Real Estate Brokerage Management

Student's Course Outline

For use in the 30-hour course designed by the Idaho Real Estate Education Council

March 1, 2000
with BCOO (Revised August 2007)

Standard Course Materials:

Current printing of *Idaho Real Estate License Law & Rules*
Current printing of *Real Estate Brokerage,* by Cyr, Sobeck, McAdams

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For Live Course Presentations

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A student who misses any portion (even a few minutes) of a course taken for CE elective credit may not receive credit for the course unless the provider allows the student to attend the corresponding class session(s) in a subsequent offering of the same course.

A student who misses any portion (even a few minutes) of a prelicense course may, at the discretion of the instructor and provider, complete make-up work to satisfy the 100% attendance requirement. Make-up work is allowed ONLY for prelicense courses. Make-up work is defined as one or more of the following:

1. **Extra homework or other assignment given by the instructor; or**
2. **Attendance in the corresponding class session(s) in a subsequent offering of the same course; or**
3. **Supervised presentation of an audio or video recording of the class session(s) missed.**

A student who does not complete the required make-up work for a prelicense course may not receive credit for the course and will be issued an "incomplete".

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PREFACE

"The Executive Quiz"

1. How much anxiety or discomfort have you felt when speaking before a large group?
   a. very little
   b. little
   c. some
   d. much
   e. very much

2. In the past, how often have people misunderstood your writing?
   a. never
   b. rarely
   c. sometimes
   d. often
   e. very often

3. How often have people misunderstood what you have said to them?
   a. never
   b. rarely
   c. sometimes
   d. often
   e. very often

4. How much difficulty have you had writing reports over the past several years?
   a. very little
   b. little
   c. some
   d. much
   e. very much

5. How often have you found it difficult to sell ideas to your supervisors?
   a. very seldom
   b. seldom
   c. sometimes
   d. often
   e. very often

6. Based on past experiences, how self-confident would you say you are?
   a. extremely, sometimes to an unrealistic degree
   b. very
   c. somewhat more than average
   d. about average and realistic about it
   e. not very

7. How often have you set difficult goals for yourself but still attempted to reach them?
   a. very often
   b. often
   c. sometimes
   d. seldom
   e. never

8. Over the past year, how often have you taken risks?
   a. generally
   b. frequently
   c. sometimes
   d. seldom
   e. hardly ever

9. How comfortable have you been in new places and situations?
   a. very comfortable
   b. comfortable
   c. sometimes comfortable, sometimes uncomfortable
   d. uncomfortable
   e. very uncomfortable

10. How have you usually reacted to new opportunities?
   a. have taken advantage of all
   b. have generally tried to take advantage of all
   c. have taken advantage of some and not others
   d. have not had many opportunities, but have taken advantage of the ones you have had
   e. have failed to take advantage of many

11. How often have you found that working with others interfered with getting your own job done?
   a. never
   b. rarely
   c. sometimes
   d. often
   e. very often

12. Which of the following comes closest to describing you?
   a. friendly, outgoing, with many friends
   b. very jolly, life of the party
   c. have a few really close friends and a number of acquaintances
   d. difficult to get to know, but friendly after a time
   e. mostly enjoy being alone

13. Your favorite jobs have been those in which:
   a. you interact with many people
   b. you work with a medium sized group
   c. you work with a small group
   d. you work closely with one person
   e. you work by yourself

14. On social occasions, when you have encountered a stranger, you have generally:
   a. introduced yourself immediately and tried to start a conversation
   b. introduced yourself immediately and carried the conversational ball
   c. introduced yourself and waited for the stranger to respond
   d. waited for the stranger to make the first move
   e. avoided such encounters

15. How often have you found that working with others increases tension and destroys your concentration?
   a. never
   b. rarely
   c. sometimes
   d. often
   e. very often

16. In the past, you have handled your personal finances by:
   a. closely budgeting yourself and keeping exact records
   b. keeping records and spending according to a general plan
   c. not keeping records but planning your expenditures
   d. trying to watch budgets and keep records but without much success
   e. playing it strictly by ear

17. How do you feel about tasks requiring routine operations and repetitious calculations?
    a. rather enjoy them
    b. don't mind them once in awhile
    c. indifferent, can take them or leave them
    d. dislike them but would undertake them if well paid
    e. don't like them under any circumstances

18. To what extent do you keep regular hours and run your life by a schedule?
    a. to a great extent
    b. considerable
    c. somewhat
    d. slightly
    e. not at all

19. If something in your home needs fixing, you typically:
    a. attend to it immediately
    b. put it off until a few important matters are cleared up
    c. put it off until you have most other things out of the way
    d. let it go until absolutely necessary
    e. call a repair person

20. How well organized do you consider yourself?
    a. extremely
    b. largely
    c. moderately
    d. slightly
    e. not at all

21. How much have red tape and administrative rules bothered you on previous jobs?
    a. not at all
    b. very little
    c. somewhat
    d. quite a bit
    e. tremendously

