

ESCAMBIA - SANTA ROSA STANDARDS FOR REAL ESTATE TRANSACTIONS

Property Address: _____

- A. EVIDENCE OF TITLE:** Evidence of title shall mean a title insurance commitment agreeing to issue a policy of title insurance insuring marketable title to the Property, subject only to liens, encumbrances, exceptions or qualifications set forth in this Contract, and those which shall be discharged by Seller at or before closing. If both a mortgagee policy and an owner's policy are marked under Item VIII, the mortgagee policy shall be a simultaneous issue. The mortgagee policy is to include all endorsements. Buyer acknowledges that a mortgagee policy will not protect Buyer; Buyer should obtain an owner policy to protect Buyer's interests. If only a mortgagee's policy is being issued, Buyer understands that that policy will not protect Buyer and it is recommended that Buyer obtain an owner's policy at his expense. Buyer shall have _____ days (five (5) days if not indicated) from receiving evidence of title (whether owner's or mortgagee's) or until closing, if closing is scheduled within the five (5) day period to examine same. If title is found defective, Buyer shall within five (5) days after receipt of the title commitment, but in no event later than the scheduled closing date, notify Seller in writing specifying the defect(s); otherwise the defect(s) shall be deemed waived. If said defect(s) render title unmarketable, Seller shall have a reasonable time, not to exceed ninety (90) days from receipt of notice within which to remove said defect(s), and if Seller is unsuccessful in removing them within said time, Buyer shall have the option of either (1) accepting the title as it then is, or (2) demanding a refund of all monies paid hereunder which shall forthwith be returned to Buyer and thereupon Buyer and Seller shall be released, as to one another, of all further obligations under this Contract; however, Seller agrees that he will, if title is found to be unmarketable, use diligent effort to correct the defect(s) in title within the time period therefore, including the bringing of necessary suits.

- B. PURCHASE MONEY MORTGAGE, SECURITY AGREEMENT, TO SELLER:** The purchase money note and mortgage, if any, shall provide for a thirty (30) day grace period in the event of default if it is a first mortgage and a fifteen (15) day grace period if a second or lesser mortgage; shall provide for right of repayment in whole or in part without penalty; shall provide for a five (5%) percent late charge of any monthly installment payment not made within ten (10) days of the due date; shall not be assumable, except with the written consent of the seller; and shall be otherwise in form and content required by Seller; provided, however, Seller may only require clauses customarily found in mortgages and mortgage notes generally utilized by savings and loan institutions, or state or national banks located in the county wherein the Property is located. Said mortgage shall require the owner of the encumbered Property to keep all prior liens and encumbrances in good standing and forbid the owner of the Property from accepting modifications of or future advances under prior mortgage(s). All personal property or leases being conveyed or assigned will, at option of Seller at closing, be subject to the lien of a security agreement evidenced by recorded financing statements.

- C. SURVEY:** If marked under Paragraph VII the party paying for the survey shall no later than 3 days prior to closing, have the property surveyed by a registered Florida surveyor. The party paying for the survey shall also pay for all required certifications. If flood elevation is required, it shall be at the expense of the Buyer. If the survey, certified by a registered Florida surveyor shows that improvements located on the Property in fact encroach on setback lines, easements, lands of others, or violate any restrictions, Contract covenants, or applicable governmental regulations, the same shall be treated as a title defect.

- D. TERMITES: WOOD DESTROYING ORGANISMS (WDO):** No later than three (3) days prior to the scheduled closing date, the party paying for the inspection shall have the buildings inspected by a Florida certified pest control operator to determine whether there is any visible active WDO infestation or visible damage from WDO infestation in the buildings. Yard buildings and Fences which are not included in appraisal are to be conveyed 'As Is' except that the Seller agrees to treat any active infestation found. If Seller is informed of any of the foregoing, Seller will have until the scheduled closing date to have all damages, whether visible or not, inspected and estimated by a licensed building or general contractor. Seller shall cause the treatment and repair of all WDO damage to be made and pay the costs thereof, and proceed with closing. "Wood Destroying Organisms" WDO shall be deemed to include all wood-destroying organisms required to be reported under the Florida Structural Pest Control Act as amended. The Seller is to provide a clear WDO letter for closing.

