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WESTERN WAYNE OAKLAND COUNTY ASSOCIATION OF REALTORS® OFFER TO PURCHASE REAL ESTATE



1. BUYER'S OFFER The undersigned Buyer hereby offers and agrees to purchase the following property located in the \_\_\_\_\_, of \_\_\_\_\_ County, Michigan, described as follows: \_\_\_\_\_ being known as \_\_\_\_\_.

The property includes all buildings; gas, oil and mineral rights owned by Seller; plumbing, heating and electrical fixtures; built-in appliances; water softener (unless rented); water pumps and pressure tanks; stationary laundry tubs; all television antennas, rotors and any mechanical controls; window shades, shutters, blinds, curtain and drapery rods and all window treatments including curtains and drapes; attached floor coverings; attached fireplace doors and screens; garage door opener and controls; screens, storm windows and doors; fuel in tank(s), landscaping, fences and mailboxes; and incinerator, if any; and \_\_\_\_\_ but does not include, \_\_\_\_\_.

The property is purchased subject to the existing building and use restrictions, easements of record and zoning ordinances, if any, provided said restrictions, easements and zoning ordinances do not unreasonably restrict the Buyer's intended use of the property. (SEE Paragraph 7.)

2. SALES PRICE - METHOD OF PAYMENT The sales price is \$ \_\_\_\_\_. All monies paid by Buyer to Seller must be in cash or certified check, cashier's check, or money order. The sale will be completed by the following method:

[ ] CASH SALE. Buyer will pay the sales price in cash or certified check, cashiers check, or money order upon delivery by Seller of a Warranty Deed conveying marketable title.

[ ] NEW MORTGAGE. This Offer To Purchase is contingent upon the ability of the Buyer to obtain a \_\_\_\_\_ Mortgage loan from such lender as Buyer may select and is acceptable to Buyer, in the amount of \$ \_\_\_\_\_ with an interest rate not to exceed \_\_\_\_\_ percent for a term of \_\_\_\_\_ years. Buyer will apply for the Mortgage within \_\_\_\_\_ days after Buyer has received an acceptable inspection report pursuant to Paragraph 14 below, and approved the easements and restrictions pursuant to Paragraph 7 below. If a commitment for such Mortgage loan cannot be obtained within \_\_\_\_\_ days from date of application, at either party's option, this offer can be declared null and void and the deposit shall be returned to Buyer. If there are other contingencies set forth hereafter, the time for applying for a Mortgage loan and obtaining a commitment for a Mortgage loan shall be extended for the same periods after the elimination, to Buyer's complete satisfaction, of all other contingencies set forth herein.

[ ] LAND CONTRACT. Buyer will pay \$ \_\_\_\_\_ down payment upon Buyer and Seller signing a \_\_\_\_\_ Land Contract. Buyer will pay monthly installments (principal and interest) of \$ \_\_\_\_\_, or more, including annual interest of \_\_\_\_\_ percent. Buyer will pay the entire balance, which may require a lump-sum payment, within \_\_\_\_\_ years after closing. The Land Contract shall also contain the provisions set forth in Addendum \_\_\_\_\_ attached hereto and made a part hereof.

[ ] MORTGAGE ASSUMPTION OR LAND CONTRACT ASSIGNMENT. If the holder of the Mortgage or Land Contract agrees, Buyer will assume and pay the existing Mortgage loan or Land Contract according to its terms. Buyer will pay to Seller the difference between the sales price and the existing balance of approximately \$ \_\_\_\_\_. At closing, Seller shall deliver a Warranty Deed which may be subject to such Mortgage or a Quit Claim Deed in the case of a Land Contract, and, if applicable, a Land Contract Assignment. Buyer will reimburse Seller at closing for any funds held in escrow by the lender or Seller, as the case may be.

3. OCCUPANCY If Seller occupies the property, Seller shall deliver occupancy and possession of the property as follows:

[ ] Immediately after closing.

