

PURCHASE AND SALE CONTRACT



THIS IS A LEGALLY BINDING CONTRACT

Purchaser's Full Name	Mailing Address (Inc. Zip)	SS/Fed. ID Number	Telephone Number
	,		
	,		

Seller's Full Name	Mailing Address (Inc. Zip)	SS/Fed. ID Number	Telephone Number
	,		
	,		

- Agreement of Sale and Purchase:** Purchaser hereby offers and agrees to purchase from Seller and Seller agrees to sell and convey to Purchaser the Property described herein at the price and on the terms and conditions stated in this Contract.
- Total Purchase Price:** _____ U.S. Dollars (\$ _____)
- Contract Deposit:** \$ _____ (US Dollars) as evidenced by Personal check Bank check Cash. **Additional deposit of \$ _____ (US Dollars) is due within _____ calendar days after Seller's acceptance of offer.**
- Description of Real Property:** For purposes of this Contract, the Property is described as follows: _____

Property Address: _____
Street City/Town

At closing, Seller will deliver a deed setting forth the legal description of the Property to be conveyed under this Contract. The deed delivered by Seller at closing will govern the description of the real property to be conveyed under this Contract.

- Contract Deposit to be Held By:** Absolute Realty ("Escrow Agent"). If the offer is not accepted, expires, or is revoked or withdrawn prior to acceptance, the Contract Deposit shall be promptly returned. The Contract Deposit shall accrue interest on the terms and conditions provided in Section 22 of this Contract. A fee of _____, equally allocated between Seller and Purchaser, will be paid to the Escrow Agent for services rendered in connection with any Contract Deposit placed in an individual interest bearing account.
- Financing Contingency:** Purchaser's obligation to close under this Contract is is not subject to a financing contingency that Purchaser obtain mortgage financing in the amount of _____ % of the purchase price for a term of _____ years at an interest rate not higher than _____ % fixed for the term of the loan or _____ % variable on the date of closing with not more than _____ points to be paid at closing. Purchaser agrees to act diligently and in good faith to obtain such financing and shall, **within _____ calendar days after Seller's acceptance**, submit a complete and accurate application for mortgage financing to at least one financial institution currently providing such loans requesting financing **in the amount and on the terms provided in this Contract**. If Purchaser fails to timely submit such an application, this financing contingency is waived by Purchaser. **IF, despite best efforts, Purchaser is unable to obtain the financing specified in this Contract by _____, _____, Purchaser (but not Seller) shall have the right to TERMINATE this Contract, provided, however, Purchaser must give written notice directly to Seller of the inability to obtain such financing within three (3) working days after the above date.** In the event Purchaser terminates this Contract in accordance with the provisions of this financing contingency, all deposit money, together with all interest thereon to which Purchaser is entitled, shall be forthwith returned to Purchaser, the Contract shall be terminated, and shall be of no further force and effect. The responsibility to notify Seller of Purchaser's termination of the Contract based on the inability to obtain financing shall be solely Purchaser's. The real estate broker(s) representing Seller shall have no responsibility under this Contract to notify Seller of Purchaser's termination based on the financing contingency.

If Purchaser's obligation to close is not subject to a financing contingency, Purchaser represents to Seller that Purchaser has sufficient cash or liquid assets to close on the purchase of the Property as provided herein.
- Lead-Based Paint:** Based upon representations made by Seller and Purchaser's own investigation and information, it is agreed that the property is is not pre-1978 residential real estate and, therefore, is is not subject to Federal (EPA/HUD) Lead-Based Paint Regulations. If the property is pre-1978 residential real estate, the parties must execute a Lead-Based Paint Addendum, which shall become part of this Contract. Lead-Based Paint Addendum Required Yes No