- E. INGRESS AND EGRESS:** Seller warrants that there is ingress and egress to the Property sufficient for the intended use as described in Paragraph VIII hereof the title to which is in accordance with Standard A.

- F. LIENS:** Seller shall, both as to the Property and personalty being sold hereunder, furnish to Buyer at time of closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statements, claims of lien or potential lienors known to Seller and further attesting that there have been no improvements or repairs to the Property for ninety (90) days immediately preceding date of closing. If the Property has been improved or repaired within said time, Seller shall deliver releases or waivers of construction liens executed by all contractors, sub-contractors, suppliers and materialmen in addition to the Seller delivering a lien affidavit reciting that, in fact, all bills for work to the Property which could serve as a basis for a mechanic's lien have been paid or will be paid at closing. If requested, Seller shall deliver to buyer at closing copies of paid receipts for all work done to the property as a result of the Seller's obligation to make repairs as per the Paragraphs "D" and "J" of the Real Estate Standards. At Buyer's option Seller's affidavit shall include an attestation by the Seller as to the absence of pending proceedings or bankruptcy actions that might affect title to the Property; the absence of boundary line disputes; absence of any adverse claim to the Seller's title to or possession of the Property; the Seller's United States tax payer identification number; and if Seller is not a U.S. citizen that proof of compliance with IRS Code is furnished.

- G. TIME:** Time is of the essence of this Contract. Any reference herein to time periods of six (6) days or less shall be business days excluding Saturdays, Sundays and legal holidays, and any time period provided for herein which shall end on a Saturday, Sunday or legal holiday shall extend to 5:00 p.m. of the next full business day. Any time period of 7 days or more shall be consecutive calendar days. In the performance of the terms and conditions of this Agreement each party will deal fairly and in good faith with the other.

- H. PRORATIONS:** Taxes, assessments, rent, interest, condominium maintenance fees, homeowner association fees, insurance and other expenses and revenue of the Property shall be prorated through the day prior to closing. Buyer shall have the option of taking over any existing policies of insurance on the Property, if assumable, in which event premiums shall be prorated. Cash at closing shall be increased or decreased as may be required by said prorations. Taxes shall be prorated based on the current year's tax with due allowance made for maximum allowable discount and homestead or other exemptions if allowed for said year. If closing occurs at a date when the current year's millage is not fixed, and current year's assessment is available, taxes will be prorated based upon such assessments and the prior year's millage. If current year's assessment is not available, then taxes will be prorated on the prior year's tax; provided, however, if there are completed improvements on the Property by January 1st of year of closing, which improvements were not in existence on January 1st of the prior year, the taxes shall be prorated based upon the prior year's millage and at an equitable assessment to be agreed upon between parties, failing which, request will be made to the County Property Appraiser for an informal assessment taking into consideration homestead exemption, if any. Buyer should be aware that there may be no homestead exemption on taxes for the current year, and under the Florida Save our Homestead Law, the County Property Appraiser may re-evaluate the property and bring the assessment up to the current market value. A tax pro-ration based on an estimate shall be readjusted upon receipt of tax bill at the request of either party, unless a statement to contrary is signed at closing.

I have read and agree to these Standards for Real Estate Transactions

_____	_____	_____	_____
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I. SPECIAL ASSESSMENT LIENS: Certified, confirmed and ratified special assessment liens, including (without limitation) condominium and homeowner assessment liens, as of date of closing (and not as of Effective Date) are to be paid by Seller. Pending liens as of date of closing shall be assumed by Buyer; provided, however, that where the improvements have been substantially completed as of the Effective Date, such pending lien shall be considered as certified, confirmed or ratified and Seller shall, at closing, be charged an amount equal to the last estimate by the public body or condominium association or homeowner association of the assessment for the improvement.