22. How do you feel about economic success?
    a. it is the most important thing in life
    b. it is important
    c. it is nice to have
    d. it is not important
    e. it makes no difference at all

23. How often have you tried out wild or experimental ideas on your business associates?
    a. never
    b. rarely
    c. sometimes
    d. often
    e. constantly

24. How much have you enjoyed discussing commonplace topics with conventional people?
    a. very much
    b. often
    c. sometimes
    d. rarely
    e. not at all

25. How do you rate your creativity compared with that of your associates?
    a. not creative
    b. slightly creative
    c. average
    d. more creative than most
    e. very creative

26. How much has it bothered you to be notified at the last minute of work to be done?
    a. not at all
    b. little
    c. somewhat
    d. considerably
    e. very much

27. How would you describe your capacity for tolerating ambiguity, frustration and confusion?
    a. very great
    b. greater than average
    c. above average
    d. about average
    e. probably less than average

28. In the past, when you were in the midst of a problem, an interruption:
    a. did not bother you at all, you enjoyed it
    b. did not bother you much
    c. bothered you only a little, but you preferred not to be interrupted
    d. annoyed you, but not extremely
    e. annoyed you very much

29. You have generally preferred to work on:
    a. so many things that you cannot finish them all
    b. many things simultaneously
    c. several things at a time
    d. a couple of things at a time
    e. one thing at a time so you can do a thorough job

30. When you have thought deeply about something and reached a conclusion, how difficult has it been for someone to change your mind?
    a. nearly impossible
    b. very hard
    c. quite hard
    d. somewhat difficult
    e. not difficult

31. When you are out with friends, how often are you the one who suggests where to spend the evening?
    a. almost always
    b. frequently
    c. about as often as anyone else in the group
    d. rarely
    e. never

32. How long have you generally persisted in pushing to have an idea or project accepted?
    a. as long as possible
    b. a long time
    c. for a while
    d. not very long
    e. not at all

33. When in school, you were:
    a. extremely ambitious
    b. quite ambitious
    c. about average in ambition
    d. not very ambitious
    e. not at all ambitious

34. How displeased have you been when your suggestions were ignored?
    a. very much
    b. much
    c. some
    d. little
    e. very little

35. In dealing with a new person, have your initial impulses been cooperative or competitive?
    a. very competitive
    b. largely competitive
    c. about half and half
    d. largely cooperative
    e. very cooperative

36. Which of the following was most typical of your school relationships?
    a. you were usually a leader
    b. you were sometimes a leader
    c. everyone was about equal
    d. you usually followed someone else's lead
    e. you generally tried to conform

37. In the past, how have you usually behaved in conferences or on committees?
    a. you felt free to express your views and easily swayed others
    b. you felt free to express your views but others did not always share them
    c. you were reluctant to express your views, but they were usually well received
    d. you were reluctant to express your views and unsure of their reception
    e. you usually did not participate

38. When you were in school, how much did you influence other people?
    a. very much
    b. much
    c. some
    d. little
    e. very little

39. Compared to others, how do you think you have rated as a supervisor?
    a. in the top one percent
    b. in the top ten percent
    c. in the top twenty percent
    d. in the upper half
    e. in the lower half

40. In the past group discussions, to what extent have you tried to make others see your point of view?
    a. to a great extent
    b. to a large extent
    c. to a moderate extent
    d. to a slight extent
    e. not at all

41. If a subordinate challenges your decision, you are willing to listen closely and change your mind on the basis of new facts:
    a. never
    b. seldom
    c. sometimes
    d. usually
    e. always

42. You allow subordinates to participate in decision making, but you make the final decision yourself:
    a. never
    b. seldom
    c. occasionally
    d. usually
    e. always

43. If an employee does an unsatisfactory piece of work, you keep an eye on that employee:
    a. only to keep management from getting uptight
    b. until the employee begins to show improvement
    c. until the employee shows moderate improvement
    d. until the employee shows considerable improvement
    e. until the employee achieves excellence

44. You think it is very important to see that your staff gets a fair deal from higher management:
    a. strongly disagree
    b. disagree
    c. it depends
    d. agree
    e. strongly agree

45. You have private conferences with employees to help them improve:
    a. never
    b. seldom
    c. now and then
    d. often
    e. at every opportunity

46. When you appraise a subordinate's performance, you discuss both strong and weak points, indicating ways the subordinate can improve:
    a. never
    b. seldom
    c. sometimes
    d. usually
    e. always

47. You believe in promotion only in accordance with ability-seniority should not be considered:
    a. strongly disagree
    b. disagree
    c. it depends
    d. agree
    e. strongly agree

48. You feel it is necessary to increase your subordinates' knowledge of the company so that they can relate their work to corporate objectives:
    a. not at all
    b. very slightly
    c. somewhat
    d. agree
    e. always

49. You are confident that your subordinates will do satisfactory work without constant pressure from you:
    a. strongly disagree
    b. disagree
    c. it depends
    d. agree
    e. strongly agree

50. You try to let your staff handle their own jobs even when they make mistakes:
    a. never
    b. seldom
    c. sometimes
    d. usually
    e. always