Seller's Initials _____ Buyer's Initials _____

8. **Property Inspection Contingency.** Purchaser's obligation to close under this Contract is is not subject to a property inspection contingency. If "yes," the parties must execute a property inspection contingency addendum which shall become part of this Contract. If "no," Purchaser's obligation to close is not subject to a property inspection contingency.
Property Inspection Contingency Addendum attached Yes No
9. **Condominium/Common Interest Community.** If the Property is a condominium, common interest community, planned community or other property subject to the Vermont Common Ownership Act, the parties must execute a Common Ownership Interest Addendum, which shall become part of this Contract. Common Ownership Addendum Required Yes No
10. **Other Special Conditions or Addenda to Contract:** The following special conditions or written addenda signed by Seller and Purchaser are made part of this Contract and are incorporated herein:
Special conditions or written addenda attached: Yes No
Other special conditions: _____

11. **Closing:** Closing and transfer of title shall be held on the _____ day of _____, _____ at a mutually agreed time and place. Closing may occur earlier if the parties agree in writing. Neither party shall be obligated to extend the date set for closing. **TIME IS OF THE ESSENCE AS TO THE CLOSING DATE.**
12. **Seller's Obligation to Furnish Buyer With State and Local Permits:** The parties acknowledge that certain state permits may be required for this Property without which Seller may be unable to convey marketable title. Additionally, certain municipal permits may be required for the use and occupancy of the Property. Accordingly, not later than _____ days from the date this Contract is accepted by Seller, Seller shall furnish Purchaser or Purchaser's attorney with evidence of the issuance of such state permits as may affect Seller's title to the Property and such local permits as may affect its use and occupancy, however, providing Purchaser with evidence of the issuance of such state and local permits shall not constitute a representation that the Property is necessarily in compliance with said permits. If, at the expiration of time required for the Seller to furnish evidence of the issuance of such state and local permits, Seller, after reasonable efforts, is unable to do so because such permits have not in fact been issued, either Seller or Purchaser shall have the right to forthwith terminate this Contract by notice to the other party whereby all rights and obligations of the parties hereto by reason of this Contract shall terminate, and all deposit money, together with all interest thereon to which Purchaser is entitled, shall be forthwith returned to Purchaser. This provision shall be supplemental to and shall not alter, limit, expand or affect the provisions of Section 19 hereof relating to Purchaser's examination of title.
13. **Limitation of Liability:** Seller and Purchaser each agree that the real estate brokers identified in Section 31 hereof have provided both Seller and Purchaser with benefits, services, assistance and value in bringing about this Contract. In consideration thereof, and in recognition of the relative risks, rewards, compensation and benefits arising from this transaction to said real estate brokers, Seller and Purchaser each agree that such brokers, their agents, associates or affiliates, shall in no event be liable to either Purchaser, Seller or both, either jointly severally or individually, **in an aggregate amount exceeding the total compensation to be paid to such brokers on account of this transaction or \$5,000, whichever is greater**, by reason of any act or omission, including negligence, misrepresentation, errors and omissions, or breach of any undertaking whatsoever, except for intentional or wilful acts. This limitation shall apply regardless of the cause of action or legal theory asserted against the real estate brokers unless the claim is for an intentional or wilful act. This limitation shall apply to all claims, losses, costs, damages or claimed expenses of any nature whatsoever from any cause or causes, except intentional or wilful acts, so that the total aggregate liability of all real estate brokers identified in Section 31 hereof shall not exceed the amount set forth herein. Seller and Purchaser each agree that there is valid and sufficient consideration for this undertaking and that the real estate brokers are the intended third-party beneficiaries of this provision.
14. **Possession:** Possession and occupancy of the premises, together with all keys to the premises, shall be given upon closing unless otherwise agreed in writing. Seller shall leave the premises broom clean, free from all occupants, and shall remove all personal property not being sold hereunder together with the personal property of all occupants. Seller agrees to permit Purchaser to inspect the premises within 24 hours prior to the date set for closing to insure compliance with this provision.
15. **Payment of Purchase Price:** Payment of the purchase price, adjusted for Contract Deposits previously received, is due at closing and is to be paid in cash, certified check or cashier's check.
16. **Deed:** Unless otherwise agreed in writing in this Contract, at closing, Seller shall deliver to Purchaser a Vermont Warranty Deed, furnished and paid for by Seller, conveying marketable title, as defined by Vermont law, to the Property which is the subject of this Contract.
17. **Property Transfer Tax/Land Gains Tax/Act 250 Disclosure Statement:** Purchaser shall pay any Vermont Property Transfer Tax due on the sale of the Property. If any Vermont Land Gains Tax is due as a result of the sale of the Property, the Seller shall pay such tax as may be due, except as otherwise provided by law or by addendum to this Contract. At or prior to closing, Seller shall provide Purchaser with satisfactory proof either that there is no such tax due or that the tax has been paid in full, or shall provide a certificate from the Vermont Department of Taxes specifying the amount of any tax that may be due as a result of the sale. In the event Seller is required to provide Purchaser with an Act 250 Disclosure Statement and fails to provide such a statement or provides the statement in an untimely manner, Purchaser's closing on this transaction and acceptance of Seller's deed shall constitute a waiver and release of Purchaser's right to declare this Contract unenforceable, to rescind this transaction or to pursue Seller for damages arising out of the failure to provide an Act 250 Disclosure Statement.

