





# CONTRACT NEGOTIATIONS

## Scenario for Discussion Purposes

The sellers are 40 year old professionals with no children. They have owned their home for ten years and have put a lot of work into it, remodeling the kitchen and the baths. The home is located in a homeowner's association, has 2800 square feet, four bedrooms and two baths. The home has a swimming pool and a spa. It has two air conditioning units, one with a piggy back evaporative cooler, which they have never used. They have also installed a beautiful fountain in the front of the house that they would hate to part with. The sellers are moving because of the wife's new job, which she starts in 60 days. The home is listed for \$225,000.

The buyers are husband and wife with two small children. The buyers are renting on a month to month basis and would like to find a home and move as soon as possible. They have looked at the home several times and admired the fountain and the glass dining room table which fits perfectly in the room. The buyers believe that they are qualified to obtain a loan for \$225,000, however, they are considering making an offer on the home for \$210,000.

## NEGOTIATING the AAR RESIDENTIAL RESALE PURCHASE CONTRACT

### NEGOTIATING the TERMS OF SALE

#### A. Property

1. Purchase Price
  2. Earnest Money
  3. Close of Escrow
  4. Possession
  5. Fixtures and Personal Property
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#### B. Financing

1. Conditional Loan Approval
2. Loan Costs

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**C. Title and Escrow.**

1. Escrow Instructions
  2. Title Commitment/ Title Insurance
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**D. Disclosures**

1. Seller's Property Disclosure Statement
  2. Insurance Claims History
  3. Lead-Based Paint Disclosure
  4. Affidavit of Disclosure
  5. "As Is"
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**E. Warranties**

1. Seller Warranties
  2. Warranties that Survive Closing
  3. Buyer Warranties
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**F. Due Diligence**

1. Inspections
2. Wood Infestation
3. Home Owner's Insurance
4. Sewer/Septic
5. Swimming Pool Barrier Regulations
6. Inspection Period Notice and Buyer Disapproval

7. Home Warranty
8. Final Walkthrough

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***G. Remedies***

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***H. Back-up Offers***

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