



LAND PURCHASE AND SALES AGREEMENT
Rhode Island Association of REALTORS® - Standard Form



1. SALES AGREEMENT: (“Agreement”) made between..... (“Seller”) whose mailing address is..... Zip code..... and..... (“Buyer”) whose mailing address is..... Zip code..... The Seller agrees to SELL and the Buyer to BUY, upon the price and terms below, the following property (the “Property”):
 Property Address.....
 Assessor’s Plat..... Lot..... in the City/Town of....., State of Rhode Island., Zip code.....

2. Date of this Agreement: The Date of this Agreement shall be the later of: (a) the date on which Buyer signs this Agreement, or (b) the date on which Seller signs this Agreement, as set forth by the Buyer’s and Seller’s signatures below.

3. Purchase Price: The agreed Purchase Price for the Property is Dollars (“Purchase Price”) of which \$..... has been paid as a deposit upon the execution of this Agreement by Buyer in the form of, receipt of which is hereby acknowledged.
 \$..... Additional Deposit to be paid on or before.....
 \$..... Balance of Purchase Price
 \$..... TOTAL PURCHASE PRICE

4. Closing Date/Place: Closing is to be held on, at 10:00 A.M. at the office of the Registry of Deeds in which the deed should by law be recorded or at such other time and place as may be agreed to by the parties. The balance of the Purchase Price shall be paid by cash, certified check, and/or bank check. Payment of the balance of the Purchase Price and delivery of deed shall occur at the closing. Buyer and Seller authorize the Closing Agent to release to Broker(s) signed copies of the closing statement(s).

5. Deposits: All deposits and any additional deposit made hereunder (collectively, “Deposits”) shall be held in an escrow account as required by Rhode Island General Laws 5-20.5-14(5), by the Principal Broker of Listing Brokerage Firm named below unless mutually agreed otherwise by Buyer and Seller, and, except as otherwise provided herein, shall be duly accounted for at the time of delivery of the deed and applied to the Purchase Price. If the deposit holder is other than the Listing Brokerage Firm, said Deposits are to be brought to the closing, unless otherwise provided. The refunding of all Deposits shall be upon execution of a written release by Buyer and Seller and pursuant to Rule 7 of Commercial Licensing Regulation 11.

6. Deposit Disputes: In the event of a dispute between the Seller and the Buyer as to any provisions of this Agreement or the performance thereof, the holder of said Deposits may retain all Deposits hereunder in said escrow account until the dispute is resolved by the parties, by binding settlement or court judgment, or may place the Deposits with a court of competent jurisdiction, or may release the Deposits upon execution of a written release by Buyer and Seller as permitted by the laws, rules and regulations of the State of Rhode Island; provided, however, that if the allocation of the Deposits remain in dispute 180 days from the date of the original deposit, the Principal Broker of Listing Brokerage Firm shall transfer the Deposits to the General Treasurer of Rhode Island pursuant to Rule 7 of Commercial Licensing Regulation 11.

7. Waiver of Mortgage Contingency: If initialed by Buyer, this Agreement is not contingent upon financing and Section 8 of this Agreement shall not apply. However, Buyer reserves the right to finance any portion of the Purchase Price. _____ (Initials of Buyer)

8. Mortgage Contingency: Notwithstanding any other provisions of this Agreement, and, unless the Buyer waives this mortgage contingency in writing, this Agreement is subject to the issuance of a commitment letter by an institutional mortgage lender or mortgage broker (“Lender”) to the Buyer not later than,, (“Contingency Date”) in which the Lender agrees to lend up to \$..... at an initial rate of interest not to exceed% per annum, for a term of at least years, with a maximum of points.

The Buyer and Seller agree to the following conditions:

(a) The Buyer must apply for such mortgage within days after the Date of this Agreement. **If the Buyer fails to make formal application by said date, the Buyer shall be in default of this Agreement, shall forfeit all Deposits, and this Agreement shall be deemed null and void.**

(b) The Buyer is to notify the Seller or Listing Licensee of the identity of each Lender to whom the Buyer has made such application within four (4) days after the Date of the Buyer’s application in accordance with Section 20. The Buyer hereby authorizes the Seller and/or Listing Licensee to contact any such Lender(s) to confirm the status of the Buyer's application.