J. INSPECTIONS, REPAIR AND MAINTENANCE:

(1) Seller represents and warrants that, as of the day prior to closing or occupancy (whichever occurs first); the roof (including fascia and soffit), and walls do not have any visible evidence of leaks or damage, and that the sewage and/or septic system, pool, all major appliances, heating, cooling equipment, electrical, security, plumbing, and sprinkler systems, the foundation, fireplace and chimney, windows and doors, and all other structural components and machinery are in working condition; and double pane windows, if applicable, have no evidence of broken seals (the aforesaid being hereafter referred as the "Warranted Items").

Seller shall not be required to bring any item into compliance with existing building code regulations unless necessary to repair a Warranted Item, and shall not be required to repair defects disclosed by the inspection report which are not Warranted Items or which are of a cosmetic nature only. Seller shall cause utilities (gas, water, and electric) to be on and operational, so that Buyer may complete all inspections under this contract.

(2) Buyer may personally inspect the Property, or at Buyer's expense (unless otherwise indicated in Section VIII of this contract) have an inspection made of the Warranted Items by an appropriately licensed person dealing in the repair and maintenance thereof, or by a home inspector who specializes in and holds all necessary licenses to conduct home inspections. It is the responsibility of the Buyer to pay the costs of any inspections ordered on Buyers behalf without regard to this transaction closing.

(3) If this contract is contingent upon a home inspection, said inspection is to be completed within (7) seven calendar days of Effective Date of this contract. A copy of the inspector's written report shall be provided to seller within three (3) calendar days of receipt of the report along with a list of items Buyer is requesting Seller to repair. The Buyer shall within three (3) calendar days of receipt of said report, elect to (1) terminate the contract, (2) or to proceed to closing subject to Seller's obligation to make repairs as per paragraphs "D" and "J" of the real estate standards.

(4) If this contract is not contingent upon a home inspection, the inspection shall be completed and a copy of the written report provided to the Seller no less than fifteen (15) calendar days prior to closing. In the event the inspection report reveals Warranted Items that are not in working condition, the report shall be accompanied by a written statement of Warranted Items that Buyer believes not to be in working condition which Buyer requires to be repaired or replaced, and Seller shall, at Seller's expense, cause such repairs or improvements to be made prior to closing. In the event Seller is unable to repair such Warranted Items prior to closing, the cost thereof shall be paid into escrow at closing

All repairs and replacements shall be completed in a good and workmanlike manner, in accordance with all requirements of law and shall consist of material or items of quality, value, capacity and performance comparable to or better than the existing item as of the Effective Date. Seller will assign all assignable repair and treatment contracts and warranties to Buyer at Closing.

(5) Walk-Through Inspection: No later than the day prior to closing or occupancy, whichever occurs first, the Buyer may conduct a final walk-through inspection (with utilities on), solely for the purpose of verifying condition of Warranted Items and to confirm that all items of Personal Property required to by this agreement to remain are in fact on the Real Property. If Buyer fails to conduct this inspection, Seller's repair and maintenance obligations will be deemed fulfilled.

(6) Buyer agrees to assume all responsibility for the acts of himself, his inspectors, and representatives in exercising his rights under this paragraph. Buyer will repair all damages to the Property resulting from the inspections and return the Property to its pre-inspection condition. Buyer agrees to hold Seller and any real estate professional involved in this transaction harmless for any claims, damages or injuries arising out of or related to the exercise of these rights.

(7) Between the Effective Date and closing, Seller shall maintain the property (including the lawn) and personality in the condition herein represented and warranted, ordinary wear and tear excepted. The pool, if any, is to be clean and functioning at time of closing

(8) Sellers responsibility in connection with the Property shall cease at closing (except any disclosures required of Seller under Standard "R" below). Closing shall constitute Buyer's acceptance of the Property unless provision is otherwise made in writing. Buyer and Seller agree that the real estate professionals involved shall have no liability concerning the condition of the property.

