



- ii. Within 30 days of execution of this agreement or      /      /     , (date) Buyer will provide the seller a 90% Letter from the Lender verifying the following items:
  - a) a satisfactory credit report,
  - b) acceptable income,
  - c) source of down payment,
  - d) availability or source of funds to close, and
  - e) that loan approval is or is not contingent on the lease, sale or closing of any property.
  - f) contingencies that could delay closing, including lender's approval of the project property, borrower's credit or eligibility requirements by the lender or underwriters, or any other contingency that may delay closing beyond the closing date outlined in Paragraph 8.b).
  - g) lender agrees to the funding and escrow requirements outlined in Paragraph 8.i).
  
- iii. In the event Buyer fails to provide Seller with above-mentioned letter by the date, this purchase agreement shall terminate at the option of the Seller.
  
- iv. Buyer must obtain Seller's approval in writing, of any change in lender, type of financing or allocation of closing costs.
  
- v. Buyer agrees to pay all fees and satisfy all conditions, in a timely manner, required by the Lender for processing of loan application. Seller has made no representations as to availability of any loans or interest rates. Buyer agrees that interest rate offered by any Lender is not a contingency of this purchase agreement, so long as Buyer qualifies for financing herein agreed.
  
- vi. If Buyer does not reveal a fact or contingency to the designated Lender and this purchase does not close because of the nondisclosure, the Buyer shall be in default.
  
- vii. Buyer      does      does not intend to occupy the property as Buyer's primary residence.
  
- c) **Funds At Closing:** Seller and Buyer agree that before recording can take place, funds provided to the Closing Agent shall be in the following form: cash; interbank electronic transfer; money order; a certified check or cashier's check drawn on a financial institution located in the state; or any above combination that permits the Closing Agent to convert the deposit cash not later than the next business day (AS 34.80.040).
  
- d) **Additional Terms and Conditions:**

5. CLOSING COSTS:

The applicable costs of financing and closing shall be borne by the Buyer (B) and the Seller (S) as specified below. Costs borne by both Buyer and Seller shall be shared equally.

	B	S		B	S		B	S
Establish Reserve for Taxes/Insurance	X		Lender Doc Processing Fee	X		Tax Registration		X
Mortgage Insurance/PMI	X		Attorney Document Prep Fee	X	X	Assessments		X
Credit Report	X		Upgrade Appraisal Fee	X		Smoke Alarm		X
Bank Fee/Organization Fee	X		Legal Fees		X	HOA Transfer Fees or Set Up Fees		X
Commitment Fee	X		Warranty Deed		X	Well/Septic Inspection Fee		X
Lot Survey/As-Built		X	Mortgage Discount Points	X		Recording Fee	X	X
Appraisal Fee FHA VA		X	Brokerage Commission		X	VA Funding Fee	X	
Conv.		X	ALTA title Insurance	X		Flood Certificate		X
AHFC/FHA		X	Owner's Title Insurance		X	New Construction LTD Warranty		X
			Escrow Closing fee	X	X			
<b>SELLER WILL NOT PAY ANY FEES OTHER THAN THOSE LISTED ABOVE</b>								

6. BUYER AGREES:

- a) **Counteroffers:** That counteroffers by the Seller, if any, must be accepted within \_\_\_\_\_ hours of the time that Seller's counter offer is received by Buyer.
- b) **Buyers Designations:** And hereby specifically acknowledges that all designations, including but not limited to, the designated title company, escrow agent, closing agent, and lending institution have been chosen by Buyer and all rights have been afforded Buyer pursuant to the Real Estate Settlement Procedures Act of 1974.
- c) **Options and Upgrades:** To make color selections by the deadline given to them by Seller at the Final Builders Meeting. Buyer agrees that no upgraded selection becomes complete until payment is made. In the event a buyer chooses to upgrade any item while making selections somewhere other than the builders office, the buyer will immediately advise the builder of the requested change and pay for change upon confirmation of the price. If the buyer fails to make or pay for selections/upgrades by the deadline given, the seller will make the appropriate selections, 24 hours after notifying the buyers that the selections are not complete. The builder will select items included in the standard allowance and budgets agreed to. The buyer may request a delay by submitting \$100 per day for each day requested.
- d) **Appraisal:**
  - i. If Buyer changes loan programs or lenders during the transaction, requiring a new appraisal, the Buyer is responsible for paying for the new appraisal or the cost for an updated appraisal.
  - ii. If the final sales price does not meet the appraisal value due to the addition of closing costs and/or options added to the price of the house, the Buyer agrees to pay cash for any difference or shortage. Seller does not warrant that appraisals will meet sales price, which includes changes, upgrades, options and/or closing costs.
  - iii. Appraisers will not increase appraisals on a "dollar for dollar" basis for the cost of options & upgrades. This means that if you intend to include options and upgrades into your final total sales price, you may have to pay "out of pocket" the difference between the final sales price and the appraisal.
  - iv. If Seller has already applied for or obtained a pre-construction appraisal verifying value at or above the listed sales price, and if the Buyer decides to add options and/or upgrades to the price for financing purpose, then any update or new appraisal requirement shall be at Buyer's expense.