(c) Within four (4) days of receipt of a written commitment or denial for such mortgage, but in no event later than the Contingency Date above, the Buyer agrees to provide a copy of such commitment or denial to the Seller or Listing Licensee in accordance with Section 20.

(d) If the Buyer applies for a mortgage within the terms and amount set forth above and receives a written denial for such mortgage, then, upon providing a copy of the denial to the Seller or Listing Licensee in accordance with Section 20, by the Contingency Date or extensions thereof, this Agreement shall be declared null and void and all Deposits made hereunder shall be refunded.

(e) In the event the Buyer has received neither a commitment nor a denial for such mortgage by the Contingency Date, the Buyer shall, by the Contingency Date, and by written notice to the Seller or Listing Licensee in accordance with Section 20, request to extend the time by which a copy of the written commitment or denial must be provided, or waive the mortgage contingency clause by written notice in accordance with Section 20. In response to the Buyer's request, the Seller may, by the Contingency Date, and by written agreement with the Buyer, extend the time by which a copy of the written commitment or denial must be provided. If the Seller does not extend the Contingency Date, this Agreement shall be null and void and all Deposits made hereunder shall be refunded unless the Buyer has waived the mortgage contingency in writing.

(f) In the event the Buyer has not provided a copy of the written commitment or denial for such mortgage and has not given written notice as specified in 8(d) to the Seller or Listing Licensee in accordance with Section 20, by the Contingency Date or extensions thereof, then the Buyer shall be in default of this Agreement, shall forfeit all Deposits, and this Agreement shall be deemed null and void.

(g) Nothing herein shall be deemed to limit the right of the Buyer to obtain a mortgage in a greater or lesser amount than set forth above, however, the contingency set forth in this Section 8 shall apply ONLY if the Buyer applies for a mortgage not greater than the amount set forth above.

9. Insurance/Risk of Loss: If applicable, Seller shall keep the Property insured, at its own expense, until the delivery of the deed against loss with Extended Coverage provisions in the amount of In case of any loss, the Seller shall pay over or assign to the Buyer upon payment of the balance of the Purchase Price all sums recovered on account of said insurance, or the Buyer may, at its option, terminate this Agreement and the Deposits shall be refunded to the Buyer, unless the Seller shall have restored the Property substantially to its former condition.

10. Title: Seller covenants and warrants that it is the fee title owner of the Property and has the authority and capacity to enter into this Agreement and consummate the transaction contemplated herein. The Property is to be conveyed by a good and sufficientdeed of the Seller, conveying a good, clear, insurable, and marketable title to the Property, free from all encumbrances, except as may be acceptable to Buyer, and Buyer’s Lender, if any, and except easements, restrictions of record and municipal regulations, if any. Buyer may at its own expense conduct a title examination of the Property. Buyer shall notify Seller of any defects in title disclosed by such examination. If Seller is unable to remove such defects, Buyer shall have the option to: (a) accept such title as Seller is able to convey without abatement or reduction of the Purchase Price, or (b) cancel this Agreement and receive a return of all Deposits. To enable the Seller to make conveyance as provided in this Agreement, the Seller may, at the time of the delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interest, provided that all instruments to be obtained are recorded prior to recording the deed, except for any discharge of mortgage from an institutional lender which may be recorded subsequent to the deed.

11. Taxes, Adjustments, Other Assessments:

(a) **Taxes:** Real estate taxes and fire district taxes are to be prorated on a calendar year basis, except in those towns in which taxes are prorated on a municipal year basis (e.g. Barrington, Middletown, Newport, Portsmouth, Woonsocket), with the Seller paying for the period unpaid to the date of delivery of the deed and the Buyer paying the balance of taxes due. All other taxes which are a lien upon the Property shall be paid by the Seller at the time of the delivery of the deed.

(b) **Adjustments:** Rents, water charges, association fees and sewerage charges shall be apportioned as of the date of the delivery of the deed.