(9) The term "working condition" means operating in the manner in which the item was designed to operate, ordinary wear and tear excepted. Seller shall have no obligation to put Warranted Items in like-new condition. The term "cosmetic nature" means aesthetic imperfections which do not affect the working condition of the item, including, but not limited to: missing or torn screens, tears, worn spots, nail holes, scratches, dents, scrapes, chips, and discolorations of floor coverings, walls, ceilings, wallpapers, window treatments, screens, flooring, tile, fixtures, mirrors, caulking in bathrooms and kitchens and around doors and windows, and minor cracks in tile floors, tile showers, counter tops, driveways, sidewalks, pool decks, garage and patio floors.

K. RISK OF LOSS: If the improvements are damaged by fire or other casualty prior to closing, and costs of restoring same do not exceed three percent (3%) of the Purchase Price, Seller at Sellers expense will restore the property to substantially the same condition as it was on the Effective Date. Seller will not be obligated to replace trees. If the cost of restoring same exceeds three percent (3%) of the Purchase Price, the Buyer may select one of these options. (1) Buyer may accept the property "as is" together with any insurance proceeds payable by virtue of such loss or damage in which case the Seller will credit the Buyer with the amount of the insurance deductible and assign the insurance proceeds to the Buyer at closing in such amounts as are attributable to the real property only and not yet expended in making repairs, or (2) If there are no insurance proceeds, the Buyer may elect to accept the three percent (3%) of the purchase price, accept the property "as is" and proceed to closing or (3) The Buyer has the option of canceling this Contract and receiving a return of all deposit(s) made hereunder.

