

Michigan Realtors® Purchase Agreement



Offer Date: _____, 20____. The Effective Date of this Agreement will be the date of final acceptance. Whenever a number of days is specified in this Agreement, the reference is to calendar days.

1. **PROPERTY DESCRIPTION:** Buyer agrees to buy from Seller property located at _____
_____, _____ County,
Michigan, and legally described as: _____

Property Tax ID #: _____

The property includes all buildings; all gas, oil, and mineral rights owned by Seller; all fixtures and improvements (unless rented) including but not limited to the following: built-in appliances, lighting fixtures, plumbing fixtures, water softener, heating fixtures, electrical fixtures, permanently attached generators, fuel tanks, antennas/satellite dishes and accessories, wired smart home devices, remote controls for built-in devices, attached TV mounting brackets, attached mirrors, attached shelving, window shades and blinds, awnings, shutters, curtain and drapery rods, ceiling fans, attached floor coverings, attached fireplace doors and screens, garage door openers and controls, screens, storm windows and doors, landscaping, fences, all equipment for inground pool, invisible inground fencing and related equipment, mailboxes; and _____

but does not include: _____

2. **PURCHASE PRICE:** The purchase price for the property is \$ _____

3. **CONCESSIONS,** if any: _____

4. **METHOD OF PAYMENT:** The purchase will be completed as set forth below. **Buyer represents that all funds necessary to complete the purchase on the terms specified herein are currently available to Buyer in cash or an equally liquid equivalent.**

CASH: Buyer will pay the full purchase price. This Agreement is not contingent upon Buyer’s ability to obtain said funds, and Buyer shall provide proof of available funds to Seller’s satisfaction within ____ days of the Effective Date or Seller may terminate this Agreement by written notice to Buyer.

NEW MORTGAGE: This Agreement is contingent on Buyer’s ability to obtain a _____ mortgage loan in the amount of _____ percent of the purchase price. Buyer will provide evidence of mortgage application and appraisal order from Buyer’s lender within ____ days of the Effective Date. If Buyer fails to deliver to Seller evidence of the loan approval before _____, 20____, Seller may terminate this Agreement by written notice to the Buyer.

LAND CONTRACT/PURCHASE MONEY MORTGAGE: Buyer will purchase the property on land contract purchase money mortgage on the terms set forth in the attached seller financing addendum.

MORTGAGE ASSUMPTION or LAND CONTRACT ASSIGNMENT: If the holder of the mortgage or land contract agrees, Buyer will assume Seller’s existing mortgage or land contract according to its terms. Buyer will pay the difference between the purchase price and the existing balance of approximately \$ _____ upon Seller’s delivery of a warranty deed or a land contract assignment. Buyer will reimburse Seller at closing for any funds held in escrow.

5. **CLOSING DATE:** Sale to be closed on or before _____.

6. **CONDITION OF PROPERTY:** Buyer accepts the property in its AS IS present condition, subject to any inspection contingencies below. Buyer agrees that there are no additional written or oral understandings except as expressly provided in this Agreement. Seller agrees that at the time of surrender of possession, the property shall be in the same condition as it is now, with the exception of ordinary wear and tear. Seller will remove all trash and debris from the property and leave the property in broom-clean condition.