(c) **Assessments:** All assessments constituting a lien on the Property which are payable over a period of more than one year shall be apportioned in such manner that Seller shall pay installments due during the municipal years prior to the year in which the deed is delivered; the installment due in that year shall be apportioned in the same manner as above provided for taxes and Buyer shall pay or assume the balance, except where local ordinances require otherwise.

12. Buyer/Seller Information:

(a) **Ordinances:** Buyers of real estate in the State of Rhode Island are legally obligated to comply with all local real estate ordinances; including, but not limited to, ordinances on the number of unrelated persons who may legally reside in a dwelling, as well as ordinances on the number of dwelling units permitted under the local zoning ordinances.

(b) **Wetlands:** The location of coastal wetlands, bays, fresh water wetlands, ponds, marshes, riverbanks or swamps, and the associated buffer areas may impact future Property development. If known, Seller must disclose to the Buyer any such determination on all or part of the land made by the Department of Environmental Management.

(c) **Private Well Water:** R.I.G.L. 5-20.8-12 gives buyers the right to test the water quality of a private well in accordance with regulations established by the RI Department of Health pursuant to R.I.G.L. 23-1-5.3.

(d) **Restrictions or Legislative/Governmental Action:** Buyer is responsible for investigating whether there are any restrictions or legislative/governmental actions, present or proposed, which affect or would affect the use of the Property.

(e) **Insurance:** It is strongly recommended that the Buyer determine, as soon as possible, whether an insurance binder, satisfactory to the Buyer, can be obtained. Insurance availability and cost may vary based upon factors such as location, age, condition, and past history of the property.

13. Additional Seller Obligations:

(a) **Non-Resident Withholding Requirement:** If the Seller is not a resident of the State of Rhode Island or will not be a resident at the time of the closing, the Buyer must withhold six (6%) percent of the net proceeds to the Seller (9% if the Seller is a corporation), in accordance with R.I.G.L. Section 44-30-71.3, as may be amended from time to time, and pay such amount to the Division of Taxation as a non-resident withholding requirement. In order to have such withholding based on gain rather than net proceeds of sale, Seller must submit an election form to the Division of Taxation at least twenty (20) days prior to closing. Seller agrees to pay the entire amount of such withholding found to be due at or after the closing, whether or not such withholding was correctly calculated at the closing, it being understood that the withholding shall not exceed the amount of net proceeds to Seller. This liability shall survive the transfer of title to the Property and shall be a lien against the Property.

(b) **Foreign Investment In Real Property Tax Act ("FIRPTA"):** The Seller represents that the Seller is not a foreign person or foreign corporation as defined in FIRPTA and, accordingly, that the Buyer will not be required to comply with the withholding requirements of FIRPTA at the closing.

14. Possession: The Property is being sold in "AS IS" condition and Buyer represents that it has not relied on the oral representations of the Seller, or the Broker(s) or their affiliated licensees as to the character or quality of the Property. Included in this sale as part of the property are any buildings, structures, and improvements thereon, including fences, trees, and shrubs. Unless mutually agreed otherwise, full possession of the Property free of all tenants, occupants and personal possessions (except as provided below) is to be delivered to the Buyer free of refuse at the time of delivery of the deed. At closing, the Property is to be conveyed in the same condition in which it now is, except for reasonable use and wear and/or any improvements or repairs required by this Agreement. The Buyer shall be entitled to a re-inspection of the Property prior to the delivery of the deed in order to determine whether the condition of the Property complies with the terms of this paragraph.

EXCEPTIONS:

15. Written Notice of Violations and Change In Ownership: If there is any notice of violation order outstanding against the Property, Seller shall immediately provide written notice to the Buyer and each tenant of the Property with a true copy of any notice of violations or orders issued and notify the enforcing officer in writing of Seller's intent to transfer the property.