51. You are as interested in keeping employees happy as in getting them to work hard:
    a. not at all
    b. very slightly
    c. somewhat
    d. in most cases
    e. always

52. When the quality or quantity of departmental work is not satisfactory, you warn subordinates that your own superiors will crack down unless there is an improvement:
    a. never
    b. seldom
    e. sometimes
    d. usually
    e. always

53. You want to know what your employees do on their own time:
    a. never
    b. seldom
    c. sometimes
    d. usually
    e. always

54. You feel that grievances are inevitable and you try to smooth them over as best as you can:
    a. never
    b. rarely
    c. sometimes
    d. usually
    e. almost always

55. You disapprove of unnecessary conversation among your subordinates during working hours:
    a. very strongly
    b. strongly
    c. somewhat
    d. slightly
    e. do not object at all

56. You do not feel that employees need to understand the reasons for doing a job:
    a. strongly disagree
    b. disagree
    c. depends on the situation
    d. agree
    e. strongly agree

57. For the sake of harmony, you will overlook violations of petty or unimportant rules:
    a. never
    b. seldom
    c. sometimes
    d. often
    e. always

58. Problems among your coworkers will usually solve themselves without interference from you:
    a. strongly disagree
    b. disagree
    c. it depends
    d. agree
    e. strongly agree

59. You encourage subordinates to generate their own projects rather than wait for orders:
    a. never
    b. seldom
    c. occasionally
    d. frequently
    e. very frequently

60. Other things being equal, all workers on the same job should receive the same pay:
    a. strongly agree
    b. agree
    c. it depends
    d. disagree
    e. strongly disagree

61. You give the most difficult jobs to your most experienced workers:
    a. always
    b. usually
    c. sometimes
    d. seldom
    e. never

62. You hesitate to make a decision that will be unpopular with your subordinates:
    a. never
    b. seldom
    c. sometimes
    d. usually
    e. always

63. You watch work closely and criticize whenever necessary:
    a. always
    b. usually
    c. sometimes
    d. seldom
    e. never

64. If an inexperienced subordinate has trouble with a difficult job, you put that subordinate to work on something else:
    a. never
    b. seldom
    c. occasionally
    d. usually
    e. always

65. You give broad assignments and let subordinates do their own planning:
    a. never
    b. seldom
    c. occasionally
    d. usually
    e. always

66. You are very concerned that your subordinates are content and that they have the things they need:
    a. not at all
    b. to a slight extent
    c. somewhat
    d. usually
    e. almost always

SCORING

The first 40 questions measure characteristics in eight broad categories directly related to management success. Add up your score for each category, counting each A answer as 5 points, B as 4, C as 3, D as 2, and E as 1.

COMMUNICATION--Total for questions **1-5**_____

SELF-CONFIDENCE--Total for questions **6-10** _____

SOCIABILITY--Total for questions **11-15** _____

WORK HABITS--Total for questions **16-20** _____

MANAGEMENT ORIENTATION--Total for questions **21-25**_____

FLEXIBILITY--Total for questions **26-30** _____

INITIATIVE--Total for questions **31-35** _____

LEADERSHIP--Total for questions **36-40** _____

TOTAL for all characteristics (questions **1-40**)_____

COMMUNICATION involves the clarity of your thinking, your ability to convey it precisely in both speech and writing and your composure when dealing with others. The better managers in our sample group scored above 16.

SELF-CONFIDENCE measures how you face new places and people, how you relate to others, how you take advantage of opportunities, how willing you are to take risks and your own view of yourself. (A poor self-image almost always indicates correspondingly mediocre performance.) The better managers in our sample group scored above 19.

SOCIABILITY indicates how you conduct yourself with others - whether you act aggressively in social situations or follow the crowd, and how much you enjoy working with other people. The better managers scored above 18.

WORK HABITS bespeaks your ability to be a self-starter and self-organizer, as well as to cope with the detail work that is usually involved in carrying a job through to completion. A good score exceeds 17.

MANAGEMENT ORIENTATION simply shows how well you like managerial tasks. Lone-wolf professional or creative types score especially low in this category. The better managers scored above 15.

FLEXIBILITY is a measure of your capacity to handle a variety of projects at one time, to tolerate confusion and disorder and to keep your cool when confronted with last-minute reversals and interruptions. Also included in this section are your reaction to rigid schedules and your preference for a job that keeps you in motion. The best executives in our sample group scored above 15.

INITIATIVE indicates high ambition, competitiveness, persistence and the extent to which you believe in your ideas. Good managers scored above 19.

LEADERSHIP measures your past and present influence over the people you have met, your ability to keep your head while under fire and your willingness to accept responsibility. A good score is above 20.

A **TOTAL** for all eight characteristics of more than 125 strongly indicates good executive performance potential. If you scored this high overall but dipped below the "good" scores in a few categories, those are areas in which improvement will help you become a better manager.