7. **TITLE CONTINGENCY:** At closing, Seller shall provide to Buyer, at Seller's expense, an owner's policy of title insurance with without standard exceptions in the amount of the purchase price. Seller will apply for a commitment for title insurance within 5 days of the Effective Date and deliver the commitment to Buyer upon receipt. Any special exception will be subject to Buyer's approval, provided that this contingency shall be deemed waived unless Buyer notifies Seller in writing within 7 days of receipt of the commitment. Seller will have 30 days after receiving written notice to remedy any claimed defect(s). If Seller is unable to cure the claimed defect(s), Buyer may terminate this Agreement in writing or waive the defect and proceed to closing.
8. **SURVEY CONTINGENCY:**
- This Agreement is contingent upon Buyer's satisfaction with a boundary/stake survey to be paid for by Buyer Seller. The party paying for the survey shall select the surveyor and order the survey within ____ days of the Effective Date. If Buyer does not object to the survey within 7 days of receipt, Buyer shall be deemed to have waived this contingency.
- Buyer chooses not to obtain a survey of the property.
9. **LAND DIVISION CONTINGENCY (For unplatted land only):**
- The property is a new division under the Land Division Act and this Agreement is contingent upon Seller obtaining municipal approval of such division. Seller will apply for such approval within ____ days of the Effective Date. The parties acknowledge that the division application may require a survey and that upon receipt of a completed application, a municipality has 45 days to respond. Except as otherwise provided in paragraph 8 above, Seller shall be responsible for the cost of any surveying work required in connection with the land division application.
10. **PROPERTY INSPECTION CONTINGENCY:** Buyer acknowledges that Selling Broker/REALTOR® has recommended that Buyer obtain inspections of the property by an inspector and/or a licensed contractor.
- This offer is contingent upon satisfactory inspections of the property, at Buyer's choice and at Buyer's expense, no later than ____ days of the Effective Date. These inspections may include, but may not be limited to, structural and/or mechanical inspections, site investigation, soil borings, as well as inspections for radon, pests, mold and/or asbestos. Buyer agrees to return the property to its prior condition after any inspections or tests. The inspection contingency shall be deemed waived unless Buyer objects during the time period permitted for the inspection(s). If Buyer is not satisfied with the result of any inspection, Buyer shall, in writing, prior to the expiration of the time frame for inspections, either terminate this Agreement or notify Seller of any unacceptable defect(s) identified during the inspection(s). If Seller is so notified, Seller will have ____ days to notify Buyer, in writing, of Seller's willingness to correct the defect(s), credit the Buyer a sum of money at closing, or reduce the sale price. Upon receipt of notice from Seller, or after the expiration of the number of days stated above, if Seller has not responded, Buyer will have ____ days to elect in writing to accept any offer made by Seller, terminate this Agreement, or declare that Buyer will purchase the property in its as-is condition. If no election is made during this time period, and until such election is made, the contract is voidable by either party.
- Buyer does not desire to obtain any inspections of the property.
11. **WELL AND SEPTIC INSPECTION CONTINGENCY:**
- The property is served by a well and/or septic system and, based on its location, is subject to mandatory governmental inspection requirements. Seller agrees to order and pay for the inspections within ____ days of the Effective Date. If the reports indicate that the well and/or septic system does not meet applicable governmental standards that are a condition of sale, or in the event Buyer provides written objections within ____ days from the date of receipt of the reports, this Agreement shall terminate unless the parties agree otherwise in writing.
- The property is served by a well and/or septic system but is not subject to mandatory governmental inspection requirements. This Agreement is contingent upon Buyer's approval of a well and/or septic inspection of the property by a qualified inspector, ordered and paid for by Seller Buyer within ____ days of the Effective Date. In the event Buyer provides written objections within ____ days from receipt of the inspection reports, this Agreement shall terminate unless the parties agree otherwise in writing.
12. **LEAD-BASED PAINT DISCLOSURE/INSPECTION CONTINGENCY (For residential housing built prior to 1978 only):** Buyer acknowledges that prior to signing this Agreement, Buyer has received a copy of the *Lead-based Paint Sellers Disclosure Form* completed by the Seller on ___/___/___, the terms of which shall be part of this Agreement. Buyer also agrees (check one below):
- Buyer shall have ____ days after the Effective Date to conduct an inspection of the property for the presence of lead-based paint and/or lead-based paint hazards. (Federal regulations require a 10-day period or other mutually agreed upon period of time.) If Buyer is not satisfied with the results of this inspection, upon notice from Buyer to Seller within this period, this Agreement shall terminate and any deposit shall be refunded to Buyer.

Buyer hereby waives their opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

13. **PROPERTY SALE CONTINGENCY:** This Agreement is contingent upon successful completion of the following regarding Buyer’s property at _____:

- Obtaining a signed sales contract on Buyer’s property within _____ days of the Effective Date.
- Obtaining a non-contingent signed sales contract on Buyer’s property within _____ days of the Effective Date.
- Closing on the sale of Buyer’s property within _____ days of the Effective Date.

Buyer acknowledges that the property is not being taken off the market. If a back-up contract is accepted prior to the satisfaction or waiver of all contingencies regarding the sale and/or closing of Buyer’s property, Buyer will have _____ days from receipt of notice of the backup offer to remove in writing all contingencies regarding the sale and/or closing of Buyer’s property.

