SUGGESTED CLAUSES

SUMMA® REALTY

FINANCING AND LOAN CONSIDERATION CLAUSES
(Various Types)

ALL CASH:

Payable in cash or certified funds in full at closing

ASSUMPTION:

Purchaser agrees to assume the existing loans of record of approximately $ _____ and pay according to the terms and conditions thereof. The assumption interest rate is not to exceed _____ % per annum. Any difference in the loan amount at closing is to be adjusted in the (down payment, or sale price).

BUYER REPAIRS:

If for any reason the Seller refuses to close this sale, then the Purchaser is to be reimbursed for the cost of the repairs made by the Purchaser for financing. Cost of said repairs is not to exceed $_____. * You might want to add this sentence to for clarification. (If the Purchaser does the repairs then only the cost of the materials will be reimbursed.)

CONDIMINIUMS:

This sale is subject to the purchasers receipt and approval of the condominiums Declarations, Bylaws, Association meeting minutes, budget, and reserve account amounts within _____ days of mutual acceptance of this offer.

CONVENTIONAL:

Purchaser to apply for, and receive, a (30, 25, etc) Year (80, 90. 95) % conventional (fixed, rate, ARM, GEM, etc.) loan in the approximate amount of $ _____ at an interest rate not to exceed _____ % per annum.

ESCALATION CLAUSE:

Buyer offers $390,000 with an escalation clause of $1,500 over and above any other offers presented to Seller. If another buyer should offer the same $1,500 escalation amount then this buyer will immediately increase the escalation amount (by telephone as previously advised), thereby allowing this Buyer the opportunity to present the highest price offer presented to Seller.

Seller to provide a copy of Page 1 of the competing benchmark offer (with names removed) for documentation purposes.
All other terms of this Buyer's offer are completely negotiable if another buyer's offer is considered in first place, thereby giving this Buyer the opportunity to present the most favorable offer presented to Seller.

FEDERAL VA:

Purchaser to apply for, and receive, a (30r 15) Year (Federal veterans Administration, or 2-1 Buy Down FVA) loan in the approximate amount of $ _____ at an interest rate not to exceed _____ % per annum.

*If asking for 100% FVA loan then add: (i.e. Zero Down Loan)

Earnest money to be applied to purchaser's closing cost and reserves, with any excess to be refunded to the purchaser at closing.

*If asking 100% FVA Loan and seller to pay all costs:

Earnest money to be refunded to the purchaser at closing.

FHA 203-B:

Purchaser to apply for, and receive, a (30r 15) Year FHA (203b, ARM, or 2-1 Buy Down) loan in the approximate amount of $ _____ at an interest rate not to exceed _____ % per annum.
Seller to pay mandatory FHA seller closing fees.

*If purchaser is paying the points and not asking for any seller contributions then add;
Any and all discount points required for this loan will be paid by the buyer.

* If asking the seller to pay the points and/or other costs add;

Seller agrees to pay an amount not to exceed $ _____ for the buyers closing costs, pre-paids, and/or discount points to include the FHA mandatory seller closing fees.

HOLD HARMLESS/ INDEMNITY CLAUSE:

The _____ (sellers and/or purchasers) hereby agree to indemnify and hold harmless Summa Realty., its Principle Broker, brokers and/or agents harmless against any and all claims and/or future actions regarding, and/or associated with, (ie. the septic sys ., the zoning, or ?).

INSPECTION CONTINGENCY REMOVAL:

The Purchaser hereby removes the Professional Inspection(s) contingency and wishes to proceed with the sale.

*Removal conditions;

The Purchaser requests the seller to repair and/or correct the below mentioned items;

A.)

1.
2.
3. Etc.

B.) If the Seller does not accept this addendum by (5:00pm or ?) on the _____ of _____, 20_____ then the Purchaser hereby 'unconditionally disapproves' of the inspection report(s) and declares this Agreement to be null and void and of no further binding effect, and all earnest money will be promptly returned to the Purchaser.
*Optional additional verbiage: 'All work to be completed/performed by licensed, bonded and insured contractors.' And/or 'All work to be completed _____ days prior to closing to the purchaser's satisfaction.' This/these could be inserted in A.) as requested items. Also could be used in any situation where the seller is responsible for seeing that the repairs are to be done, either by him/herself or contracted out.