* * * * * * * *

The remaining 26 questions were designed to measure the style and effectiveness of your executive leadership. For these questions, A answers count 1 point; B, 2; C, 3; D, 4; and E, 5. Add up your total for questions 41 through 51 and then compute your total for questions 52 through 66.

Step 1 Total for questions 41 - 51 _____

Step 2 Total for questions 52 - 66 _____

A high score on **step 1** (anything over 45 or so) indicates that you are capable of getting maximum performance from your subordinates by achieving a fine balance between strictness and permissiveness that fosters a work environment neither authoritarian nor anarchistic. You appear to be fair and open-minded and you expect the work of your subordinates to reflect these good qualities. The best executives in our samples averaged 44 on step 1; if your score was near that (or, especially, above it), it appears that you are blessed with the psychological makeup of a first-rate manager. A score substantially under 44, however, indicates that you may have a problem and step 2 may help you identify it.

Step 2 totals measure deviation from the ideal norm wherein the manager neither drives workers mercilessly nor lets the workers trample all over the manager. In our sample, almost all the "successful" executives scored between 40 and 50. A score that deviates significantly from this range, whether higher or lower, indicates a manager who is not getting maximum performance from employees. The manager has committed the basic error described by both Confucius and Aristotle: straying from the middle path.

If you scored above 50 on step two, you may be too lenient. Executives who rate exceptionally high here are often criticized for being "overly democratic." They place great emphasis on friendship with their employees--so much so that performance suffers. They shy away from criticizing people even when they need it, they waive the rules frequently, and they hesitate to hand out difficult assignments, perhaps preferring to do them themselves. One of the inarguable factors in executives' success is not the ability to do a job well but the ability to get others to do it well.

With a score well below 40, you have gone too far in the opposite direction. Executives of this type are overly domineering and insensitive to the needs of subordinates. These managers claim to be preoccupied with production when they are really sabotaging production by failing to take advantage of their worker's individualism. Their department is not achieving maximum productivity because the staff worries more about the manager's unfavorable reaction than about doing their jobs. In extremes, employees are paralyzed with fear.

One final word: A corporation is a social matrix in which many personalities meet and merge. If social psychology has demonstrated any proposition beyond doubt, it is that interpersonal networks tend to reinforce themselves. If an executive is too permissive, the reason is not totally the executive's own personality; it is partly a creation of the matrix itself. The executive may, for instance, be reacting to an overly dominant superior or to a professionally oriented boss who is so creative as to ignore management problems, or even to a boss who is too people centered. Whatever the case, each person in the web is subtly and unconsciously maintaining the habits, good and bad, of all the others. A worthwhile use for these quizzes, therefore, is as a group project. A brainstorming session afterward might shed surprising light on how defects in some executives are actually responses to those above and below them. This is well worth learning. No failure is incurable unless everyone involved tactfully agrees to treat it as such.

1. **The Challenge of Change**

   a. Changing Models

   b. Changing Companies

   c. Changing Technology

   d. Changing Operations

      1) Staffing

      2) Supervising

         a) Home officing
         b) Employees vs. independent contractors
         c) Sales teams
         d) Professional growth

      3) Enhancing Revenue

   e. Changing Your Role

      (Management or Sales)

      1) Strictly management

      2) Sales and management

         a) Prioritize your responsibilities
         b) Determine the amount of time and effort that must be devoted to each role
         c) Prepare contingency plans
         d) Protect harmony in the office
         e) Maximize the use of technology

Unit I--PLANNING THE ORGANIZATION

2. Analyzing the Business Climate

a. Economic Factors

1) Gross Domestic Product

2) Inflationary Cycles

3) Consumer Confidence

b. Political Factors

1) Economic Growth and Development

2) Environment Issues

3) Regulating the Industry

a. Social Factors

1) The Baby Boomer Population and Generation X

2) The Aging Population

3) The Mobile Population

4) The International Population

3. Analyzing the Market

a. Analyzing Opportunities

1) Geographic Markets

a) Multiple listing services
b) Technology marketplace
c) Referral networks
d) Relocation networks

2) Service Markets

a) Niche marketing
b) Beyond residential brokerage

1) Agency Services

a) Listing agreements
b) Buyer agency agreements

1) Defining Your Market

b. Analyzing Your Competition

1) Market Share

2) Competitive Edge

a) Affiliations
b) Location
c) Marketing strategies
d) Consumer services
e) Recruiting advantages

c. Analyzing Your Organization

“Feasibility Study”

Feasibility Study Assignment

1. Economics of Your Area
   --employment vs. unemployment
   --growth projections
   --overall philosophy of your community/city that you would work in

2. Market Information
   --availability of reliable statistics
   --current inventory of property for sale (be specific as to what area you want to work in: i.e. residential, commercial, industrial, agricultural)
   --percent of listings that sell and property turnover
   --comparison of new construction (from building permits, new subdivisions, etc.)
   --length of time listed properties remain on the market and the sales price compared to listing price

3. For Sale By Owner Market
   --active and successful
   --percent of property sold FSBO (could be gained from deed transfers or perhaps from title company records