[ ] Within \_\_\_\_\_ days after closing by 5:00 p.m. From the date of closing to and including the date of vacating, Seller shall pay Buyer \$ \_\_\_\_\_ per day as an occupancy charge. At closing, Seller shall deposit with the listing broker \$ \_\_\_\_\_ to hold as escrow agent as security for said occupancy charge. The listing broker shall pay to the Buyer the amount of the occupancy charge and then reimburse Seller for any unused days. If occupancy by Seller is to extend longer than thirty (30) days, escrow agent shall release to Buyer each thirty (30) days an amount equal to the said thirty-day occupancy charge.

As additional security, the Seller will deposit with the listing broker the sum of \$ \_\_\_\_\_ to be held in escrow to insure the property is vacated and left in the same condition as of the date of closing. Buyer will notify Seller of any damages within seven (7) days of vacating with the estimated cost of repair. Seller must respond within seven (7) days of said notice or otherwise, Seller will forfeit the amount claimed for damages, and shall be liable for cost of damages over and above the security deposit. Seller shall have the right to require Buyer to walk through premises on day occupancy is being turned over to Buyer to determine damages, if any. If there are no damages the security deposit will be returned to Seller on or before seven (7) days from date property is vacated. If there are damages and Seller does not respond, deposit less estimated damages will be returned to Seller seven (7) days after vacating. If Seller objects to claim, damage differences will be arbitrated in accordance with Paragraph 20.

If tenants occupy the property, then:

[ ] Seller will have the tenants vacate the property before closing.

[ ] Buyer will be assigned all Landlord rights and security deposit and rents prorated to date of closing, with Buyer assuming Landlord rights and obligations after date of closing.

4. DEPOSIT The Broker is hereby authorized to present this Offer To Purchase to Seller, and to accept a deposit of \$ \_\_\_\_\_, paid in the form of: cashier's check, personal check, promissory note (strike all which do not apply) which shall be held by Broker under Act No. 299.P.A. of 1980 Sec. 2512(1)(g) and applied on the purchase price if the sale is consummated and further subject to Paragraph 12.

5. OTHER CONDITIONS \_\_\_\_\_

NOTE: GENERAL CONDITIONS of sale printed on reverse side are incorporated and made a part hereof. Buyer and Seller shall initial the reverse side of this agreement.

By the execution of this instrument, the Buyer acknowledges receipt of a copy of this Offer To Purchase.

IN THE PRESENCE OF:

Witness \_\_\_\_\_ Buyer \_\_\_\_\_ SS# \_\_\_\_\_
Witness \_\_\_\_\_ Buyer \_\_\_\_\_ SS# \_\_\_\_\_
Dated: \_\_\_\_\_ Address: \_\_\_\_\_

BROKER'S ACKNOWLEDGEMENT OF DEPOSIT

Received from the above named Buyer the deposit money above mentioned, which will be applied as indicated in paragraphs 6. and 10. or will be returned forthwith after tender if the foregoing Offer To Purchase and deposit is declined.

Broker by: \_\_\_\_\_

This is a cooperative sale with \_\_\_\_\_

ACCEPTANCE: By affixing Seller(s) signature(s) hereto, the Seller(s) accepts this Offer To Purchase and acknowledges receipt of a copy hereof. Seller further agrees that the Broker has procured said Offer To Purchase and has brought about this sale and agrees to pay Broker for services rendered a commission as set forth in the Listing Contract for sale of the property, or in the absence of said Listing Contract, a commission of \_\_\_\_\_ % of the sale price stated above.

IN THE PRESENCE OF:

Witness \_\_\_\_\_ Seller \_\_\_\_\_ SS# \_\_\_\_\_
Witness \_\_\_\_\_ Seller \_\_\_\_\_ SS# \_\_\_\_\_
Dated: \_\_\_\_\_ Address: \_\_\_\_\_

The undersigned Buyer hereby acknowledges receipt of a copy of the Seller's acceptance of the foregoing Offer To Purchase.

