

RESIDENTIAL PURCHASE/ CONSTRUCTION CONTRACT

The undersigned Purchaser(s) hereby agree to purchase, and the Seller, Dennis Olive Homes, Inc. hereby agrees to sell the following described real estate, on the terms and conditions described below.

Address City County State Zip

Lot Block Subdivision Addition

Seller agrees to sell and/or construct (or complete the construction of) a home upon the property as follows: See Construction Addendum.

1. TOTAL PURCHASE PRICE shall be \$

Earnest money paid by Purchaser(s), receipt of which is hereby acknowledged, shall be \$

Earnest money held by Dennis Olive Homes, Inc. & is Non Refundable Purchaser's initials Credit Given At Closing

Balance due from Purchaser at closing (cash or certified check) \$

This contract is contingent upon Purchaser(s) obtaining approval of a (type) loan, (excluding any financed closing cost) in the amount of \$

Purchaser(s) agrees to apply for said loan within working days and to make a diligent reasonable effort to obtain approval.

2. LOAN CLOSING COSTS AND FUNDING FEES: Loan discount, if necessary for obtaining the required loan, shall be paid by purchaser.

Loan closing cost, including those costs Purchaser is not allowed to pay under FHA/VA/Conventional requirements, are to be paid by

By Not to exceed \$ Pre-paid items and Funding fees, including but not limited to, PMI MIP and VA funding fees are to be paid by Purchaser(s) unless herein accepted. Funding fee to be financed (type) Yes No.

Seller(s) obligation to pay or reimburse Purchaser(s) for any loan closing cost is contingent upon transfer of deed.

(a) SURVEY: If lender requires a survey the cost of such is considered a closing cost.

(b) CONVEYANCE: Seller(s) will convey to Purchaser(s) a General Warranty deed insuring a good and merchantable title free from any and all encumbrances except current ad valorem taxes, recorded restrictions, easements of record, applicable zoning restrictions, any liens or encumbrances assumed or incurred in this transaction and such state of facts as would be disclosed by an accurate survey of the property.

(c) TITLE INSURANCE/EXAMINATION: An owner's title insurance policy will be furnished at closing as part of this contract. The premium for the owner's title policy, and the simultaneous issue fee, will be paid by the Purchaser even if mortgagee is Seller. Title examination fees are part of closing cost. Purchaser's initials

(d) CLOSING AND POSSESSION: The sale shall be closed and the deed delivered on or before the ESTIMATED CLOSING date of 20 or when CO IS ISSUED. Purchaser's initials

1. Seller shall have reasonable time within which to perfect title or cure defects in the title to said property.

2. Seller shall not be held liable for any failure or delay in construction caused by: Acts of default of Purchaser, Any modifications to plans and/or the addition of any change ordered by Purchaser, Act of default of any developer or contractor engaged in construction or installing streets or utilities; Adverse weather conditions; Damage caused by fire, storm, earthquake or other casualty; Any form or act of God or unforeseeable event; Strike, lockout, or other labor trouble of any kind; Government controls or procedures, regulations or restrictions, or moratoriums; Allocation of labor supplies or materials by or under the authority of any government or government agency; Acts or supplier of labor or material; Acts of subcontractors or their employees; and Any other matter outside reasonable control of Seller.

3. In the event that the closing date scheduled in accordance with this agreement, the home shall be otherwise habitable, but such items as swimming pools, fences, landscaping, exterior concrete and final grading cannot be completed by reasons of weather conditions, closing shall be consummated on the date so scheduled so long as temporary access to the Property shall be provided by Seller. Seller agrees that such uncompleted items shall be completed as soon as weather conditions permit.

4. Any item determined to require corrective action as a result of the Pre-Closing inspection conducted by Seller and Purchaser(s) will be completed as soon as is practical, but is not cause for delay in closing if all together conditions of this Agreement have been fulfilled.

5. In the event that Seller is unable to obtain the materials specified on the plans and specification or the items shown on the selection sheets through reasonable sources of supply, Seller shall have the right to substitute materials of similar pattern and design and substantially equivalent quality.

6. Seller reserves the right to make changes in plans and specifications solely for the purpose of mechanical installations, building code requirements, and architectural design improvements subsequent to date of this agreement.

7. The location and ground elevation of the home on the lot and the necessity, if any to reverse the plan of the home to conform to the existing lot contours, are to be determined by Seller at its sole discretion.