Seller's Initials _____

Buyer's Initials _____

18. **Income Tax Withholding Requirements if Seller is a Nonresident of Vermont and/or Subject to Tax Under the U.S. Foreign Investment in Real Property Tax Act:** If Seller is a nonresident of Vermont, unless a withholding certificate is issued by the Vermont Commissioner of Taxes in advance of the closing, Purchaser shall withhold 2.5 percent of the total purchase price and file a Withholding Tax Return with the Vermont Department of Taxes. In addition, if the sale of the Property subjects Seller to the payment of federal tax under the Foreign Investment in Real Property Tax Act (FIRPTA), unless a withholding certificate is issued by the Internal Revenue Service, Purchaser shall withhold ten percent of the total purchase price and file a Withholding Tax Return with the Internal Revenue Service. If Purchaser fails to withhold such taxes when required to do so, Purchaser may be liable to the respective taxing authorities for the amount of such tax. Purchaser shall have the right to reasonably request evidence that Seller is exempt from payment of either tax in the form of a certificate of residence or non-foreign status. In the event Purchaser is determined to be liable for the payment of either tax, Seller shall indemnify and hold Purchaser harmless from all such liability together with any interest, penalties and reasonable expenses, including attorneys' fees, incurred by Purchaser.
19. **Purchaser's Examination of Title:** Purchaser, at his or her sole cost and expense, shall cause the title to the Property to be examined and shall notify Seller in writing prior to the date set for closing of the existence of any encumbrances or defects which are not excepted in this Contract which render title unmarketable as defined by Vermont law. In such event, Seller shall have an additional thirty (30) days from the time Seller receives such notice to remove the specified encumbrances or defects. Promptly following receipt of such notice, Seller shall exercise reasonable efforts and diligence to remove or cure the specified encumbrances or defects. If, at the expiration of 30 days from the receipt of such notice or on the date set for closing, whichever is later, Seller is unable to convey marketable title free and clear of such encumbrances and defects, Purchaser may terminate this Contract, and, if so, shall receive back all deposit money and may, in addition, pursue all legal and equitable remedies provided by law.
20. **Default:** If Purchaser fails to close as provided herein, or is otherwise in default, Seller may terminate this Contract by written notice to Purchaser and retain all Contract Deposits as liquidated damages, or may pursue all legal and equitable remedies provided by law. If Seller does not notify Purchaser of Seller's election of remedies within thirty (30) days following notice of Purchaser's default, Seller's sole remedy shall be retention of all deposit money as liquidated damages. Because of the nature and subject matter of this Contract, damages arising from Purchaser's default may be difficult to calculate with precision. The amount of the Contract Deposit reflects, in part, a reasonable estimate of Seller's damages for Purchaser's default. The provision hereof granting Seller the election to retain the Contract Deposit as agreed-upon liquidated damages is intended solely to compensate Seller for Purchaser's default. It is not intended to be a penalty for Purchaser's breach nor is it an incentive for Purchaser to perform the obligations of this Contract. If Seller fails to close, or is otherwise in default, Purchaser may terminate this Contract by written notice to Seller and shall receive back all deposit money and may pursue Purchaser's rights to all legal and equitable remedies provided by law. In the event legal action is instituted arising out of a breach of this Contract, the prevailing party shall be entitled to reasonable attorney's fees and court costs.