4. Competition
   --number of ACTIVE real estate offices
   --number of ACTIVE salespeople, associate brokers, and brokers
   --available locations and costs

5. Other Considerations
   --advertising
   --licensees for “hire”
   --start up a new business vs. purchasing existing business
   --do you want a franchise (cost, availability, rewards)

6. Pre-determine a budget as to start-up costs and ongoing costs

7. IS IT WORTH THE RISK?

4. Developing a Plan

a. Planning Rationale

b. Your Business Plan

1) Mission

2) Goals

3) Strategies

4) Contingency Plans

5) Reviewing Your Plan

c. Activity Planning

d. Short-Range Plan

Unit II--ORGANIZING THE ORGANIZATION

5. Structuring Your Organization

a. Legal Ownership

1) Sole Proprietorship

2) Corporations

3) S Corporation

4) General Partnership

5) Limited Partnership

6) Limited Liability Companies

b. Mode of Operation

1) Independent

2) Franchise

a) Marketing and advertising
b) Target market services
c) Internal operations

3) National Corporations

4) Local Affiliations

5) Controlled Business Arrangements

6) Multiple Listing Services

c. Mergers and Acquisitions

1) Evaluating a Business

2) Transition

d. Internal Structure

1) One-Person Organization

2) One-Agent to Ten-Agent Organization

3) Monolithic Organization

4) Decentralized Organization

e. Chain of Command

(Informal Organization)

6. Structuring Your Business Systems

a. Your Office

1) Location

2) Site

3) Size

4) Design and Decor

a) Public areas
b) Work areas
c) Equipment and furnishings

5) Security in the Office

6) Safety in the Office

b. Communications Systems

1) Voice Messaging

2) Facsimile Machines

3) E-mail and the Internet

4) Communicating with People who are Deaf

5) Communicating with People who are Blind

6) Multilingual Communications

c. Information Systems

1) Computerization

a) Storage and retrieval
b) Networking

c) Protecting data
d) Y2K problem
e) Technical Support

2) Software

a) Management software
b) Word-processing software
c) Transaction software
d) Online software

3) Hardware

7. Structuring Your Finances

a. Financial Resources

1) Capital Requirements

2) Obtaining a Loan

b. General Operating Budget

1) Gross Income

a) Commissions
b) Additional services your firm offers
c) Transaction fees
d) Fee-for-service

2) Operating Expenses

3) Net Income

4) Profit Centers

5) Variable Expense Budgets

6) Monthly Operating Budgets

c. Accounting

1) Electronic Data Management

2) License Law Requirements

3) Security Procedures

d. Compensation Management

1) Equity with the Competition

2) Internal Equity

a) Provide a bonus plan
b) Treat the salesperson as an employee and pay a salary
c) Pay a salesperson a draw against future commissions

3) Compensating Managers

a) Financial position of the company
b) The responsibilities of the manager
c) The expertise of the manager
d) Internal equity
e) Parity with the competition
f) Salary
g) Override
h) Salary plus override
i) Sales Commission plus percentage

"Start-Up Costs"

Budget for Establishing A Real Estate Office

One-Time Expenses

Legal fees (to establish corporation or partnership) ..... $_____
Accounting fees (advice, start-up, books)..... $_____
Telephone installation ..... $_____
Initiation fees, board of REALTORS®, MLS ..... $_____
License fees-state, city ..... $_____
Office space costs-deposit, remodeling..... $_____
Office equipment-typewriters, files, desks, computer
hardware and software ..... $_____
Office supplies-stationary, cards, forms..... $_____
Automobile purchase or lease..... $_____
Artistic work for logo..... $_____
Advertising agency cost (if applicable) ..... $_____
Stock of lawn signs ..... $_____
Office sign-purchase or lease ..... $_____

Total One-Time Expenses..... $_____

Monthly Expenses

Office rent ..... $_____
Office salaries..... $_____
Legal and accounting fees..... $_____
Insurance premiums ..... $_____
Automobile ..... $_____
Utilities (if applicable) ..... $_____
Office supplies ..... $_____
Janitorial wages (if applicable) ..... $_____
Telephone ..... $_____
Newspaper advertising..... $_____
Your salary ..... $_____
Miscellaneous dues and subscriptions ..... $_____
Sign repair and replacement..... $_____
Entertainment..... $_____
Reverse for contingencies ..... $_____

Total Monthly Expenses ..... $_____

Gross Amount Needed (*Total one-time expenses* plus
6 months worth of monthly costs (*total monthly expenses* x 6) $_____

Minus the Projected Income for Six Months $_____

Equals Minimum Cash Needed to Start* $_____

** In addition to the minimum cash needed to start, a broker must have either a cash reserve or an income to sustain him/herself for at least 3 months (6 is more comfortable) during the lag time between sales and closings.*

"Income & Operating Expense Budget"

GROSS INCOME

Commissions on in-house sales	$_____	
Commission received from cooperating transactions	$_____	
Referral fees	$_____	
Other fees for service	$_____	
Total Gross Income		$_____