8. Seller may remove such trees from the lot as it deems necessary to construct the home, and it shall not be responsible for any damage to or destruction of remaining trees during or resulting from the process of construction.

3. AGENCY DISCLOSURE: Listing Company is an agent of: Seller Purchaser Both parties as a Limited Consensual Dual Agent Neither party and is acting as a Contract Broker The Selling Company, if any is an agent of: Seller Purchaser Both parties as a Limited Consensual Dual agent Neither party and is acting as a Contract Broker

Commissions shall be based on the price of the property (exclusive of any upgrades) \$ Seller initials Purchaser(s) initials

4. CONDITIONS OF PROPERTY: (a) Seller agrees to deliver all appliances, heating cooling, electrical, gas, and plumbing systems in normal operating condition when title is passed or possession is given, whichever occurs first. It is Purchaser(s) responsibility to make any inspection he/she deems necessary prior to occupancy or closing, and to have the utilities turned on if they have been turned off.

(b) ADDITIONAL PROPERTY INSPECTON: (S): Purchaser(s) does does not require property inspections other than that in 4(a). If inspection(s) are required an Inspection Addendum is attached.

(c) Neither the Seller, nor any Licensee makes any representations or warranties regarding the condition of the property except to the extent expressly set forth herein. Purchaser has the obligation to determine any and all conditions of the property material to Purchaser's decision to buy the property, including, but not limited to, the condition of the heating, cooling, electrical, gas, and plumbing systems, and any built-in appliances; the roof and basement, including leaks therein; the age, size or area of the property, construction materials, including floors; structural condition; utility and sewer or septic tank availability or condition; subsurface conditions, including radon and other potentially hazardous materials and/or gases; flood insurance requirements; and any matters affecting the character of the neighborhood.

I/We have read and understand the conditions of the reverse side of this contract and agree that same are part of this contract. Seller(s) initials Purchaser(s) initials

ADDITIONAL PROVISIONS:

Dated this day of , 20 Date accepted by all Parties:

Witness Purchaser

Witness Purchaser

Seller

Listing Office ID# Selling Office ID#

Salesperson ID# Salesperson ID#

IS FURTHER UNDERSTOOD AND AGREED THAT:

5. Purchaser(s) acknowledge receipt of the Real Estate Brokerage Services Disclosure. Purchaser(s) initials \_\_\_\_\_.

6. **DISCLAIMER** Seller(s) and Purchaser(s) acknowledge that they have not relied upon any advice or representation of any real estate licensee involved in this sale relative to (i) the legal or tax consequences of this contract and the sale, purchase, or ownership of the property, (ii) the structural condition of the property, including the roof and basement, (iii) construction materials, (iv) the nature and operating condition of the electrical, heating, air conditioning, plumbing and water systems and appliances, (v) the age and square footage of the improvements, and the size or are of the property, (vi) the availability of utilities or sewer service, (vii) the character of the neighborhood, (viii) the investment or resale value of the property, (ix) any other matter affecting their willingness to sell or purchase the property on the terms and price herein set forth. Seller(s) and Purchaser(s) acknowledge that if such matters are of concern to them in the decision to sell or purchase the property, they have sought and obtained independent advice relative to them in the decision to sell or purchase the property. Seller(s) initials \_\_\_\_\_ Purchaser(s) initials \_\_\_\_\_.

7. **FINANCING:**

**FHA LOAN:** If FHA financing is used it is expressly agreed that, notwithstanding any other provisions of this contract, Purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless Mortgagee has delivered to Purchaser a written statement issued by the Federal Housing Commissioner or a direct Endorsement lender setting forth the appraise value of the property (excluding closing costs) of not less than the total purchase price which statement Mortgagee hereby agrees to deliver to Purchaser promptly after such appraise value statement is made available to Mortgagee. Purchaser shall, however, have the privilege and option of proceeding with the consummation of the contract without regard to the amount of the appraised Valuation made by the Federal Housing Commissioner. The appraised valuation is arrived to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or condition of the property. Purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

**VA LOAN:** If VA financing is used it is expressly agreed that notwithstanding any other provisions of this contract, Purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein if the contract purchase price exceeds the reasonable value of the property established in the Veterans Administration. Purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount to the reasonable value established by the Veterans Administration.

