANTY DEED unless otherwise stated herein, and must be fee simple marketable and insurable title, free of all encumbrances except: ad valorem taxes for the current year (prorated through the date of Closing); utility easements and unviolated restrictive covenants that do not materially affect the value of the Property; and such other encumbrances as may be assumed or specifically approved by Buyer. The Property must have legal access to a public right of way.

**6. SPECIAL ASSESSMENTS:** Seller warrants that there are no pending or confirmed governmental special assessments for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows: \_\_\_\_\_

(Insert "None" or the identification of such assessments, if any.) Seller shall pay all owners' association assessments and all governmental assessments confirmed through the time of Closing, if any, and Buyer shall take title subject to all pending assessments, if any, unless otherwise agreed as follows: \_\_\_\_\_

**7. PRORATIONS AND ADJUSTMENTS:** Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at Closing: (a) Ad valorem taxes on real property shall be prorated on a calendar year basis through the date of Closing; (b) Ad valorem taxes on personal property for the entire year shall be paid by the Seller unless the personal property is conveyed to the Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis through the date of Closing; (c) All late listing penalties, if any, shall be paid by Seller; (d) Rents, if any, for the Property shall be prorated through the date of Closing; (e) Owners' association dues and other like charges shall be prorated through the date of Closing. Seller represents that the regular owners' association dues, if any, are \$\_\_\_\_\_ per \_\_\_\_\_.

**8. CLOSING EXPENSES:** Buyer shall be responsible for all costs with respect to any loan obtained by Buyer. Buyer shall pay for recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) required by law. If Seller is to pay any of Buyer's expenses associated with the purchase of the Property, the amount thereof shall be \$\_\_\_\_\_, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay, but excluding any portion disapproved by Buyer's lender.

**9. FUEL:** Buyer agrees to purchase from Seller the fuel, if any, situated in any tank on the Property at the prevailing rate with the cost of measurement thereof, if any, being paid by Seller.

**10. EVIDENCE OF TITLE:** Seller agrees to use his best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date of this contract, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust and easements relating to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys.

**11. LABOR AND MATERIAL:** Seller shall furnish at Closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Property within 120 days prior to the date of Closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

Buyer Initials \_\_\_\_\_ Seller Initials \_\_\_\_\_

**12. PROPERTY DISCLOSURE:**

- Buyer has received a signed copy of the N.C. Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract.
- Buyer has NOT received a signed copy of the N.C. Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract and shall have the right to terminate or withdraw this contract without penalty prior to **WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST:** (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the date the contract was made; or (3) Closing or occupancy by the Buyer in the case of a sale or exchange.
- Exempt from N.C. Residential Property Disclosure Statement because (SEE GUIDELINES)
- The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum.)

**13. PROPERTY INSPECTION, APPRAISAL, INVESTIGATION (Choose ONLY ONE of the following Alternatives):**

**ALTERNATIVE 1:**

**(a) Property Inspection:** Unless otherwise stated herein, Buyer shall have the option of inspecting, or obtaining at Buyer's expense inspections, to determine the condition of the Property. Unless otherwise stated herein, it is a condition of this contract that: (i) the built-in appliances, electrical system, plumbing system, heating and cooling systems, roof coverings (including flashing and gutters), doors and windows, exterior surfaces, structural components (including foundations, columns, chimneys, floors, walls, ceilings and roofs), porches and decks, fireplaces and flues, crawl space and attic ventilation systems (if any), water and sewer systems (public and private), shall be performing the function for which intended and shall not be in need of immediate repair; (ii) there shall be no unusual drainage conditions or evidence of excessive moisture adversely affecting the structure(s); and (iii) there shall be no friable asbestos or existing environmental contamination. Any inspections shall be completed and written notice of necessary repairs shall be given to Seller on or before \_\_\_\_\_. Seller shall provide written notice to Buyer of Seller's response within \_\_\_ days of Buyer's notice. Buyer is advised to have any inspections made prior to incurring expenses for Closing and in sufficient time to permit any required repairs to be completed by Closing.

**(b) Wood-Destroying Insects:** Unless otherwise stated herein, Buyer shall have the option of obtaining, at Buyer's expense, a report from a licensed pest control operator on a standard form in accordance with the regulations of the North Carolina Structural Pest Control Committee, stating that as to all structures, except \_\_\_\_, there was no visible evidence of wood-destroying insects and containing no indication of visible damage therefrom. The report must be obtained in sufficient time so as to permit treatment, if any, and repairs, if any, to be completed prior to Closing. All treatment required shall be paid for by Seller and completed prior to Closing, unless otherwise agreed upon in writing by the parties. The Buyer is advised that the inspection report described in this paragraph may not always reveal either structural damage or damage caused by agents or organisms other than wood-destroying insects. If new construction, Seller shall provide a standard warranty of termite soil treatment.

**(c) Repairs:** Pursuant to any inspections in (a) and/or (b) above, if any repairs are necessary, Seller shall have the option of completing them or refusing to complete them. If Seller elects not to complete the repairs, then Buyer shall have the option of accepting the Property in its present condition or terminating this contract, in which case all earnest monies shall be refunded. Unless otherwise stated herein, any items not covered by (a)(i), (a)(ii), (a)(iii) and (b) above are excluded from repair negotiations under this contract.