GENERAL OPERATING EXPENSES

Commissions paid to salespeople	$_____	
Commissions paid to cooperating brokers	$_____	
Overrides paid to managers	$_____	
Relocation and referral fees	$_____	
MLS fees	$_____	
Franchise fees	$_____	
Other	$_____	
Total Cost of Sales		**$_____**
Marketing and advertising consultant	$_____	
Classified advertising	$_____	
Institutional advertising	$_____	
Direct mail	$_____	
Brochures	$_____	
Television/radio	$_____	
Signs	$_____	
Telephone directories	$_____	
Other	$_____	
Total Marketing and Advertising		**$_____**
Rent	$_____	
Utilities	$_____	
Janitorial services	$_____	
Trash/recycling removal	$_____	
Other	$_____	
Total Occupancy		**$_____**
Equipment maintenance/supplies	$_____	
Office supplies	$_____	
Postage and overnight delivery	$_____	
Packaging and shipping	$_____	
Bulk mail permits	$_____	
Printing	$_____	
Lock boxes	$_____	
Kitchen/beverage	$_____	
Other	$_____	
Total Equipment and Supplies		**$_____**
Professional dues	$_____	
Membership fees	$_____	
Subscriptions	$_____	
Total Dues and Publications		**$_____**
Accounting services	$_____	
Legal services	$_____	
Computer consultant	$_____	
Communications services	$_____	
Telephone	$_____	
Paging services	$_____	
Computer Information networks	$_____	
Insurance	$_____	
Comprehensive business policy	$_____	

Worker's compensation	$_____	
Errors and omissions	$_____	
Credit bureau	$_____	
Total Services and Fees		**$_____**
Managerial salaries	$_____	
Secretarial and clerical salaries	$_____	
Other	$_____	
Fringe benefits	$_____	
Total Salaries		**$_____**
Real estate licenses	$_____	
Business licenses	$_____	
Taxes	$_____	
Income taxes	$_____	
Social security	$_____	
Unemployment	$_____	
Other	$_____	
Total Taxes and Licenses		**$_____**
Awards	$_____	
Incentive programs and contests	$_____	
Education	$_____	
Conferences and conventions	$_____	
Travel and entertainment	$_____	
Auto expenses	$_____	
Petty cash	$_____	
Other	$_____	
Total Miscellaneous		**$_____**
Interest on loans	$_____	
Bank account charges	$_____	
Total Bank Charges		**$_____**
	Total Operating Expenses	**$_____**
NET INCOME		
Total Gross Income	$_____	
Less Total Operating Expenses	$_____	
	NET INCOME	**$_____**

8. Business Policies and Procedures

a. Business Ethics

1) The Heart of Ethics

2) Code of Ethics

3) Institutionalizing Ethics

a) Commit your ethics to writing
b) Communicate your code of ethics
c) Get actively involved
d) Enforce the code of ethics
e) Reinforce the code of ethics

b. Policies and Procedures

1) General Business Policies

a) Agency
b) Antitrust

Mission Statement
Preface
Operational Guidelines

Activity Board
Agreements, Delivery
Co-Agency Policy
Attorneys, Attorney's Office
Insurance
Business Cards
Buying & Selling Property
Expenses
Chargeable Items, Agent Office Bill
Conference Rooms
Complaints Against other Offices
Conduct
Confidential Relationship
Contact with Office/Checking Voice Mail
Desk Facilities
Discrimination
Sexual Harassment
Dress Code
Expenditure of Office Funds
Legal Advice
Letter Writing
Long Distance Calls
Messages/Voice Mail
Obligating the Broker
Office Appearance
Office Equipment & Supplies
Office Copy Machines
Office Hours
Office Records
Part-time vs. Full-time
Postage Costs
Prospects, Reassignment
Real Estate Board Activities
Referral Fees
Responsibilities
Sales Meetings
Support Staff, Personal Assist.
Sharing Information
Showing Properties, Other Offices
Tours, Caravan
Trial and Legal Expenses

Sales Associates

Brokerage Fees
Deposits, Offers, Acceptances
Farming
Floor Time & Inquiries
Listings

Promotion

Advertising
Open Houses
Signs

c) Equal opportunity in housing
d) Real estate licensing laws and regulations

2) General Policies for All Workers

3) Procedures for Independent Contractors/Salespeople

4) Employee Personnel Policies

9. Marketing and Advertising

a. Market Identity

(What's in a Name?)

b. The Company's Marketing Plan

1) Mass Media

a) Radio and television
b) Print media

2) Internet

3) Newsletters

4) Press Releases

5) Brochures

6) Videos

7) Telephone Directories

8) Outdoor Advertising

9) Novelties

10) Solicitation

a) Telephone Consumer Protection Act
b) Harassment
c) Blockbusting/panic selling

1) News Columns

2) Letters to the Editor

3) Media Resource

c. Marketing Properties

1) Pictures

2) Advertising Copy

3) Classified Advertising

4) Multiple Listing Services

5) Brochures and Fliers

6) Open Houses

a) Safety of the salesperson
b) Safety of the seller
c) Safety of the visitor

7) Yard Signs

d. Protecting Your Image

e. Managing Your Marketing

Unit III--STAFFING AND DIRECTING

10. Recruiting, Selecting and Hiring the Staff

a. Staffing Needs

1) Staff Positions

a) Receptionists and secretaries
b) Transaction coordinators
c) Department managers and employees