If this contingency is not satisfied or removed in writing within the time deadlines set forth above, either party may terminate this Agreement by providing written notice to the other party. **The removal of any contingency regarding the sale and/or closing of Buyer’s property shall include written verification from Buyer’s lender that Buyer does not need to sell said property in order to obtain financing for the purchase of Seller’s property.** After Buyer has removed all of the contingencies regarding the sale of Buyer’s property, Buyer will be in default if Buyer’s mortgage is not approved because of the failure to sell Buyer’s property.

14. **REAL ESTATE TAXES:** Seller will pay all prior years’ real estate taxes. The current year’s real estate taxes will be paid as follows:

- NO PRORATION:** Seller will pay the taxes which are due before the date of closing. Buyer will pay taxes which are due on or after the date of closing. “Due” means the date on which a tax bill first becomes payable.
- CALENDAR YEAR PRORATION:** Real property taxes shall be treated as though they cover the calendar year in which the tax bills are issued.
- FISCAL YEAR PRORATION:** Real property taxes shall be treated as though they are billed in advance based upon the fiscal year of the appropriate taxing authorities.
- DUE DATE PRORATION:** Real property taxes shall be treated as though they are billed in advance based on the date upon which the tax bill first becomes payable.
- OTHER:** _____

BUYER SHOULD NOT ASSUME THAT BUYER’S FUTURE TAX BILLS ON THE PROPERTY WILL BE THE SAME AS THE SELLER’S PRESENT TAX BILLS. UNDER MICHIGAN LAW, REAL PROPERTY TAX OBLIGATIONS CAN CHANGE SIGNIFICANTLY WHEN PROPERTY IS SOLD.

Buyer’s Initials _____ Buyer’s Initials _____

15. **SPECIAL ASSESSMENTS AND BENEFIT CHARGES:** All special assessments, municipal, association, or otherwise, including future installments, that have been assessed against the property by the date of closing will be paid by Seller. Any benefit charges against the property made by any governmental authority or utility company for installation or tap-in fees for utility services, water, sanitary sewer, storm sewer, gas, electric, telephone, and cable lines for which charges have been made, incurred or billed before the date of closing, will be paid by Seller. Charges incurred after closing will be paid by Buyer.

16. **MISCELLANEOUS PRORATED ITEMS:** Rent, condominium dues, association dues, trash collection payments and insurance (if assigned), as well as interest on any existing land contract, mortgage or other lien assumed or to be paid by the Buyer, will be prorated to the date of closing.

17. **HEATING AND COOKING FUELS:** Liquid heating and cooking fuels in tanks are included in the sale and will transfer to Buyer at time of possession. Seller is responsible for maintaining heating and cooking liquid fuels at an operational level and shall not permit fuels to fall below 10% in the tank(s) at the time of possession. Seller is precluded from removing fuel from tank(s) other than what is depleted through normal use.

18. **CLOSING COSTS:** Seller shall pay all state and county transfer taxes and costs required to convey clear title. Buyer shall pay the cost of recording the deed and/or security interests and all mortgage closing costs and fees required in connection with the Buyer’s loan and the issuance of the lender’s title insurance policy.