**(d) Radon Inspection:** Buyer shall have the option, at Buyer's expense, to have the Property tested for radon on or before the date for completion of inspections as set forth in paragraph 13 (a) above. The test result shall be deemed satisfactory to Buyer if it indicates a radon level of less than \_\_\_ pico curies per liter of air (as of January 1, 1997, EPA guidelines reflect an "acceptable" level as anything less than 4.0 pico curies per liter of air). If the test result exceeds the above-mentioned level, Seller shall have the option of: a) completing necessary corrective measures to bring the radon level within the satisfactory range; or b) refusing to complete any corrective measures. Upon the completion of corrective measures, Buyer may have a radon test performed at Seller's expense, and if the test result indicates a radon level at or below the level listed above, it shall be deemed satisfactory to the Buyer. If Seller elects not to complete necessary corrective measures, or if corrective measures are attempted but fail to bring the radon level within the satisfactory range, Buyer shall have the option of: a) accepting the Property with its then current radon level; or b) terminating the contract, in which case all earnest monies shall be refunded.

**(e) Cost Of Repair Contingency:** Notwithstanding the above and as an additional remedy of Buyer, if a reasonable estimate of the total cost of repairs and/or corrective measures required by (a), (b) and (d) above equals or exceeds \$\_\_\_\_\_, then Buyer shall have the option to terminate this contract and all earnest monies shall be returned to Buyer.

**(f) Appraisal Contingency:** The Property must appraise at a value equal to or exceeding the purchase price or, at the option of Buyer, this contract may be terminated and all earnest monies shall be refunded to Buyer. If this contract is not subject to a financing contingency requiring an appraisal, Buyer shall arrange to have the appraisal completed on or before \_\_\_\_\_. The cost of the appraisal shall be borne by Buyer.

**(g) CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.**

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**ALTERNATIVE 2:** (This Alternative applies ONLY if Alternative 2 is checked AND Buyer has paid the Option Fee.)

**(a) Property Investigation with Option to Terminate:** In consideration of the sum of \$\_\_\_\_\_ (do not insert \$0, N/A, or leave blank) paid by Buyer to Seller (not Escrow Agent) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged (the "Option Fee"), Buyer shall have the right to terminate this contract for any reason or no reason, whether related to the physical condition of the Property or otherwise, by delivering to Seller written notice of termination (the "Termination Notice") by 5:00 p.m. on \_\_\_\_\_, 20\_\_\_\_, time being of the essence (the "Option Termination Date"). At any time prior to Closing, Buyer shall have the right to inspect the Property at Buyer's expense (Buyer is advised to have all inspections and appraisals of the Property, including but not limited to those matters set forth in Alternative 1, performed prior to the Option Termination Date).

**(b) Exercise of Option:** If Buyer delivers the Termination Notice prior to the Option Termination Date, time being of the essence, this contract shall become null and void and all earnest monies received in connection herewith shall be refunded to Buyer; however, the Option Fee will not be refunded and shall be retained by Seller. If Buyer fails to deliver the Termination Notice to Seller prior to the Option Termination Date, then Buyer will be deemed to have accepted the Property in its physical condition existing as of the Option Termination Date, excluding matters of survey. The Option Fee is not refundable, is not a part of any earnest monies, and will be credited to the purchase price at Closing.

**(c) CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.**

**14. REASONABLE ACCESS:** Seller will provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, to Buyer or Buyer's representatives for the purposes of appraisal, inspection, and/or evaluation. Buyer may conduct a walk-through inspection of the Property prior to Closing.

**15. CLOSING:** Closing shall be defined as the date and time of recording of the deed. All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title on or before \_\_\_\_\_, at a place designated by Buyer. The deed is to be made to \_\_\_\_\_.

**16. POSSESSION:** Unless otherwise provided herein, possession shall be delivered at Closing. In the event possession is NOT to be delivered at Closing:  a Buyer Possession Before Closing Agreement is attached. OR,  a Seller Possession After Closing Agreement is attached.

**17. OTHER PROVISIONS AND CONDITIONS:** (ITEMIZE ALL ADDENDA TO THIS CONTRACT AND ATTACH HERETO.)

See attached "Limited Home Warranty" and attached upgrades addendum.

**18. RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this contract by written notice delivered to Seller or Seller's agent and all deposits shall be returned to Buyer. In the event Buyer does NOT elect to terminate this contract, Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased.

**19. ASSIGNMENTS:** This contract may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.

**20. PARTIES:** This contract shall be binding upon and shall inure to the benefit of the parties, i.e., Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

**21. SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

**22. ENTIRE AGREEMENT:** This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

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**23. NOTICE AND EXECUTION:** Any notice or communication to be given to a party herein may be given to the party or to such party's agent. This offer shall become a binding contract (the "Effective Date") when signed by both Buyer and Seller and such signing is communicated to the offering party. This contract is executed under seal in signed multiple originals, all of which together constitute one and the same instrument, with a signed original being retained by each party and each REALTOR® or broker hereto, and the parties adopt the word "SEAL" beside their signatures below.

**Buyer acknowledges having made an on-site personal examination of the Property prior to the making of this offer.**

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Buyer \_\_\_\_\_ (SEAL)

Seller \_\_\_\_\_ (SEAL)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Buyer \_\_\_\_\_ (SEAL)

Seller \_\_\_\_\_ (SEAL)

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**Escrow Agent acknowledges receipt of the earnest money and agrees to hold and disburse the same in accordance with the terms hereof.**

Date \_\_\_\_\_

Firm: \_\_\_\_\_

By: \_\_\_\_\_

(Signature)

Buyer's Attorney: \_\_\_\_\_