2) Personal Assistants

3) Salespeople

a) Full-time salespeople
b) Part-time salespeople
c) License referral companies
d) New licensees
e) Experienced salespeople

b. Employment Laws

(Equal Employment Practices)

c. Recruiting Salespeople

1) Recruiting Brochures

2) Recruiting Experienced Talent

a) Recruit a manager
b) Network the industry
c) Mobilize ambassadors

3) Recruiting Unlicensed Talent

4) Advertising

5) Career Seminars

6) Licensing Courses

7) Sponsorship

8) Trial Training Sessions

9) Scholarships

10) Direct Mail

d. Selecting Salespeople

a) Prescreening
b) Application
c) Preliminary interview

1) Formal Interview

a) Prepare the interview
b) Conduct the interview

2) Selection

e. Hiring

11. Professional Development for Your Staff

a. Orientation Programs

1) Assessing new hires

2) Business plans for salespeople

b. Training Programs

1) Whom to Train

a) Managers
b) Experienced salespeople
c) New associates
d) Administrative staff

2) What to Teach

a) Keys to effective sales training
b) Basic sales training program
c) Remedial program

3) How to Deliver Training

4) How to Conduct the Program

a) Classroom instruction
b) Location
c) Trainers

d) Twenty-first century learning
e) One-on-one training

5) Evaluating Training

6) Reinforcing Training

7) IREC's Train the Trainer Workshop

c. Sales Meetings

a) Types of Meetings
b) Education and information
c) Attitude and recognition
d) Problem identification
e) Brainstorming
f) Decision making
g) Announcing decisions

1) Logistics

2) Managing the Meeting

d. Retreats

e. Personal Interaction

f. Additional Opportunities

12. Coaching Your Staff

a. Managing Employees and Independent Contractors

b. Coaching Performance

1) Personal Success Plans

a) Developing a plan
b) Achievable plans
c) Goals and quotas

2) Incentives to Perform

a) Praise
b) Status
c) Contests
d) Awards
e) Graduated commissions

f) Bonuses
g) Negative incentives

c. Performance Reviews

1) Performance Criteria

2) Self-Evaluations

3) Performance Interviews

4) Evaluating Performance

d. Turnover

e. Problem Solving

1) Your Problem with a Salesperson

2) The Salesperson's Problem

f. Resignation and Termination

1) Resignation

2) Termination

3) Exit Interviews

Unit IV--CONTROLLING THE ORGANIZATION

13. Monitoring Your Organization

a. Management of Information

1) Transaction Files

a) Listing activities
b) Sales activities

2) License Records

3) Personnel Records

4) Financial Records

5) Document Retention

b. Managing with Information

c. Maximizing Income

1) Quality Service Standards

a) Servicing sellers
b) Servicing buyers
c) Tracking business

2) Quality Control

a) Customer feedback
b) Personnel competency

3) Problem Solving

d. Minimizing Expenses

1) Telephone

2) Computers

3) Marketing and Advertising

4) Postage

5) Economics in the Office

6) Salaries and Benefits

7) Costs of Sales

e. Looking into the Future

14. Managing Risk

a. Building Your Offense

1) Use Lawyers and Accountants

2) Use Enforcement Agencies

3) Your Training Programs

4) Your Policies and Procedures

a) Anti-harassment policies
b) Internet policies

5) Your Transactions

6) Your Contracts

7) Your Files

b. Prepare for Defense

1) Insurance

2) Dispute Resolution

3) Arbitration Between Brokers

c. Power of Information

d. Antitrust

1) Price Fixing

a) Fees for services
b) Commission splits

2) Group Boycotts

3) Territorial Assignments

4) Tying Agreements

a) “List back” clauses
b) Third-party contracts

5) Antitrust Procedures

a) Sales presentations
b) Relationships with other salespeople
c) Broker responsibilities

e. Disclosures

1) Property Defects

2) Professional Inspections

3) Stigmatized Properties

f. Environmental Conditions

1) Asbestos

2) Lead

3) PCBs

4) Radon

5) Urea Formaldehyde

6) Underground Storage Tanks

7) Other Hazardous Conditions

g. Fair Housing Laws

1) Prohibited Practices

a) Refusal to sell, rent, lease, finance or negotiate
b) Differentiation in terms or conditions or provisions of services
c) Printing, publishing or circulating discriminatory statements or advertisements
d) Representing that a property is unavailable
e) Inducing or attempting to induce for profit
f) Discrimination in financing
g) Interference, coercion or intimidation