19. **CONVEYANCE OF UNPLATTED PROPERTY:** If the property is not a condominium unit or a platted lot, Seller and Buyer agree that the following statements shall be included in the deed at the time of delivery:
- (a) The grantor grants to the grantee the right to make _____ (insert “zero” or a specific number, as appropriate) division(s) under section 108 of the Land Division Act, MCL 560.108. **NOTE:** If the space contained in this subparagraph is left blank, the deed will NOT grant Buyer the right to any divisions unless Buyer is acquiring Seller’s entire property, in which case the deed will grant Buyer the right to all divisions.
 - (b) This property may be located within the vicinity of farm land or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan right to farm act.
20. **OCCUPANCY:** Seller will give occupancy as follows:
- Upon closing agent’s receipt of executed closing documents and funds.
 - _____ days after closing by 12:00 noon. Seller will pay Buyer \$_____ per day as an occupancy charge, such amount to be paid at closing as set forth below. If Seller fails to deliver possession by the agreed upon date, Seller shall become a tenant at sufferance and shall pay Buyer as liquidated damages \$_____ per day plus Buyer’s reasonable attorney’s fees. Seller is liable to Buyer for damage to the property occurring after closing and before vacating, to the extent not covered by the Buyer’s homeowners policy, as well as for any deductible portions of a covered claim.
 - Total occupancy fee paid at closing to be held in escrow by _____. After Seller vacates property, the escrowed funds shall be used to pay the accrued occupancy charge to Buyer, and the balance, if any, shall be refunded to Seller.
 - Total occupancy fee to be paid directly at closing to Buyer **without proration**.
21. **SELLER’S DISCLOSURE:**
- Seller has represented that this sale is exempt from the Seller Disclosure Act requirements.
 - Buyer acknowledges that a Seller’s Disclosure Statement has been provided to Buyer.
 - Seller shall provide Buyer with a Seller’s Disclosure Statement with Seller’s acceptance of this offer. Pursuant to the Seller Disclosure Act, MCL 559.951, *et seq.*, Buyer will have 72 hours after hand-delivery of the disclosure statement (or 120 hours after delivery by registered mail) to terminate this Agreement by delivery of a written notice to Seller or Seller’s agent.
22. **PROPERTY CONDITION RELEASE:** Buyer and Seller acknowledge that neither party has relied on any representations of Listing Broker, Selling Broker or their respective agents concerning the condition of the property. Buyer and Seller hereby release the Listing Broker, the Selling Broker and their respective agents with respect to any and all claims relating to the condition of the property and/or the performance of this Agreement by the parties hereto.
23. **EARNEST MONEY DEPOSIT:** Buyer deposits \$_____ to be held by _____ (“Escrowee”) evidencing Buyer’s good faith, which deposit shall be applied to the purchase price at closing.
- If the parties do not enter into a binding agreement, or if the Buyer’s obligation to purchase is contingent upon ability to obtain a new mortgage or any other contingencies which are not satisfied or waived as provided herein, this deposit shall be refunded to Buyer. In the event the Buyer and Seller both claim the earnest money deposit, the earnest money deposit shall remain in Escrowee’s trust account until a court action has determined to whom the deposit must be paid, or until the Buyer and Seller have agreed in writing to the disposition of the deposit. (This paragraph may be subject to the arbitration provisions in paragraph 28 below.)
24. **DEFAULT:** If Buyer defaults, Seller may enforce this Agreement, or may cancel the Agreement, claim the deposit, and pursue legal remedies. If Seller defaults, Buyer may enforce this Agreement or may demand a refund of the deposit and pursue legal remedies. (This paragraph may be subject to the arbitration provisions in paragraph 28 below).
25. **LIMITATION:** Buyer and Seller agree that any and all claims or lawsuits which they may have against the Listing Broker and its agents and/or Selling Broker and its agents relating to their services must be filed no more than 6 months after the date of closing of the transaction described in this Agreement. Buyer and Seller waive any statute of limitations to the contrary.
26. **ENTIRE AGREEMENT:** Buyer and Seller agree that this is the entire agreement between the parties and that there are no other written or oral understandings. Buyer and Seller further agree that this Agreement supersedes any and all prior agreements, understandings or representations made by the parties or their agents.

- 27. **WALK-THROUGH:** Buyer has the right to walk through the property within 48 hours prior to closing to confirm that the property and any personal property or equipment being purchased are in the same condition as when this Agreement was signed, ordinary wear and tear excepted.
- 28. **ARBITRATION:** Any dispute over the disposition of any earnest money deposits or claim arising out of or related to the physical condition of any property covered by this Agreement, included without limitation, claims of fraud, misrepresentation, warranty and negligence, shall be settled in accordance with the rules, then in effect, adopted by the endorsed provider of arbitration services for the Michigan REALTORS®. This is a voluntary agreement between the Buyer and Seller. Failure to agree to arbitrate does not affect the validity of the Agreement. A judgment of any circuit court shall be rendered on the award or determination made pursuant to this Agreement. This Agreement is specifically made subject to and incorporates the provisions of the Michigan Uniform Arbitration Act, MCL 691.1681, *et seq.* This Agreement is enforceable only as to parties and brokers/agents who have agreed to arbitrate as acknowledged by their initials below. The terms of this paragraph shall survive the closing.