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- L. ATTORNEY FEES AND COSTS:** In connection with any litigation, including breach, enforcement or interpretation or appellate proceedings, arising out of this Contract, the prevailing party which for purposes of this Standard shall include Seller, Buyer and any real estate agents or brokers acting in an agency or non agency relationships authorized by Chapter 475.F.S. as amended, shall be entitled to recover from the non-prevailing party reasonable attorney's fees, costs and expenses.
- M. PERSONS BOUND AND NOTICE:** This Contract shall bind and inure to the benefit of the parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney or real estate agents or brokers representing either party shall be as effective as if given by or to said party. All notices must be made in writing and may be made by mail, personal delivery or electronic media. A legible facsimile copy of this contract and any signatures hereon shall be considered for all purposes as an original.
- N. DEFAULT:** If Buyer fails to perform this Contract within the time specified (including payment of all Escrow Money hereunder), the Escrow Money paid by the Buyer aforesaid may be retained by or for the account of Seller as agreed upon liquidated damages, consideration for the execution of this Contract and in full settlement of any claims; whereupon all parties shall be relieved of all obligations under the Contract; or Seller, at his option, may proceed in equity to enforce Seller's rights under this Contract, including the right of specific performance. If, for any reason other than failure of Seller to render his title marketable after diligent effort, Seller fails neglects or refuses to perform this Contract, the Buyer may seek specific performance or elect to receive the return of his deposit(s) without thereby waiving any action for damages resulting from Seller's breach. Once Escrow Money is deposited into the Escrow Agent's trust account, written evidence from the bank showing clearance of any Escrow Monies may be required by Escrow Agent before any money is released. Notwithstanding the previous provisions of this paragraph, with the exception of any default based on a party not closing in a timely manner in accordance with Paragraph VII hereof, neither party shall be deemed to be in default until the party seeking to declare a default has given the other party five (5) days written notice (exclusive of weekends and holidays) of his intention to declare such a default, and said defaulting party has failed to cure the default within the five (5) day period. In the event of a dispute over the return/retention of Escrow Money deposit, parties involved understand the escrow holder, under Florida law, may not disburse said deposit. The parties agree that the Escrow Agent may elect to file interpleader and place the Escrow Money with a Court of competent jurisdiction, in which case, the Escrow Agent shall be entitled to recover its attorney fees and expenses from the Escrow Money. The Escrow Agent may also elect to choose one of the alternate remedies available under Florida law.
- O. CONVEYANCE:** Seller shall convey title to the Property by statutory warranty, trustee, personal representative or guardian deed, as appropriate to the status of Seller, subject only to matters contained in paragraph VIII hereof or as otherwise set forth herein and those otherwise accepted by Buyer. Personal property shall, at the request of Buyer, be conveyed by an absolute bill of sale with warranty of title, subject to such liens as may be otherwise provided for herein.
- P. OTHER AGREEMENTS:** No prior or present agreements or representations shall be binding upon any of the parties hereto unless incorporated in this Contract. No modification or change in this Contract shall be valid or binding upon the parties unless in writing, executed by the parties to be bound thereby.
- Q. REPRESENTATIONS:** Buyer agrees that he has personally visited the Property and has not relied upon any representations made by any real estate professional in describing any aspect of the Property, including, but not limited to the presence or existence of toxic waste or hazardous substances, the square footage of the improvements on the Property, the availability of any particular purchase money financing, the boundaries of the Property, or any matters which could be revealed by a survey, title search, or professional inspection of the Property. Buyer acknowledges that the real estate brokerages involved do not reside in the property and that all representations (oral, written, or otherwise) are based upon the Seller representations or public records. Buyer agrees to rely solely on the Seller, professional inspectors or governmental agencies for verification of the condition, size or square footage of the Property and neither is liable to Neither the listing brokerage nor the selling brokerage nor their representatives shall be liable to either party in any manner whatsoever for any claim, loss or damage regarding same. Buyer and Seller hereby release any real estate professional involved in this transaction from any claim, rights of action or suits related to any of the aforesaid matters.
- R. SELLER REPRESENTATIONS AND DISCLOSURES:** Seller represents that Seller does not know of any material facts which affect the value of the Property other than those which Buyer can readily observe or which are known by or have been disclosed to Buyer.
 - ENERGY EFFICIENCY:** Buyer may, at Buyer's expense, have the Property's energy efficiency rating determined.
 - RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. Buyer may, at Buyer's expense, have an appropriately licensed person test the Property for radon. If the radon level exceeds acceptable EPA standards, Seller may choose to reduce the radon level to an acceptable EPA level, failing which either party may cancel this Contract.
 - FLOOD ZONE:** Buyer is advised to verify by survey, with the lender and with appropriate government agencies whether flood insurance is required and what restrictions apply to improving the Property and rebuilding in the event of casualty.
 - LEAD-BASED PAINT:** If the real property includes pre-1978 residential housing, then a Lead-Based Paint Disclosure rider is mandatory.
- S. BINDER MONEY:** Seller and Buyer both agree that the escrowed binder money in this transaction may be held in an interest bearing escrow account with any interest earned to be donated to an authorized charity or non-profit organization of escrow holder's choice. None of said interest shall be retained by either party or escrow holder. If binder money is held by a party other than the selling real estate brokerage, a separate escrow agreement is to be executed by Buyer, Seller and the Escrow Agent.
- T. EXCHANGE:** If either Seller or Buyer wish to enter into a like-kind exchange (either simultaneous with Closing or deferred) with respect to the Property under Section 1031 of the Internal Revenue Code ("Exchange"), the other party shall cooperate in all reasonable respects to effectuate the Exchange, including the execution of documents; provided (1) the cooperating party shall incur no liability or expense related to the Exchange and (2) the Closing shall not be contingent upon, nor extended or delayed by such Exchange.
- U. LEASES:** If the property is currently leased, the Seller shall at least ten (10) days before Closing furnish to the Buyer copies of all written leases for each tenant specifying the nature and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by the tenant. Buyer may contact tenant to confirm such information. If the terms of the leases differ materially from Seller's representations, Buyer may terminate this Contract by delivering written notice to Seller at least five (5) days prior to Closing. Seller shall deliver and assign to Buyer all original leases and turn over all deposits to Buyer at Closing.
- V. TYPEWRITTEN OR HANDWRITTEN PROVISIONS:** Typewritten or handwritten provisions inserted herein or attached hereto as addenda shall control all printed provisions of this Contract in conflict therewith. Modification of this agreement will not be binding unless in writing, signed and delivered to all parties.

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_____	_____	_____	_____
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