7. SELLER AGREES:

- a) **Clear Title:** That Buyer's title is to be free of encumbrances or defects. Rights reserved in federal patents, or state deeds, building or use restrictions general to the district, existing easements not inconsistent with Buyer's intended use, and building or zoning regulations or provisions shall not be deemed encumbrances or defects. Encumbrances to be discharged by Seller may be paid at closing from closing proceeds. Reference to compliance with Federal Truth in Lending Legislation is not to be deemed an encumbrance.
- b) **Warranties:** To complete the improvements in accordance with the plans and specifications and in conformity to all applicable laws, codes and ordinances, and agrees to warrant for minimum of one year from the date of occupancy or closing, whichever is sooner, against defects of structure, sewer connections, septic systems installed by Seller, plumbing, electrical systems, and built-in appliances and equipment for which there is no manufacturer's warranty. THIS WARRANTY DOES NOT COVER DAMAGE OR PROBLEMS RESULTING FROM NEGLIGENT OR WILLFUL ACTS OF THE BUYER. The New Construction Limited Warranty provided by Seller to Buyer with this Agreement shall govern all Seller's Warranty Obligations and SUPERCEDES ALL OTHER WARRANTIES IMPLIED BY LAW WHICH ARE EXPRESSLY DISCLAIMED.
- c) **Risk of Loss:** To assume the risk of loss until occupancy by Buyer or closing, whichever happens first. If more than 10% of the premises are destroyed prior to occupancy or closing, whichever is earlier, Seller will promptly return the earnest money to Buyer and all obligations of Buyer and Seller hereunder shall thereupon terminate.
- d) **Assessments:** To pay on or before closing any assessments for sewer, water, street lights and paving and pay or agree to pay any other assessments levied against the property at time of closing, or if notice is recorded, for assessment pending levy by government authority unless otherwise noted and made part of this agreement.
- e) **Title Insurance:** To furnish to Buyer at closing a standard form owner's policy of title insurance, and as soon as practical prior to closing, a preliminary commitment therefore issued by \_\_\_\_\_ Title Company, and Seller authorizes listing agent or closing agent to apply as soon as practical for such title insurance. The title policy to be issued shall contain no exceptions other than those provided in said standard form plus encumbrances defects as outlined in this agreement. If title is not so insurable as above provided and cannot be made so insurable, or in its sole discretion determines that it is not economically feasible to cure the title defects, then the earnest money shall be refunded and rights of Buyer hereunder terminated; provided, however, that Buyer may waive defects and elect to

8. MUTUAL AGREEMENTS:

- a) **Earnest Money Non-refundable:** The earnest money paid pursuant to Paragraph 2 hereof is to be non-refundable **upon acceptance** \_\_\_\_\_; or Buyer's receipt of **90% letter and Notice to Proceed** \_\_\_\_\_; and shall be released to the Seller within 7 days of said receipt. If the purchase is not completed within the time specified in Paragraph 8.b) or 8.c) below any extension thereof, Buyer shall thereupon be in default, and the earnest money shall be retained by Seller as damages. Seller will be released from any obligation to sell the property to the Buyer.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

- b) **Closing:** Closing shall occur 45 days from the date of Seller's issuance of the 30 Day Notice to Buyer. This date cannot be determined prior to all selections being made and upgrades and change orders, if any, being paid for and completed. average, the construction process is completed within \_\_\_\_\_ ( ) days from the later of the date of final execution hereof or Buyer's receipt of 90% letter. If, at the time of the execution of this the subject construction is complete or projected to be completed within 45 days, the closing shall occur on or \_\_\_\_ / \_\_\_\_ / \_\_\_\_ (date). If title proves marketable and the purchase is not completed within said period, the earnest money be forfeited to the Seller as liquidated damages. If for any reason, the Seller is unable to provide marketable title at then Seller shall have a period of thirty (30) days to make title marketable. If Seller chooses not to cure the defects of title, is unable to do so within 30 days, this agreement shall be terminated and earnest money and any rent or utility shall be refunded to the Buyer unless Buyer and Seller agree to extend. Seller may pay any liens or encumbrances in order make title marketable out of the Seller's closing proceeds.