INITIAL IF YOU AGREE TO ARBITRATE:

Seller _____ Buyer _____

- 29. **ELECTRONIC COMMUNICATION:** As an alternative to physical delivery, the parties agree that this Agreement, any amendment or modification of this Agreement and/or any written notice or communication in connection with this Agreement may be delivered to the Seller in care of the Listing REALTOR® and the Buyer in care of the Selling REALTOR® via electronic mail via the contact information set forth below. Any such communication shall be deemed delivered at the time it is sent or transmitted. The parties agree that the electronic signatures and initials shall be deemed to be valid and binding upon the parties as if the original signatures or initials were present in the documents in the handwriting of each party.
- 30. **COUNTERPARTS:** This Agreement may be signed in any number of counterparts with the same effect as if the signature of each counterpart were upon the same instrument.
- 31. **HEIRS, SUCCESSORS AND ASSIGNS:** This Agreement binds Seller, Seller’s personal representatives and heirs, and anyone succeeding to Seller’s interest in the property. Buyer shall not assign this Agreement without Seller’s prior written permission.
- 32. **OTHER CONDITIONS:** _____

33. **THIS OFFER WILL EXPIRE ON** _____ **at** _____ **A.M./P.M., or upon Seller’s receipt of revocation from Buyer, whichever is earlier.**

34. RECEIPT IS ACKNOWLEDGED BY BUYER of a copy of this Agreement.

Selling Broker Office (print): _____ X _____ Buyer

Broker's License # _____, represents:

(Check only one)

Seller Only Buyer Only

Seller & Buyer (Disclosed Dual Agent)

Neither Seller nor Buyer (Transaction Coordinator)

Print Legal Name (as you wish it to appear on final papers)

Selling Broker's Agent (print): _____

X _____ Buyer

License # _____, represents:

(Check only one)

Seller Only Buyer Only

Seller & Buyer (Disclosed Dual Agent)

Neither Seller nor Buyer (Transaction Coordinator)

Print Legal Name (as you wish it to appear on final papers)

Phone: _____ Fax: _____

Buyer Street Address: _____

Email: _____

City: _____ State: ____ Zip: _____

Date _____, 20____

SELLER'S RESPONSE:

35. THE ABOVE OFFER is hereby accepted as written subject to the following changes:

(a) This Agreement is a **BACK-UP OFFER** which shall be effective only in the event that the closing on a prior purchase agreement for the property does not take place for any reason. Nothing in this Agreement shall in any way restrict the right of Seller to modify the terms of the prior purchase agreement as Seller shall, in their sole discretion, deem advisable. In the event that Seller does not notify Buyer in writing that this backup offer is in first position within _____ days of the Effective Date, Buyer may at any time thereafter prior to receipt of such notice, declare this Agreement null and void by providing a written termination notice to Seller.

(b) _____

_____ and/or see addendum attached hereto.

(c) **THIS COUNTEROFFER WILL EXPIRE ON _____ at _____ A.M./P.M., or upon Buyer's receipt of revocation from Seller, whichever is earlier.**

36. SELLER ALSO AGREES to pay the Listing Broker named below compensation as stated in the Listing Agreement for the property.

37. RECEIPT IS ACKNOWLEDGED by Seller of a copy of this Agreement.

Listing Broker Office (print): _____ X _____ Seller

Broker's License # _____, represents:

(Check only one)

Seller Only

Seller & Buyer (Disclosed Dual Agent)

Print Legal Name (as you wish it to appear on final papers)

Listing Broker's Agent (print): _____

X _____ Seller

License # _____, represents:

(Check only one)

Seller Only

Seller & Buyer (Disclosed Dual Agent)

Print Legal Name (as you wish it to appear on final papers)

Phone: _____ Fax: _____

Seller Street Address: _____

Email: _____ City: _____ State: ____ Zip: _____

Date _____, 20____

BUYER'S RECEIPT OF ACCEPTANCE

38. RECEIPT IS HEREBY ACKNOWLEDGED BY BUYER of the Seller's acceptance of Buyer's offer. In the event the acceptance was subject to changes from Buyer's offer, the Buyer agrees to accept said changes.

Buyer Signature

Buyer Signature

Print Name

Print Name

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