LAND SALES CONTRACT:

Seller to give the purchaser a Land Sales Contract for the balance of $ _____ at an interest rate of _____ % per annum payable at not less than $ _____ per month principle and interest. The first payment will be due on _____, 20____. The Purchaser will pay the real property taxes and insurance when due and payable, with proof of payment provided to the Seller.

LOAN APPROVAL:

Purchaser to provide letter from the loan underwriter indicating conditional loan approval, subject only to accept able preliminary title report and appraisal within _____ days of mutual acceptance.

*If needed,

This is to include verification of employment, funds on deposit and an acceptable credit history.

*If needed,

Purchaser authorizes seller, or sellers agent, in writing if necessary, to make direct inquiry of lender regarding purchaser's loan status.

LOAN APPROVAL & VERIFICATION OF FUNDS FOR DOWN PAYMENT FROM AN OUTSIDE SOURCE:

This sale is subject to the purchasers providing a letter from the loan underwriter indicating loan commitment subject only to a preliminary title report and appraisal. This letter is to include verification of funds for the down payment and assurance that those funds will be available at closing. This letter is to be provided to the listing agent within _____ days of mutual acceptance.

MISCELLANEOUS:

This transaction is subject to the property appraising at or above the sales price.

This transaction is subject to the termination of the prior existing offer within days of mutual acceptance of this offer.

***Note:** (REMEDY CLAUSES)

With any of the clauses in this document you may want to add a remedy at t he end of the clause you chose. That is to say, what will happen if the buyer is unhappy with what he finds or something he wanted can't come to pass.

Example:

(Clause); this transaction is subject to the property appraising at or above the sales price. (Add on Remedy): If the property does not appraise for the sales price then the buyer, at his discretion, may declare this transaction to be null and void and of no further binding effect, and in such case, all of the buyers earnest money will be promptly returned to the buyer.

Therefore your complete clause would read;

This transaction is subject to the property appraising at or above the sales price. If the property does not appraise for the sales price then the buyer, at his sole discretion, may declare this transaction to be null and void and of no further binding effect, and in such case, all of the buyers earnest money will be promptly returned to the buyer·.

*Remember to always write what you want to happen. Never leave it to hoping that everyone will automatically know what you are thinking or what the buyer really wants.

MULTIPLE OFFERS: (To be used when the seller wants to counter multiple offers.)

The Seller has countered multiple offers. Acceptance by the buyer of the Seller's counter offer does not constitute an agreement to sell until the Seller has signed the Sellers Acknowledgement clause on the Sellers counter offer. The Seller reserves the right to make or accept any offer at any time prior to the Sellers receipt, and signing, of the Buyers acceptance of the Sellers counter offer.

NEW CONSTRUCTION:

Purchaser to apply for, and receive a construction/land package loan for the approximate amount of $ _____, at an interest rate not to exceed _____ % per annum. This sale is subject to the purchaser's satisfaction of the builders' specifications list for the completed home within _____ days of mutual acceptance of offer.

*If needed, (i.e. the lot does not have a final and is not recorded yet as a legal lot.)

This sale is subject to final approval and recordation of the partition plat. Seller to be responsible for making application for the partition and survey to acquire final partition approval.

NOTE AND DEED OF TRUST (TRUST DEED):

Purchaser to give the Seller a note secured by a First deed OF Trust for the balance of $ _____ at an interest rate of ____% per annum payable at not less than $ _____ per month principle and interest. The first payment will be due on _____, 20____. The Purchaser will pay the real property taxes and insurance when due and payable, with proof of payment provided to the Seller.

*Optional Language for either a Land Sales Contract or Trust Deed and Note. Substitute the appropriate name of the instrument being used where applicable.

The first payment will be due and payable (30) days from recording the deed/contract.

The (Purchaser or Seller) attorney will prepare the land Sales Contract.

The (Purchaser or Seller) will pay the cost of preparation of the Land Sales Contract.

The (Purchaser or Seller) shall have _____ days from receipt of the contract to approve or disprove of said contract.

There will be no penalty for early payoff of the contract.

A mutually acceptable collecting account will be established and the fees will be paid by the (Purchaser, Seller, or split between the two)

The contract is to (contain/ not contain) a 'Due on Sale Clause'.

NON-REFUNDABLE EARNEST MONEY: (ie. Usually this occurs with new constrictions offers.)