Seller shall not be responsible for delays in closing due to non-availability of or delays in shipment of appliances or building materials, changes initiated by the Buyers, strikes, earthquakes, fire, wars, weather, ground frost conditions, or acts of God.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

c) **Damages For Buyer's Delay In Closing:** ANYTHING TO THE CONTRARY IN PARAGRAPH 8.b) NOTWITHSTANDING, CLOSING SHALL OCCUR WITHIN SEVEN (7) DAYS AFTER WRITTEN NOTIFICATION OF BUYER AND LENDER BY SELLER THAT SELLER HAS DELIVERED TO THE LENDER, TITLE COMPANY OR OTHER CLOSING AGENT ALL DOCUMENTATION REQUIRED OF SELLER TO CLOSE THE SALE. BUYER AGREES THAT IN THE EVENT BUYER FAILS TO CLOSE WITHIN SEVEN (7) DAYS OF RECEIPT OF SAID NOTICE FROM SELLER, BUYER SHALL PAY LIQUIDATED DAMAGES TO SELLER IN A SUM EQUAL TO ONE-TWENTIETH OF ONE PERCENT OF THE TOTAL PURCHASE PRICE FOR EACH DAY COMMENCING THE 8<sup>TH</sup> DAY AFTER RECEIPT OF SAID NOTICE UNTIL BUYER CLOSES:

PRICE \$ \_\_\_\_\_ X \_\_\_\_\_ (1/20 OF 1%) = \$ \_\_\_\_\_ DAILY AMOUNT TO BE PAID.

IF BUYER FAILS TO CLOSE WITHIN 17 DAYS AFTER RECEIPT OF SAID NOTICE FROM SELLER, BUYER WILL BE IN DEFAULT, AND SELLER MAY TERMINATE THIS AGREEMENT AND RETAIN THE EARNEST MONEY AS LIQUIDATED DAMAGES.

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

d) **Prorations:** Taxes for the current year, rents, interest, water and other utilities shall be prorated as of the date of closing, if applicable.

e) **Occupancy:** Seller will deliver possession to the Buyer upon confirmation of recording after closing; or \_\_\_\_\_ under attached Occupancy Agreement; or \_\_\_\_\_ other: \_\_\_\_\_. In no event will possession dates be guaranteed but possession shall be no earlier than the earlier of approved final inspection of appraiser issuance of certificate of occupancy in the municipal jurisdiction in which the construction is to take place, or its equivalent in geographic areas where certificates of occupancy are not issued.

f) **Change Orders and Selections:** In the event the Buyer requests and the Seller agrees to a change in the work, substitution of materials, or other modification thereof, Seller shall prepare a change order, provided that such change, substitution, or modification is deemed by the Seller to be compatible with and reasonably suited to the premises, and is requested prior to the date materials are ordered or construction commenced. Each change order shall describe the change and fix the cost or the basis for calculation of cost. Costs will include allowances for overhead, profit, and delay in completion. The change order shall be endorsed by the Buyer and the Buyer agrees to pay the additional cost immediately upon execution of the change order absent written mutual agreement to pay at a later date. In some circumstances Seller may deem a Buyer's requested changes to plan layout or standard materials detrimental to the future marketability of the home in the event of Buyer's default. **In these cases the Seller may require an additional non-refundable money deposit to implement the changes.**

**IMPORTANT NOTICE:** SELLER RESERVES THE RIGHT TO SUBSTITUTE MATERIALS AND APPLIANCES OF EQUAL OR HIGHER THAN THOSE AGREED UPON.

Upon execution of a change order by both parties, Seller will diligently implement such orders. However, should circumstances beyond Seller's control require any change to be altered or omitted during construction, Seller will not incur excess costs to implement the change order or delay completion, and Seller will reimburse Buyer any money paid by Buyer toward the cost of the change. If for any reason this agreement is terminated under circumstances whereby Buyer forfeits earnest money, any sums received by or due to Seller for change order work actually performed or incorporated shall be paid to or retained by Seller.

g) **Time Is of the Essence of This Agreement:** All parties agree to execute, make and deliver all necessary documents and funds to close this transaction. Closing means the execution and delivery of the promissory notes, deed of trust, other required documents, payment of required cash by Buyer and Seller or as provided herein.

h) **Disclosures Authorized:** All parties authorize the release of appraisals, closing statements, and any other information or documents to the closing agents, lenders and sale agents upon request. Furthermore, all parties expressly authorize the release of any and all information to the closing and sale agents concerning the status, progress, and final disposition of loans; credit reports; appraisals; closing conveyancing; and other matters pertaining to the sale.