21. **Deposits:** At closing and transfer of title, Escrow Agent shall disburse all deposits. In the event Purchaser terminates this Contract under the specific provisions hereof entitling Purchaser to terminate, upon written demand, Escrow Agent shall refund such deposit to Purchaser. In the event either Seller or Purchaser does not perform and fail to close on the terms specified herein, this shall constitute a default. In the event of a default undisputed by Seller and Purchaser, upon written demand, Escrow Agent shall pay the deposit to the non-defaulting party. In the event of a dispute concerning default, Escrow Agent shall not be personally liable to either party except for bad faith or gross neglect. In the event a claim other than for bad faith or gross neglect is asserted against Escrow Agent, the parties shall jointly and severally indemnify and hold Escrow Agent harmless from all loss or expense of any nature, including attorney's fees, arising out of the holding of the deposit. In the event of a dispute, Escrow Agent may pay the deposit into a court of competent jurisdiction for the purpose of determining the rights of the parties to the deposit. All costs and expenses of such action including attorney's fees incurred by Escrow Agent shall be borne jointly and severally by Seller and Purchaser irrespective of the amount of the deposit.
22. **Terms and Conditions of Interest on Contract Deposit:** If the interest on the Contract Deposit is expected to accrue less than Fifty Dollars (\$50), the Contract Deposit will be placed in Escrow Agent's pooled interest bearing real estate trust account. . The interest accrued thereon will be automatically remitted to an account held for the Vermont Housing Finance Agency for the benefit of affordable housing programs in Vermont. Seller and Purchaser acknowledge that this remittance is mandatory and non-discretionary under the provisions of Vermont's Interest on Real Estate Trust Accounts law. If the Contract Deposit is expected to accrue more than Fifty Dollars (\$50) in interest, it will be placed in an individual interest bearing account with a financial institution doing business in Vermont. The account shall obtain a reasonable prevailing rate of interest, provided, Escrow Agent shall have no obligation to obtain the highest available rate of interest. The interest earned on the account shall be paid to the Purchaser if the closing takes place as provided in this Contract. The interest earned on the account shall be paid to Seller in the event the Contract Deposit is returned to Purchaser. In the event the Purchaser defaults and the Contract Deposit is paid to Seller, the interest earned on the account shall be paid to Seller. Purchaser's social security or federal identification number shall be used to open any individual interest bearing account and to fulfill all reporting responsibilities to governmental authorities concerning such account. The provisions of Section 22 of this Contract shall apply to Escrow Agent's responsibilities concerning the interest on the Contract Deposit.
23. **Mediation of Disputes:** In the event any dispute or claim arises out of or relates to this Contract or to the services provided by any real estate broker in connection with this Contract or the Property, it is agreed that such dispute or claim shall be submitted to mediation, prior to the initiation of any suit, in accordance with the provisions of the Homesellers/Homebuyers Dispute Resolution System or such other mediation process as the parties may agree. This provision shall be in addition to, and not in replacement of, any mediation required by any order or rule of any court having jurisdiction over the suit.

Seller's Initials _____

Buyer's Initials _____