Dated: \_\_\_\_\_ Buyer \_\_\_\_\_

6. **TITLE INSURANCE** Seller shall provide to Buyer, at Seller's expense, an owner's policy of title insurance without standard exceptions in the amount of the sales price. Seller will apply for a commitment for title insurance within \_\_\_\_\_ days after the date of acceptance of this Offer To Purchase. Seller shall pay for, or reimburse Buyer by a credit at closing, the cost of a survey of the property, as required by the title insurance company in order to issue a policy without exceptions. Seller shall provide Buyer with a copy of the commitment immediately upon receipt, which shall include copies of recorded documents evidencing easements, restrictions, or matters affecting Seller's title to or use of the subject property. Upon receipt of the commitment, Buyer shall have \_\_\_\_\_ days to provide Seller with written notice of any objections. Seller will then have thirty (30) days after receiving written notice to remedy the claimed defects. If Seller is unable to remedy the defects within thirty (30) days, Buyer shall have the option of proceeding and closing the transaction; recovering from the Seller the actual damages suffered as a result of Seller's inability to remedy the defects as well as having the deposit returned in its entirety to the Buyer; or declaring the Offer To Purchase null and void and having the deposit refunded in its entirety to Buyer.

7. **APPROVAL OF EASEMENTS AND RESTRICTIONS** This Offer To Purchase is contingent upon Buyer's review and approval of the easements and/or deed and building and use restrictions within \_\_\_\_\_ business days from delivery of such documents to Buyer. Seller or Seller's agent shall deliver these documents to Buyer within \_\_\_\_\_ business days from date of Seller's acceptance of this Offer To Purchase.

In the event Buyer determines that the easements and/or deed and building and use restrictions are unacceptable, then Buyer shall have the option to terminate this Offer To Purchase without further liability and, upon the exercise of such option by Buyer the deposit made hereunder shall be returned in its entirety to Buyer within ten (10) business days after written notice that the easements and/or restrictions are unacceptable. In the event Buyer has not notified Seller that Buyer is terminating this Offer To Purchase within \_\_\_\_\_ business days after having received these documents, the conditions of this paragraph shall be deemed removed and waived by the Buyer.

8. **TAXES AND ASSESSMENTS** Seller will pay all prior years' real estate taxes and all assessments which have become a lien upon the land at the date of this Offer To Purchase. The current year's real estate taxes will be paid as follows:

**NO PRORATION** - Seller will pay the real estate taxes which are due before the date of closing. Buyer will pay real estate taxes which are due on or after the date of closing. "Due" means the date on which a tax becomes payable. There will be no prorating of current year taxes.

**PRORATION** - Seller will pay all current year real estate taxes which become due before date of closing. Current year real estate taxes shall be prorated and is adjusted as of the date of closing in accordance with Due Date, Fiscal Year, or Calendar Year basis of the municipality or taxing unit in which property is located, as though they are paid in (arrear/advance).

9. **OTHER PRORATIONS** Interest, rents, water bills, condominium dues and association dues shall be prorated and adjusted as of the date of closing.

10. **CLOSING** Buyer and Seller will close the sale within \_\_\_\_\_ days after all necessary documents are ready, but in no event later than \_\_\_\_\_. If a new Mortgage is being applied for, the time of closing shall be governed by the lender's requirements, to the extent they may differ from those herein provided.

11. **CLOSING COSTS** Unless otherwise provided in this Offer To Purchase, it is agreed that Seller shall pay all State transfer taxes and costs required to convey clear title, all closing fees of title companies or title agents, as well as the cost of preparing all closing documents between the Seller and Buyer. Unless otherwise provided in this Offer To Purchase, Buyer shall pay the cost of recording the deed and/or security interests and all Mortgage loan closing costs required by the Mortgagee.

12. **DEFAULT** If Buyer defaults, Seller shall declare a forfeiture hereunder and retain the deposit as liquidated damages. If Seller defaults, Buyer may enforce the terms of this Offer To Purchase or may demand a refund of the deposit and pursue all other legal remedies available to Buyer for damages. (SEE Paragraphs 4. and 6.)

13. **SELLER'S DISCLOSURE** Buyer acknowledges the receipt of a Seller's Disclosure Statement, setting forth certain conditions involving the property, and Seller acknowledges that said Statement is true and accurate to the best of Seller's knowledge.

14. **INSPECTION** Buyer shall have the right and be permitted, at Buyer's own expense, to have the premises inspected by a structural engineer, architect, or other persons of Buyer's choosing, and if these inspections show any condition which renders the premises defective or otherwise unacceptable to Buyer, then Buyer shall have the option to terminate this Offer To Purchase without further liability and, upon the exercise of such option by Buyer, the deposit made hereunder shall be returned in its entirety to Buyer within ten (10) business days thereafter. All such inspections shall be completed within \_\_\_\_\_ days after acceptance of this Offer To Purchase. In the event that Buyer has not notified Seller that Buyer is terminating this Offer To Purchase within two (2) business days from the date Buyer obtained such written inspection report or \_\_\_\_\_, whichever is sooner, the conditions of this paragraph shall be deemed removed and waived by the Buyer. In no event shall Seller be responsible for any repairs. Buyer acknowledges that the Broker has advised Buyer to have the property inspected and Buyer has had the opportunity to do so and that if Buyer does not have the property inspected, Buyer does so at Buyer's own risk.

15. **ATTORNEY RECOMMENDATION** Buyer and Seller acknowledge that the real estate brokers and/or agents have recommended that attorneys be retained to represent their respective interests in this transaction.

16. **RISK OF LOSS** Seller is responsible for any damage to the property, except for normal wear and tear, from the date of the offer until the closing. If there is damage, Buyer has the option to cancel this Offer To Purchase and the deposit shall be immediately refunded to Buyer or Buyer can proceed with the closing and either require that Seller repair the damage before the closing or deduct from the purchase price a fair and reasonable estimate of the cost to repair the property and assume the responsibility for the repair, thereby releasing Seller.

17. **ENVIRONMENTAL** Seller represents that, to the best of Seller's knowledge, the property is free from and does not contain any pollution, contamination or other environmental hazards. Buyer reserves the right to withdraw from this Offer To Purchase and have his/her deposit returned if the property is found to be environmentally defective. The foregoing representation shall survive the closing of this transaction irrespective of any investigation made by or on behalf of any party hereto.

18. **SUCCESSORS** This Offer To Purchase binds Buyer, Seller, their personal representatives, beneficiaries and heirs, and anyone succeeding to their interest in the property.

19. **WALK-THROUGH INSPECTION** Buyer shall have the right to walk through the property within twenty-four (24) hours prior to closing.

20. **ARBITRATION** Any claim or demand of Seller(s), Buyer(s), Broker(s) or Agent(s), or any of them, arising out of this Offer To Purchase but limited to any dispute over the disposition of any earnest money deposits or arising out of or related to the physical condition of any property covered by this Offer To Purchase, including without limitation, claims of fraud, misrepresentation, warranty and negligence, shall be settled in accordance with the rules, then in effect, adopted by the American Arbitration Association and the Michigan Association of REALTORS®. This is a separate voluntary agreement, between the Buyer(s), Seller(s), and/or Broker(s). Failure to agree to arbitrate does not affect the validity of this Offer To Purchase. A judgment of any circuit court shall be rendered upon the award or determination made pursuant to this Offer To Purchase. This Offer To Purchase is specifically made subject to and incorporates the provisions of Michigan law governing arbitrations, MCL 600.5001; MSA 27A.5001, as amended, and the applicable court rules, MCR 3.602, as amended. The terms of this Offer To Purchase shall survive the closing.

The parties acknowledge that they understand that, by agreeing to binding arbitration, they have given up their right to a day in court and that they understand the arbitration process and that the award of the arbitrator is final and conclusive and not appealable except for limited due process reasons as set forth in the Michigan law and court rules hereinbefore set forth.

The parties do not wish to agree at this time to arbitrate any future disputes.

21. **ENTIRE AGREEMENT** This Offer To Purchase supersedes any and all understandings and agreements and constitutes the entire agreement between the parties and no oral representations or statements shall be considered a part hereof.

22. **NOTICE OF AGENCY** Seller and Buyer acknowledge that they have received the form Disclosure Regarding Real Estate Agency Relationships explaining the different types of agency relationship and understand that the listing agent represents the Seller as Seller's Agent and that the selling agent represents the Buyer as Buyer's Agent and each, therefore, has the respective duties as agents as set forth in the Agency Disclosure Form.

23. **COMMISSION** Seller agrees to pay the agent for the Buyer a commission at closing in the amount of \$ \_\_\_\_\_ or \_\_\_\_\_ % of the sales price set forth herein.

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