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

- i) **Escrow Pending C.O.:** In the event closing occurs after issuance of a Conditional Certificate of Occupancy (C.C.O.) instead of a Certificate of Occupancy (C.O.) and a portion of the purchase price is held in an escrow pending issuance of a C.O., Buyer and Seller agree that the escrowman to hold the escrowed funds shall Fidelity Title.
- j) **Plans:** Any marketing printed information/literature (House plan \_\_\_\_\_) received by Buyer are not working plans of the home. They have been provided to assist Buyer in conceptualizing what the home will look like.  
The Seller must be consulted to obtain actual dimensions of home, square footage, cabinet layouts, applicable locations of fireplaces, appliances, closets, windows, decks, etc. Washer, dryer, and refrigerator are not included.
- k) **Landscaping:** Final grade means that the lot will be graded in such a way that the land slopes away from the house and water drains away from the building only for a total of 6 inches within the first 10 feet (or to the lot line, whichever is shorter). Construction final grade should not be confused with "landscape grade" in which the land is prepared for planting a lawn. Some Homeowners' Associations require landscaping installed, and require prior approval of landscaping plans. The Municipality may also require the Seller to install landscaping. Buyer should confirm the landscaping requirements in writing with the HOA or Seller, as applicable.
- l) **Survey:** Survey, or as-built survey, shall be dated on or after \_\_\_\_ / \_\_\_\_ / \_\_\_\_ (date) or \_\_\_\_\_ as required by Lender prior to closing. However, Seller is not required to provide a new as-built after closing if driveway, walkways, and/or decks are completed after closing.

**9. COMPULSORY ARBITRATION:**

Any controversy or claim arising out of or relating to this agreement, including but not limited to any controversy as to the existence of a valid contract or the enforceability of this agreement, or any alleged breach thereof including but not limited to any and all disputes concerning compliance with plans and specifications, building codes, custom or trade practices in the building industry, and any and all disputes following closing concerning alleged breaches of express warranties or implied warranties of fitness or habitability, and any other disputes of any nature whatsoever arising out of or related to this agreement shall be resolved through arbitration. The parties agree to compulsory arbitration under the rules of the Better Business Bureau of Alaska, Inc. as now existing or hereafter amended, except to the extent those rules now or hereafter provide for an arbitrator's decision which is nonbinding in nature, or appealable on any grounds other than the arbitrator's fraud. Should the Better Business Bureau of Alaska, Inc. cease performing or participating in arbitrations, then any disputes as described above shall be arbitrated in accordance with the Arbitration Rules of the American Arbitration Association for the construction industry then in effect. All costs and fees incurred by the prevailing party as a result of the arbitration process will be paid by the party not prevailing, and this determination and the amount of the award of costs and fees will be made by the arbitrator or arbitration panel. The arbitration decision will be final and binding, and either party may, in its discretion, have the arbitration decision reduced to a final judgment in a court of competent jurisdiction and thereafter enforced pursuant to the Alaska Rules of Civil Procedure. Either party may compel the resolution of a dispute through arbitration upon a party's refusal to arbitrate by filing an action in the Superior Court pursuant to AS 09.43.020. This compulsory arbitration provision will survive the closing of the sale of the property subject to this agreement and continue in full force and effect so long as either party has any legal obligation to the other arising out of or relating to this agreement.

**10. DOCUMENTS REQUIRED BY LAW:**

- a) **Consumer Pamphlet:** Buyer \_\_\_\_\_ has \_\_\_\_\_ has not received a copy of the Alaska Real Estate Commission Consumer Pamphlet.
- b) **Public Offering Statement:** In the event a Public Offering Statement is required by law for the transfer of this Property, it is hereby agreed that the time for the Buyer to review these documents begins at the date and time that the Buyer acknowledges in writing the receipt of this document.
- c) **Transfer Disclosure Statement:** Under AS 34.70.120 the first transfer of an interest in residential real property that has never been occupied is exempt from the requirement for the Seller to complete the State of Alaska residential Real Property Transfer Disclosure Statement.

