

Advice No.

STANDARD SALES CONTRACT
SALE OF REAL PROPERTY BY THE UNITED STATES

1. THE OFFER DATE OF THIS CONTRACT (THE DATE SIGNED BY THE PURCHASER) IS _____ 20 ____ .

2. THE UNITED STATES OF AMERICA, acting through the Rural Housing Service; Rural Utilities Service; Rural Business-Cooperative Service; Farm Service Agency, hereinafter referred to as the "Agency", as SELLER, agrees to sell to the PURCHASER named below, and said purchaser agrees to buy, the property identified hereinafter, subject to the CONDITIONS OF SALE on pages 3 and 4 hereof which are incorporated and made part here of. PROPERTY IDENTIFICATION. Street address, including ZIP code and county:

Brief Legal Description:

together with the appurtenances there unto belonging.

4. EARNEST MONEY DEPOSIT, \$ _____, (TO BE REFUNDED TO PURCHASER IF THIS OFFER REJECTED OR IF AGENCY CREDIT SALE IS NOT APPROVED) TO BE REFUNDED TO PURCHASER AT CLOSING TO BE APPLIED TO CLOSING COSTS, AT CLOSING, WITH ANY BALANCE REFUNDED TO PURCHASER TO BE APPLIED TO CLOSING COSTS, AT CLOSING, WITH ANY BALANCE APPLIED TO THE PURCHASE PRICE.

5. PRICE: \$ _____ CASH AT CLOSING: \$ _____, WITH BALANCE OF \$ _____ BY CREDIT SALE (SECURED BY MORTGAGE OR DEED OF TRUST) ACCEPTED BY AGENCY PROVIDING FOR EQUAL _____ INSTALLMENTS OF PRINCIPAL AND INTEREST AT THE AGENCY INTEREST RATE IN EFFECT AS SET FORTH IN RD INSTRUCTION 440.1 (AVAILABLE IN ANY AGENCY OFFICE) AT THE TIME THE APPLICANT IS NOTIFIED THE CREDIT SALE IS APPROVED WITH ANY BALANCE OF THE LOAN TO BE PAID IN FULL NOT LATER THAN THE _____ ANNIVERSARY OF THE LOAN.

6. CONTINGENCY. If a credit sale is indicated in paragraph 5 above, this contract is contingent upon the Agency approving a credit sale, satisfactory to and in the name of the following party(ies):

7. CONVEYANCE. Title is to be taken in the following name and style:

8. SIGNATURE. This contract is signed by one or more of those personally named in paragraph 6 or an authorized party or official of the legal entity named in paragraph 6 (called the Purchaser).

9. OCCUPANCY. Purchaser will close with property vacant; subject to Purchaser's own occupancy only; occupancy by other(s).

10. THE PROPERTY DESCRIBED IN THIS CONTRACT is is not subject to taxation while owned by the Government. Taxes will be paid in full prorated in accordance with Item H, page 3 of form.

11. DEED RESTRICTION. The property is is not subject to deed restrictions in accordance with Item O, page 3 of form.

12. SPECIAL STIPULATIONS:

13. The sale shall be closed at _____ within thirty (30) days after indication by the Seller of readiness to close, unless the parties otherwise agree in writing.

Purchaser has signed this contract on the date shown in paragraph 1, above.

Purchaser's Signature

Type or Print Purchaser's Name

Purchaser's Signature

Type of Print Purchaser's Name

Co-Signer's Signature

Type or Print Co-Signer's Name

ACCEPTED BY THE UNITED STATES OF AMERICA

BY _____
(Signature)

(Type Name and Title of Official)

(Agency)

UNITED STATES DEPARTMENT OF AGRICULTURE

Date Accepted _____

PURCHASER'S ADDRESS

BROKER'S CERTIFICATION (IF SOLD THROUGH A REAL ESTATE BROKER)

The undersigned Broker certifies that neither he/she nor anyone authorized to act for him/her has declined to sell the property described herein to or to make it available for inspection or consideration by a prospective purchaser because of race, color, religion, sex, age, handicap, national origin or marital status. The undersigned further acknowledges that no commission, as stated on the notice of real property for sale shall be due or earned until and unless this contract is closed and title has passed to the purchaser herein. Earned commissions will be paid in cash at closing and passing of title only where sufficient cash to cover the commission is paid by purchaser; otherwise commission is paid by the Agency in approximately four weeks after closing.