16. Receipt and Acknowledgment of Disclosure Forms: Buyer acknowledges that it received the following forms (unless exempted by law). **(Initial all that apply)**

- _____ Rhode Island Real Estate Sales Disclosure Form prepared by the Seller
- _____ Mandatory Real Estate Relationship Disclosure
- _____ Seller's Lead Disclosure
- _____ Pamphlet "Protect Your Family from Lead in Your Home" that includes R.I. section "What You Should Know About the RI Lead Law"

17. Land Issues: Initial, if applicable:

_____ Buyer's Initials Buyer understands that a public/private sewer system is available to the property. Buyer shall be permitted ten (10) days from the date of this agreement to verify the existence of such system and the physical and economic feasibility of connecting the Property to such system. If Buyer determines that connection to the sewer system is not possible or reasonable, then Buyer may terminate this Agreement upon written notice to Seller within such ten (10) day period and all Deposits shall be refunded.

_____ Buyer's Initials Buyer acknowledges receipt of a copy of the Department of Environmental Management's certification of the Property's suitability for development as evidenced by a valid approved plan for the installation of an individual sewage disposal system. An original of same shall be provided to the Buyer at closing.

_____ Buyer's Initials Buyer acknowledges that the Property has not been approved by the Department of Environmental Management as being suitable for the on-site disposal of sanitary sewage.

_____ Buyer's Initials Within _____ days after the Date of this Agreement, the Property shall be surveyed at the expense of the _____. If there is a material discrepancy between such survey and any written description provided by the Seller to the Buyer with respect to the Property, then the Buyer may terminate this Agreement by providing written notice to the Seller within seven (7) days after receipt of such survey and all Deposits shall be refunded.

_____ Buyer's Initials Buyer understands that the Seller has obtained approval from the Department of Environmental Management for the ISDS and will provide the Buyer with a copy of the approval within _____ days.

18. Tests/Approvals: Notwithstanding anything to the contrary in Section 14 of this Agreement, Buyer may choose to have any or all of the following tests conducted and/or approvals obtained as part of this Sales Agreement.

TESTS/APPROVALS TO BE OBTAINED:	<u>NO</u>	<u>YES</u>	<u># of Days</u>	<u>Paid by:</u>
Ground Water	_____	_____	_____	_____
Percolation	_____	_____	_____	_____
Septic System Design	_____	_____	_____	_____
Wetlands	_____	_____	_____	_____
Flood Plain	_____	_____	_____	_____
Well Water	_____	_____	_____	_____
Hazardous Substances	_____	_____	_____	_____
Lead Contamination	_____	_____	_____	_____
Other	_____	_____	_____	_____

NOTICE: to waive lead and/or well water inspections, Buyer must initial below.

_____ Buyer's Initials **Having been informed of a 10-day right to test/inspect for the presence of lead, the Buyer elects not to have any test(s)/inspection(s) for lead performed.**

_____ Buyer's Initials **Having been informed of a 10-day right to test the water quality of a private well in accordance with RI Department of Health regulations, the Buyer elects not to have any water quality test(s) performed.**

Additional Provisions:

If any test by a recognized and reputable inspector or company, performed within the allotted time, discloses any existing, substantial/materially deficient condition* which has not been disclosed to the Buyer prior to the
 BUYER'S INITIALS _____ SELLER'S INITIALS _____ Copyright© 2008 Rhode Island Association of REALTORS® FORM#1443 (R-105) Rev. 05/08

execution of the Agreement and/or any requested application for approval has been denied, the Buyer, upon providing the report verifying said existing, substantial/materially deficient condition*(s) to Seller within seven (7) days after Buyer has obtained a copy of said report (Buyer's receipt of said report shall be governed by Section 20 of this Agreement), may:

(a) Allow the Seller the opportunity to cure such deficient condition*(s) by providing a written list of those items Buyer requests Seller to correct, whereupon Seller shall be given seven (7) days after receipt of the report and request to notify per Section 20, Buyer in writing if Seller agrees, at Seller's own expense, to correct the deficient condition*(s). Buyer and Seller should mutually agree prior to any work being performed what each other's obligations will be subsequent to such performance.

(b) If Seller does not so agree or perform, and the Buyer has not waived this contingency in writing, this Agreement shall be null and void and Deposits made hereunder shall be refunded, or;

(c) Terminate this Agreement by notifying the Seller in writing within seven (7) days of receipt of the report, whereupon this Agreement shall be null and void and Deposits made hereunder shall be refunded.