The earnest money in this sale is to be non-refundable unless the sale fails to close do to no fault of the purchaser.

*If needed,

The earnest money (or a portion of it) is to be released by the seller, (at mutual acceptance of this offer, or, on the completion of all inspections, or, on the date of _____, or, ?), and will be non-refundable unless this sale fails to close do to no fault of the Purchaser.

NOTICE TO PURCHASER OF PROPERTY WITH A (72, 48, OR ?) HR CONTINGENCY:

*Note; you should use the appropriate ORC or OREF form for this situation.

The seller has accepted another offer and hereby gives notice that the _____ hour contingency has been removed and therefore your offer to purchase has been terminated.

PRE-CLOSING WALK THROUGH
Subject to Purchasers (acceptance or approval) after conducting a walk- through inspection of the property within _____ days prior to closing to verify the Sellers compliance with lines _____ of the earnest Money Agreement.

*If no compliance is needed then end the sentence after the word 'closing'.

PROVIDING CLIENTS WITH LISTS OF INSPECTIONS, LENDERS, REPAIRMEN, ETC: (To be put at the bottom of the list given to the purchaser)

The inclusion of a firm on this list does not constitute an endorsement or guarantee, of any kind, by Summa Realty.

SALE ON A PROPERTY THAT DOES NOT HAVE A SIGNED RELEASE YET:

This sale is subject to the seller receiving a satisfactory 'Release and Termination' agreement on the prior sale of this property between _____ sellers and _____ Buyers, dates _____, 20_____.

SECOND MORTGAGE/ TRUST DEED:

*Enter the appropriate financing paragraph from above, then add;

For the balance of the sale price the purchaser will give the seller a note and (second deed of trust, or mortgage) in the amount of $ _____ at _____ % per annum with monthly payments in the amount of not less than $ _____ to include principle and interest. The payment will be due on _____, 20____ and all subsequent payments will be on the _____ of each month until (paid, or date of balloon payment).

SELLER CREDITS AT CLOSING:

Seller to credit buyer up to $____ at: closing for (closing costs, loan fees. or?).

Or,

Seller to pay Purchaser loan fees and closing costs in an amount not to exceed $ _____ at closing.

Or;

Seller to credit purchase5r $ _____ at closing.

SEPTIC / CESSPOOOL SYSTEMS:

*Inspection clause,

This sale is subject to the Purchasers approval of a (tic tank/cesspool) inspection within _____ days from mutual acceptance of this Agreement. If the (septic tank/cesspool) must be pumped before the inspection can be done then it is hereby agreed that the (septic tank/cesspool) will be pumped. This inspection and pumping if necessary will be ordered and paid for by (Purchaser, or Seller, or both).

*Pumping only clause,

This sale is subject to the Seller having the septic tank pumped prior to closing, or, providing documentation to the Purchaser that the septic tank has been pumped within the last _____ days.

SHORT SALE:

This sale is subject to a short sale approval by the lender(s) and/or other lien holders so as to satisfy completely all liens owing against the subject property. This is to include all closing costs, including any and all real estate fees/ commissions, owed by the seller.

*If needed,

The seller shall not be required to bring any additional finds to closing.

*If needed,

The purchaser may withdraw this offer any time prior to notification by lender of their approval of the short sale.

*If needed,

All inspections and/or appraisal time frames are to begin one day after the short sale approval by lender(s)/ Lien holder(s) has been received by the purchaser.

TERMS FOR ACCEPTING A CONTINGENT SALE: (ie. Where sale is subject to another property selling)

*Note; you should use the appropriate ORC or OREF form for this situation.

Selling agent to provide listing agent with a copy of the ' Earnest Money/ sale Agreement' on the property located at _____, no later than _____. This transaction will be subject to the seller's review and approval of the purchaser's 'Earnest Money/ sale Agreement' on the sale of the purchaser's property within _____ days of the receipt of said document.

UNDERGROUND FUEL STORAGE TANKS: (ie. Oil, gas, or other fuel tanks)

Seller to provide documentation assuring that any and all in-ground fuel storage tanks are in good working order, or have been decommissioned. If seller cannot provide said documentation then this sale is subject to the purchasers' satisfaction with the results of testing to determine if tanks and/or contamination exists on the property. These tests will be pa id for by the (seller, or, buyer). The purchaser has _____ days from mutual acceptance of this offer to remove this condition.