NOTE: The broker must sign this certification.

(Broker's Signature)

Broker's Social Security or Employer Identification No.

(Type or Print Name of Broker)

(Co-Broker Signature, if applicable)

Co-Broker's Social Security or Employer Identification No.

(Type or Print Name of any Co-Broker)

**THE FOLLOWING CONDITIONS OF SALE ARE AGREED TO BY PURCHASER AND SELLER
BEING THE CONDITIONS OF SALE REFERRED TO IN PARAGRAPH 2, PAGE 1**

GENERAL - APPLICABLE TO ALL CONTRACTS EXCEPT AS MODIFIED BY PRIOR PARAGRAPHS

- A. Earnest Money Deposit. The earnest money deposit, shall be in the amount set forth in Agency regulations (7 CFR, Part 1955, Subpart C or 7 CFR Part 3550, as appropriate).
- B. Deed to the Property. Within thirty (30) days after acceptance of the contract or removal of the contingency of Paragraph 6, page 1 (if applicable), whichever occurs last, the Government shall prepare for the purchaser a quitclaim deed to the property for delivery at the closing. The closing shall occur within thirty (30) days after the Government notifies the purchaser that the sale is ready to be closed. If a credit sale has been approved, the Government will also provide the required promissory note and security instruments. The purchaser shall deliver the executed promissory note and security instruments to the Government at the closing. If the contingency in Paragraph 6 is applicable and the Government disapproves the purchaser's credit, the purchaser shall be notified of the disapproval of credit and the contract shall terminate.
- C. Encumbrances or Defects. If the purchaser, before receiving a deed and within thirty (30) days after the Government's acceptance of the bid, submits proof of any encumbrances or title defects, the Government may take any necessary remedial action. If the Government does not elect to exercise the right, the purchaser may, if the encumbrance or title defect affects the marketability of the title, rescind purchaser's purchase obligation and recover all amounts paid by purchaser to the Government on account of the purchase price. However, neither the purchaser nor parties claiming under purchaser shall be entitled, under any circumstances, to recover from the Government any damages, interest, or costs on account of any encumbrance or defect affecting the title of the property. Unless proof of encumbrances or defects, other than any enumerated on Exhibit A, is submitted by the purchaser within the time specified above, any and all encumbrances and defects shall be conclusively presumed waived, and the purchaser and any parties claiming under purchaser shall be forever barred from asserting them against the Government.
- D. Abstracts or Title Evidence. The Government is not obligated to furnish any abstracts or other title evidence but will permit purchaser to inspect its title papers at a place selected by, and at no expense to, the Government.
- E. Accepting the Property. The purchaser agrees to accept the property as is, in its present condition. **No** warranty is given on the condition of the property.
- F. Loss or Damage to Property. If, through no fault of either party, the property is lost or damaged as a result of fire, vandalism or an act of God between the time of acceptance of the offer and the time the title of the property is conveyed by the Agency, the Agency will reappraise the property. The reappraised value of the property will serve as the amount the Agency will accept from the purchaser. However, if the actual loss, based on reduction in market value as determined by the Agency is less than \$500, payment of the full purchase price is required. In the event the two parties cannot agree upon an adjusted price, either party, by mailing notice in writing to the other, may terminate the contract of sale, and the earnest money will be returned to the offeror.
- G. Possession Rights. The purchaser will accept the property subject to the rights of any person or persons in possession of or presently occupying the property or claiming a right to occupy the property as indicated in Paragraph 9, page 1.
- H. Payment of Taxes. If the property while in Government inventory is subject to taxation, the taxes will be prorated between the Government and the purchaser as of the date title is conveyed. If the property is not subject to taxation while in Government inventory, the purchaser will pay all taxes on the property which become due and payable on or after the date the title of the property is conveyed by the Government.
- I. Mineral Rights. The Government will convey to the purchaser all mineral rights to which it has title.
- J. Liquidated Damages. If the purchaser fails to comply with any of the terms or conditions hereof, the Government, by mailing notice in writing, may terminate the contract for sale. The earnest money deposit shall be retained by the Government as full liquidated damages except where failure to close is due to non-approval of credit.
- K. Representation Regarding Property. Representations or statements regarding the property made by any representative of the Government shall not be binding on the Government or considered as grounds for any claim for adjustment in or rescission of any resulting contract. The purchaser expressly waives any claim for adjustment or rescission based upon any representation or statement not expressly included herein. The Government makes no warranties or representations not set forth in writing herein concerning the condition of title or the permissible uses of the property.
- L. Member of Congress. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the contract of which these conditions form a part, or to any benefit that may arise therefrom.
- M. Subject to Agency Regulations. All offers and resulting contracts shall be subject to the regulations of the Agency, now or hereafter in effect.
- N. Documentary Stamps. The purchaser will be required to purchase and place upon the deed the necessary documentary stamps.