11. TRANSFeree (BUYER) AWARENESS NOTICES:

- a) **Registry/Sex Offenders:** Under AS 34.70.050, Buyer is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Buyer’s potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska Information Center Internet site: <http://www.dps.state.ak.us/>, under "Hot Topics for the Registry/Sex Offenders."
- b) **Agricultural/Industrial Nuisances:** Under AS 34.70.050, Buyer is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee’s potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

12. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT:

The Foreign Investment in Real Property Tax Act (“FIRPTA”) requires every person who purchases real property located within the United States from a foreign person to deduce and withhold from the Seller’s proceeds 10 percent (10%) of the gross sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A “foreign person” includes a non-resident alien individual, foreign corporation, foreign partnership, foreign trust, and foreign estate. Seller and Buyer agree to execute and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to comply with FIRPTA.

13. ENTIRE AGREEMENT:

This Real Estate Purchase and Sale Agreement and the Addenda checked in Paragraph 14 hereof constitute the entire agreement between the parties. No representations, agreements or warranties shall be binding upon either party unless set forth herein or in the checked Addenda. These documents may not be modified except in a writing signed by the parties.

14. BUYER’S INSTRUCTIONS/ACKNOWLEDGEMENTS:

I/We agree to purchase the above property on the terms and conditions herein stated. Receipt of a copy of this agreement is hereby acknowledged. I/We acknowledge that I/we have received and read the following addenda:

Addendum: (Initial Appropriate Spaces)

<input type="checkbox"/>	Party Wall Agreement	<input type="checkbox"/>	Standard Features List	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Protective Covenants, Declarations, Bylaws, and Articles of Incorporation	<input type="checkbox"/>	Option List	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Buyer's Selection Sheet	<input type="checkbox"/>	Builder's Warranty	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Public Offering Statement	<input type="checkbox"/>	Sketch of Floor Plan	<input type="checkbox"/>	<input type="checkbox"/>

which are a part of this agreement. I/We understand that this is a legally binding contract and the deposit mentioned herein shall be retained in the Trust Account of \_\_\_\_\_ herein provided.

In the event the Seller or Seller’s Licensee has failed to notify Buyer or Buyer’s Licensee of Seller’s signed acceptance prior to \_\_\_\_/\_\_\_\_/\_\_\_\_, (date) \_\_\_\_ a.m. \_\_\_\_ p.m. (time), this offer shall terminate.

This Purchase Agreement has significant legal and financial consequences. You are advised to seek independent legal and financial counsel, including tax advice from a tax attorney or CPA, before signing. The Brokers and Licensees cannot give legal, tax or financial advice.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

Date \_\_\_\_\_ Time: \_\_\_\_\_ a.m. \_\_\_\_\_ p.m.

Buyer Signature(s)	E-Mail Address	Office Ph(s) Home Ph(s)	Cell Ph(s) Fax Ph(s)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

Print name(s) to be on documents \_\_\_\_\_

Mail Address \_\_\_\_\_

Physical Address \_\_\_\_\_

Name of Selling Broker's Office \_\_\_\_\_

Licensee Signature \_\_\_\_\_ Licensee Signature \_\_\_\_\_

**Seller Response:** (check one)

**Seller Acceptance.**

\_\_\_\_\_ Seller accepts the foregoing offer as written. Seller agrees to sell and convey the Property described on the terms conditions herein stated. Seller understands this is a legally binding contract. Seller agrees to pay the Seller's Licensee a commission amounting to \_\_\_\_\_ percent of the purchase price (\$ \_\_\_\_\_) or the final sales price after change orders and additions **excluding** any buyer closing costs paid by Seller, for services rendered in this transaction. Seller's Licensee is the only authorized Licensee of the Seller in this transaction. However, Seller's Licensee is hereby authorized to pay a fee in the amount of \_\_\_\_\_ to Buyer's Licensee.

**Seller Rejection/Counter Offer.**

\_\_\_\_\_ Seller hereby rejects the foregoing offer and declines to make a Counter Offer; or

\_\_\_\_\_ Seller rejects the foregoing offer and makes the attached Counter Offer.

Date \_\_\_\_\_ Time: \_\_\_\_\_ a.m. \_\_\_\_\_ p.m.

Seller Signature(s)	E-Mail Address	Office Ph(s) Home Ph(s)	Cell Ph(s) Fax Ph(s)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

Print name(s) to be on documents \_\_\_\_\_

Mail Address \_\_\_\_\_

Physical Address \_\_\_\_\_

Name of Listing Broker's Office \_\_\_\_\_

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller



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Licensee Signature \_\_\_\_\_

Licensee Signature \_\_\_\_\_