UNIVERSAL LOAN CLAUSE:

From the proceeds of a (80, 90, or ? %, Conv., FHA, or ?) loan in approximate amount of $ _____ at an interest rate not to exceed _____ %.

USE APPROVAL:

This transaction is subject to the Purchaser obtaining final approval of his intended use of the property from the appropriate government authorities within _____ days form mutual acceptance of the is Agreement.

WHEN PURCHASER WANTS TO INCREASE OFFER AMOUNT AT THE OFFER PRESENTATION:

*Note: This clause is usually used when it is known, or suspected, that there will be multiple offers presented to the seller.
You should check with your manager here.

In the event that there are other offers in consideration by the seller, the purchaser will offer (one-thousand, five hundred, or ?) _____ dollars ($_____) above any other legitimate acceptable offer to a maximum of $_____. If this offer is increased, to be superior to another offer, then the purchaser and the purchaser's agent are to be provided with evidence of the other legitimate acceptable offer. If there are seller concessions in the other acceptable offer then this offered price will be $(amt. as above) over w hat the seller would get after subtracting those seller concessions from that offered price.

(i.e. This could be a copy of the other acceptable offer, or some other proof that would show the purchaser that they weren't taken advantage of . You should be sure to use the term legitimate to insure against a bogus offer used to drive the price up.)

LIMITED REPRESENTATION LISTING FSBO
- SINGLE PARTY REPRESENTATION LANGUAGE -

(Buyers and Sellers)

The below clauses are to be used on any transaction where either a buyer o r seller is not being represented by a real estate agent. Use the appropriate one. Typically these should be on an addendum to the transaction. Normally these will be used for the 'Limited Representation listings' and for 'FSBO's'.

FOR BUYER ONLY REPRESENTATION:

* This clause would only be used in the situation where there was not a 'Non-Agency Compensation Agreement' form being used. (ie. The seller was not paying the brokerage fee so there would not be any statement of non -representation without this clause, or it is a 'Limited Representation' listing, or a 'FSBO' won't sign the 'Non-Agency Compensation Agreement' form but stiff agrees to pay the brokerage fee.)

No Agency Relationship. Seller acknowledges having received the Oregon Real Estate Agency Disclosure Pamphlet. BROKERS SHALL NOT BE SELLERS AGENT OR ACT ON SELLER'S BEHALF IN THIS TRANSACTION. Seller understands that Broker will represent only the buyer. Seller should seek whatever advice or representation Seller may need or desire during negotiations or performance of this contract of sale from an expert or experts of their own choice. Seller understands that as the Buyer's agent, Broker, although bound to treat all parties honestly, will act exclusively in the best interests of the Buyer. Seller understands that while Broker may assist Seller in the preparation of documents and exert effort to assist both Seller- and Buyer in the culmination of the transaction, Broker is doing so for the exclusive benefit of the buyer. Seller understands that Broker is duty bound to disclose to the buyers any and all material information coming into Broker's: possession regardless of source .

FOR SELLER ONLY REPRESENTATION:

*I.E. used when you are the fisting agent, representing the seller and a buyer wants you to write the Safes Agreement but does not want to be represented.

No Agency Relationship. Buyer acknowledges having received the Oregon Rea l Estate Agency Disclosure Pamphlet. BROKERS SHALL NOT BE BUYER'S AGENT OR ACT ON BUYER'S BEHALF IN THIS TRANSACTION. Buyer understands that Broker will represent only the Seller. Buyer should seek whatever advice or representation Buyer may need or desire during negotiation or performance of this contract of sale from an expert or experts of their own choice. Buyer understands that, as the Seller's agent, Broker, although bound to treat both parties honestly, will act exclusively in the best interests of the Seller. Buyer understands that while Broker may assist Buyer in the preparation of documents and exert effort to assist both Buyer and Seller in the culmination of the transaction, Broker is doing so for the exclusive benefit of the Seller. Buyer understands that Broker is duty bound to disclose to Seller any and all material information coming into Broker's possession regardless of source.

Notes:

1. Replace the singular with the plural or plural with singular where needed.

2. In all bracketed items choose the correct response for your intended use.

3. There is no attempt by Summa Realty Inc. to promote one gender usage over another in this document. Therefore use the correct gender where it applies and/or where it is grammatically correct.