- O. Deed Restrictions (If Applicable). This property contains a dwelling unit or units which the Agency has deemed to be inadequate for residential occupancy. The quitclaim deed by which this property will be conveyed to the purchaser will contain a covenant binding the purchasers and the property which will restrict the residential unit(s) on the property from being used for residential occupancy until such time as the dwelling unit(s) is (are) structurally 'sound and habitable, has a potable water supply, has functionally adequate, safe, and operable heating, plumbing, electrical and sewage disposal systems, and meets the Thermal Performance Standards as outlined in Exhibit D, 7 CFR Part 1924, Subpart A, which are the Agency requirements for a residential unit(s) to meet decent, safe, and sanitary standards. This restriction is required by Section 510(e) of the Housing Act of 1949, as amended, 42 U.S.C. § 1480(e).
- P. Entire Agreement. This contract contains the final and entire agreement between the parties hereto and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not herein contained.

APPLICABLE TO CREDIT SALES (LOANS BY THE AGENCY) ONLY

- Q. Purchaser Financial Information. The purchaser will submit financial information upon request of the Government within 30 days of such request.
- R. Security Instruments. Upon closing all deeds and mortgages or other security instruments incident to the sale shall be on Agency forms and shall immediately be filed for record by the Agency at the expense of purchaser.
- S. Insurance. To protect the Government's security in any buildings and appurtenances, the purchaser shall carry insurance against loss by fire, windstorm, flood and any other hazards required by the Government. The insurance shall be in an amount and form, and with an insurer, satisfactory to the Government. The original policy with evidence of premium payment shall be delivered to the Government at the time of delivery of the quitclaim deed to the purchaser.
- T. Prepayment. The purchaser may pay at any time all or part of the unpaid balance of the purchase price with no prepayment penalty. *(For Multiple Family Housing sales only, the purchaser may be subject to prepayment restrictions of Section 502(c) of the Housing Act of 1949, 42 U.S.C. §1472(c)*

NOTICE OF RESIDENTIAL OCCUPANCY RESTRICTION

Property Address: _____

Pursuant to section 510(e) of the Housing Act of 1949, as amended, 42 U.S.C. §1480(c), the purchaser ('Grantee' herein) of the above-described real property (the 'subject property' herein) covenants and agrees with the United States acting by and through the Rural Housing Service of the Rural Development mission area of the United States Department of Agriculture, or its successor Agency (the 'Grantor' herein) that the dwelling unit(s) located on the subject property as of the date of this Quitclaim Deed will not be occupied or used for residential purposes until the item(s) listed at the end of this paragraph have been accomplished. This covenant shall be binding on Grantee and Grantee's heirs, assigns and successors and will be construed as both a covenant running with the subject property and as equitable servitude. This covenant will be enforceable by the United States in any court of competent jurisdiction. When the property complies with the following standards of the Grantor or the unit(s) has been completely razed, upon application to the Grantor in accordance with its regulations, the subject property may be released from the effect of this covenant and this covenant will thereafter be of no further force or effect. The property must be repaired and/or renovated as follows:

NOTICE OF RESIDENTIAL OCCUPANCY RESTRICTION

Property Address: _____

This property contains a dwelling unit or units which the Rural Housing Service of the Rural Development mission area of the United States Department of Agriculture, or its successor Agency has deemed to be inadequate for residential occupancy. The Quitclaim Deed by which the property will be conveyed will contain a covenant restricting the residential unit(s) on the property from being used for residential occupancy until the dwelling unit is repaired, renovated, or razed. This restriction is imposed pursuant to section 510(e) of the Housing Act of 1949, as amended, 42 U.S.C., 1480. The property must be repaired and/or renovated as follows: