

**STANDARD CLAUSES  
RELATED TO  
CBR RESIDENTIAL PURCHASE CONTRACT**

*August 2007*

**WARNING!!**

***Real estate licensees are not permitted to engage in the authorized practice of law. The clauses set forth below constitute a compilation of standard real estate clauses, the language of which has been approved by the Board's legal counsel, and should simply serve as a checklist of subjects that clients and customers may choose to consider in contracting for the lease or purchase of real estate. Since real estate licensees are prohibited from giving legal advice, clients and customers must be strongly encouraged to consult legal counsel before selecting any language for inclusion in a real estate contract. For further information, please see the Board's White Paper on the proper use of standard real estate clauses.***

**PARAGRAPH 1 - TERMS**

**100 Cash Clause**

Purchase price to be: \$\_\_\_\_\_.  
Buyer to provide verification of necessary funds to purchase within \_\_\_\_\_ calendar days of acceptance of this offer or this transaction shall become null and void.

*(When preparing an offer for a Buyer, never commit a Buyer to an offer without a financing contingency unless you are **absolutely sure that the cash is available** to close the transaction).*

**101 Closing Costs Clause(s) (Seller to pay)**

**101a** Seller agrees to pay at closing up to a maximum of \$\_\_\_\_\_ of Buyer's allowable closing costs.

**OR**

**101b** Seller to pay Buyer's closing costs, which shall include, but not be limited to: origination fee, loan discount points fee, appraisal fee, credit report fee, EPA endorsement, home inspection fee, legal fees, documentation preparation/compliance fees, escrow fee, recording fee, survey; these cost in total not to exceed \$\_\_\_\_\_.

*(If the Buyer's costs paid at closing by the Seller are less than the maximum agreed to be paid, the Seller is not obligated to pay the difference to the Buyer. If the closing costs exceed the maximum amount agreed upon, then the **Buyer will pay the additional costs**).*

**102 Clarification of Financing Contingency Clause**

Buyers agree that by applying for a loan with any lender, Buyers accept as "**satisfactory**" the lender, lender's loan terms, interest rate, discount points and conditions, and that the financing contingency shall be utilized only if the lender disapproves the loan due to financial circumstances.

**103 Release From Prior Contract Clause**

Acceptance of this contract is contingent upon Seller obtaining release from a prior contract to purchase dated:\_\_\_\_\_. The release is to be obtained within \_\_\_\_\_calendar days of acceptance of this Offer. This contingency is to be removed or waived in writing, by the Seller, within the time specified or this contract shall become null and void.

**104 Agent/Broker Acting as a Principal**

It is understood by all parties that (name)\_\_\_\_\_ is a licensed real estate Agent/Broker in the State of Ohio and is engaging in this transaction only for his own account.

**105 Timing Starts with Signatures**

All time provisions shall start to run upon receipt of all original signatures.

**106 Backup (Secondary) Offer Clause(s)**

Sellers are presenting this counteroffer as a back-up (secondary) to an existing purchase contract which shall be referred to as the "primary contract." The terms of Buyer's offer are accepted with the following modifications and/or additions:

1. Sellers are presently in contract. This counteroffer, if accepted by Buyers, shall be a back-up (secondary) contract to the existing primary contract, which is scheduled to close on or before \_\_\_\_\_. If for any reason, the primary contract is terminated, Sellers will provide written notice to Buyers and upon delivery of that notice to Buyers' agent, they will be considered the primary contract.
2. Sellers reserve the right to make modifications and/or additions to the terms and conditions of the primary contract, which shall not in any way affect Buyers' position as the backup (secondary) contract. The Buyers' deposit check shall be due and payable within 24 hours of Buyers receiving written notice that they have moved from backup (secondary) position to primary position.
3. All time periods specified in the contract regarding inspections will not begin to run until Sellers deliver to Buyers written notice that they have moved from secondary positions to primary position.
4. The Buyers acknowledge that they are the backup (secondary) contract, however, they reserve the right to terminate this contract without any liability any time prior to their receipt of written notice from the Sellers putting them in primary position.

**107 Multiple Offers – (Seller's Indisputable right to choose)**

Seller has received multiple offers for the property located at \_\_\_\_\_. Seller is submitting a counteroffer for more than one of the offers. Prospective Purchasers are hereby notified that the counteroffers may not contain identical terms and conditions. Seller reserves the right to accept any offer or to make counteroffers to any other person and shall have no obligation to sell the property to any of the Prospective Purchasers. If Seller's counteroffer is accepted by more than one Prospective Purchaser, no acceptance of the Seller's counteroffer shall be binding or constitute a valid

purchase agreement until the Seller reaffirms which counteroffer is accepted by acknowledging, validating, and confirming the same by affixing the Seller's signature a second time to the counteroffer Seller chooses to ultimately accept. In that event, all other Prospective Purchaser's counteroffers without said "second reaffirmation" shall become immediately null and void and of no effect.

This multiple counteroffer shall expire not later than \_\_\_\_\_/\_\_\_\_\_(date/time), unless the Prospective Purchaser's signed acceptance is received by Seller or Seller's agent. If more than one executed counteroffer is received by the Seller, Seller shall confirm Seller's choice by \_\_\_\_\_/\_\_\_\_\_(date/time).

Sellers: \_\_\_\_\_ Buyers: \_\_\_\_\_

Sellers: \_\_\_\_\_ Buyers: \_\_\_\_\_

**VALIDATING ACCEPTANCE AND ACKNOWLEDGMENT**

Sellers: \_\_\_\_\_ Buyers: \_\_\_\_\_

Sellers: \_\_\_\_\_ Buyers: \_\_\_\_\_

**PARAGRAPH 2 – TAXES & ASSESSMENTS**

**200 Taxes Proration Clause**

Buyer and Seller hereby agree that the definition of "valuation" set forth in the paragraph titled "Taxes and Assessments" of the primary purchase contract shall mean the final agreed upon purchase price. Buyer and Seller further instruct and authorize the title company and/or attorney administering the closing to properly reflect such adjustments on the closing statements and superseding the terms defined in the paragraph titled: "Taxes and Assessments" of the primary contract. In addition, Seller agrees to pay or reimburse Buyer within seven (7) calendar days after written notice from Buyer for any tax assessments or increases against the Real Estate applicable to any time period prior to the closing, yet not properly reflected on the closing statement.

**PARAGRAPH 4 – INSPECTIONS AND TESTS**

**400 Radon Readings Clause**

Pursuant to the paragraph titled: "Property Inspection and Test", if radon readings exceed the EPA action level of 4.0 pCi/L, Seller, at Seller's expense, agrees to professionally mitigate the radon levels to a reading below 4.0 pCi/L prior to the closing date of this property.

**401 Well Water Flow Test Clause**

Buyer at Buyer's expense, shall have a one hour flow test conducted from the outside house faucet. Such test shall produce not less than \_\_\_\_\_gallons per minute flow rate without fault, or this contract shall become null and void, or renegotiated. Such test must be completed within \_\_\_\_\_calendars days of acceptance.