**CONVENTIONAL LOAN:** If Conventional financing is used the Purchaser acknowledges that any appraisal required by the lender is used by the lender to determine the maximum mortgage amount and does not warrant the value or condition of the property.

8. **PRORATION:** All taxes will be prorated as of the consummation of the sale. The tax proration herein called for will be based upon information obtained from the Tax Assessor or Tax Collector's office. Any changes in such assessment after closing will be adjusted accordingly between Seller and Purchaser.

9. **RISK OF LOSS:** Seller agrees to keep in force sufficient hazard insurance on the property to protect all interest until the sale is closed and the deed delivered. If the property is destroyed or materially damaged between the date hereof and the closing, and Seller is unable or unwilling to restore it to its previous condition prior to closing, Purchaser will have the option of canceling this contract and receive back the earnest money, or accepting the property in its then condition. If Purchaser elects to accept the property in its damaged condition, any insurance proceeds otherwise payable to Seller by reason of such damage will be applied to the balance of the purchase price or otherwise be payable to Purchaser.

10. **SELLER WARRANTIES:** that Seller has not received from any lawful authority notification regarding any assessments, pending public improvements, repairs, replacements or alterations to the property that have not been satisfactorily made.

11. **TERMITE INSPECITON:** Seller will furnish a letter from a licensed exterminating company in accordance with VA/FHA regulations or as required by the lender. Transfer of Seller's termite bond will suffice for letter if acceptable to lender.

12. **CLOSING:** Closing shall take place on a date and at a place to be selected by Seller. Upon payment by Purchaser(s) of the balance due Seller and expenses of Closing and all proper fees and charges in connection with it, Seller shall convey the Property to Purchaser(s) by warranty deed: title to be good and marketable, free from liens and encumbrances except as specified herein, and except for use and occupancy restrictions and reservations of public record, publicly recorded easement for public utilities and any other easements which may be observed by Purchaser(s) shall have no right to enter upon occupy the Property without the written approval of Seller, nor shall Purchaser(s) involve other contractors for any reason prior to settlement taking place, without the written approval of Seller. In the event that Purchaser(s) fail to close on the date specified by the Seller in accordance with this paragraph, Seller may, at its option, hold the Purchaser in default, or Seller may elect, at its discretion to extend the time for settlement for successive periods of 30 days beyond the previously established date, provided that Purchaser(s) pay to Seller a fee of 1% of the Purchase Price for each 30 day extension, which fee shall not be credited to the Purchase Price. Should Purchaser(s) not settle within any extension, Purchaser shall be in default of this Agreement.

13. **ALTERNATIVE DISPUTE RESOLUTION:** The parties to this Agreement hereby agree that any controversy or claim arising out of or relating to the interpretation, performance or breach of any provision of this Agreement shall be resolved exclusively by the following alternative dispute resolution mechanisms: (a) The parties hereto shall first engage in a good faith effort to negotiate any such controversy or claim by communications, written or oral between themselves. To the extent that said communications are oral, they should be confirmed in writing; (b) In the event negotiations are conducted pursuant to part (a) of this paragraph are unsuccessful within a reasonable time not to exceed 60 days, the parties shall engage in mediation pursuant to the American Arbitration Association Commercial Mediation Rules, or such other mediation rules as the parties may otherwise agree to in writing; (c) In the event such controversy or claim with the express understanding that this Agreement is affected by interstate commerce, in that materials and supplies used in the performance of this Agreement are manufactured and/or supplied in interstate commerce. Said arbitration shall be conducted pursuant to the American Arbitration Association Commercial Arbitration Rules, or such other arbitration rules as the parties may otherwise agree to in writing. (d) The cost of mediation pursuant to part (b) of this paragraph shall be borne equally between the parties. The cost of arbitration pursuant to part (c) of this paragraph shall be borne by the party against whom an award is issued and in favor of the prevailing party. In either event, each party shall bear the costs of his/her respective attorney fees and costs.

14. **ENTIRE AGREEMENT:** This contract constitutes the entire agreement between Seller and Purchaser regarding the property and supersedes all prior discussions, negotiation and agreements between Seller and Purchaser whether oral or written. Neither Seller, Purchaser, Broker, nor any licensee, shall be bound by any understanding, agreement, promise, or representation concerning the property, expressed or implied, not specified herein.

15. All terms, conditions, and warranties not performed at the time of delivery of deed shall survive such delivery.