(d) Buyer and Seller may agree to prorate the cost of correcting said existing, substantial/materially deficient condition*. Said corrections are to be performed by a recognized and reputable contractor to accepted industry standards or as otherwise mutually agreed.

Notwithstanding the foregoing, the Buyer may waive this contingency and accept the Property in "AS IS" condition.

_____ Having been informed of the right to test/inspect, the Buyer elects not to have *any* Initials of Buyer _____ test(s)/inspection(s) performed.

* **“Deficient condition”** is defined as a structural, mechanical or other condition that would have a significant adverse effect on the value of the Property; that would significantly impair the health or safety of future occupants of the Property, or that, if not repaired, removed or replaced would significantly shorten or have a significant adverse effect on the expected normal life of the Property. Deficient condition does not include structural, mechanical or other conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Agreement.

19. Further Assurances: Each of the parties hereto agrees to execute and deliver such other documents, instruments, and affidavits as may reasonably be required to effect the transaction contemplated herein, including without limitation, any affidavits and agreements which may be required by the Lender or the title insurance company.

20. Notices: All notices as required in specific Sections of this Agreement shall be in writing. All notices are to be conveyed by mail, personal delivery, electronic transmission, or fax. Notices shall be effective when postmarked, upon personal delivery, upon electronic transmittal date, or upon fax transmittal date. Notices to the Seller, Buyer, Listing Licensee or Cooperating Licensee shall be sent or delivered to the address below.

Seller(s): _____ **Buyer(s):** _____
Name(s): _____ Name(s): _____
Mailing Address: _____ Mailing Address: _____

Fax: _____ Fax: _____
E-mail: _____ E-mail: _____

Listing Brokerage Firm: _____ **Cooperating Brokerage Firm:** _____
Name of Licensee: _____ Name of Licensee: _____
Licensee's License #: _____ Licensee's License #: _____
Brokerage Firm Name: _____ Brokerage Firm Name: _____
Mailing Address: _____ Mailing Address: _____

Fax: _____ Fax: _____
E-mail: _____ E-mail: _____

21. Default: Upon default by the Buyer, the Seller shall have the right to retain the Deposits, such right to be without prejudice to the right of the Seller to require specific performance and payment of other damages, or to pursue any remedy, legal or equitable, which shall accrue by reason of such default. If the Seller shall default in the performance of this Agreement, all Deposits shall be promptly returned to Buyer, and Buyer may pursue any and all remedies available to it at law or equity, including but not limited to specific performance. All disputes between the Buyer and Seller over the disposition of the Deposits shall be governed by Section 6.

22. Assignment: This Agreement may be assigned by either party without written consent of the other, and shall be binding upon the assigns of the parties hereto. However, this Agreement may not be assigned without the express written consent of the Seller if it contains a provision for Seller financing.

23. Accurate Disclosure of Selling Price: The Buyer and Seller certify that this Agreement accurately reflects the gross sales price as indicated in Section 3 of this Agreement. The Buyer and Seller understand and agree that this information shall be disclosed to the Internal Revenue Service as required by law.

24. The following Addendum(a), is made a part of this Agreement: _____

25. Additional Provisions: _____

26. Preparation of Document Confirmation Clause:

This Agreement was prepared by (check one): Listing Licensee Cooperating Licensee

Other (please complete)

Name: _____ Address: _____

27. Construction of Agreement: This Agreement has been executed in one or more counterparts and each shall be deemed to be an original. If two or more persons are named herein as Seller or Buyer, their obligations hereunder shall be joint and several. All references to time periods shall be counted in calendar days.

28. Entire Agreement: We, the parties hereto, each declare that this instrument contains the entire agreement between us, subject to no understandings, conditions, or representations other than those expressly stated herein. This Agreement may not be changed, modified, or amended in whole or in part except in writing, signed by all parties.

**NOTICE: THIS IS A LEGAL DOCUMENT THAT CREATES BINDING OBLIGATIONS.
IF NOT UNDERSTOOD, CONSULT AN ATTORNEY.**

BUYER	DATE	SELLER	DATE
BUYER	DATE	SELLER	DATE

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