2) Intent and Effect

3) Fair Housing Compliance

h. Americans with Disabilities Act

1) Providing Real Estate Services

a) Communications with people who are deaf or hearing-impaired
b) Communicating with people who are blind or have vision loss
c) People with mental disabilities
d) Public functions

2) People First

3) Architectural Barriers

a) Existing facilities
b) New construction

4) Employment

5) Reasonable Accommodations

6) Tax Breaks

a) Tax deduction
b) Tax credit

i. RESPA

1) Disclosure Obligations

2) Kickbacks and Unearned Fees

j. Foreign Investment in Real Property Tax Act

"Closing Statement Case Study"

Using the following information, complete a HUD-I closing statement:

SALES PRICE: $57,500.00

TERMS: Buyers to obtain a new 80% conventional loan with interest at 7.5%. Earnest money of $1,000.00. Buyers will pay for appraisal, credit report, tax search fee, document preparation, lenders title insurance, and hazard insurance. Closing fee will be split equally between buyer and seller. Buyer will pay a 1% loan origination fee.

SELLER INFORMATION: Seller has agreed to pay a 6% Commission, which will be split equally between listing and selling office.

CLOSING DATE: February 10, 2000

TITLE COMMITMENT: Existing loan with a balance after the January payment of $39,644.87. Interest is accruing at 9.75%. Payoff letter asks closing agent to collect fee for reconveyance in the amount of $43 and accumulated late fees of $55.

Property Tax for 1999 in the amount of $864.53 is unpaid. Penalty and interest for the first half is computed to be $25.48 at the date of closing.

Seller has a judgment lien with a remaining balance of $785.36 including accrued interest.

Mechanics lien holder will settle for $500.

Financing statement with a remaining balance of $475.82 plus interest from 12-1-98 at 13%.

Title search indicates a shared driveway. There is not an agreement in writing. The seller's attorney will draw the necessary document for a fee of $150.00. It is agreed that seller will pay the attorney's fee.

Documents will be recorded at the close of the transaction. The cost to record is $3 per page. How many pages will be recorded and who will pay?

The purchase and sale agreement indicates that the title company will prepare the closing. The closing fee is $3 per thousand plus a $50 set-up fee.

Seller's payoff will be sent by overnight delivery. What will be the cost, and who will pay?

A. **Settlement Statement**

U.S. Department of Housing and Urban Development

OMB Approval No. 2502-0265 (expires 9/30/2006)

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☐ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:	E. Name & Address of Seller:	F. Name & Address of Lender:

G. Property Location:	H. Settlement Agent:	
	Place of Settlement:	I. Settlement Date:

J. Summary of Borrower's Transaction		**K. Summary of Seller's Transaction**	
100. Gross Amount Due From Borrower		**400. Gross Amount Due To Seller**	
101. Contract sales price		401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower (line 1400)		403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		**Adjustments for items paid by seller in advance**	
106. City/town taxes to		406. City/town taxes to	
107. County taxes to		407. County taxes to	
108. Assessments to		408. Assessments to	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower		**420. Gross Amount Due To Seller**	
200. Amounts Paid By Or In Behalf Of Borrower		**500. Reductions In Amount Due To Seller**	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		**Adjustments for items unpaid by seller**	
210. City/town taxes to		510. City/town taxes to	
211. County taxes to		511. County taxes to	
212. Assessments to		512. Assessments to	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower		**520. Total Reduction Amount Due Seller**	
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)		601. Gross amount due to seller (line 420)	
302. Less amounts paid by/for borrower (line 220)	( )	602. Less reductions in amt. due seller (line 520)	( )
303. Cash ☐ From ☐ To Borrower		**603. Cash ☐ To ☐ From Seller**	

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are manadatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.

The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The information requested does not lend itself to confidentiality.

Previous editions are obsolete

form **HUD-1** (3/86)
ref Handbook 4305.2

L. Settlement Charges

	Paid From Borrowers Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price $ @ % =		
Division of Commission (line 700) as follows:		
701. $ to		
702. $ to		
703. Commission paid at Settlement		
704.		
800. Items Payable In Connection With Loan		
801. Loan Origination Fee %		
802. Loan Discount %		
803. Appraisal Fee to		
804. Credit Report to		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee to		
807. Assumption Fee		
808.		
809.		
810.		
811.		
900. Items Required By Lender To Be Paid In Advance		
901. Interest from to @$ /day		
902. Mortgage Insurance Premium for months to		
903. Hazard Insurance Premium for years to		
904. years to		
905.		
1000. Reserves Deposited With Lender		
1001. Hazard insurance months@$ per month		
1002. Mortgage insurance months@$ per month		
1003. City property taxes months@$ per month		
1004. County property taxes months@$ per month		
1005. Annual assessments months@$ per month		
1006. months@$ per month		
1007. months@$ per month		
1008. months@$ per month		
1100. Title Charges		
1101. Settlement or closing fee to		
1102. Abstract or title search to		
1103. Title examination to		
1104. Title insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
(includes above items numbers:)		
1108. Title insurance to		
(includes above items numbers:)		
1109. Lender's coverage $		
1110. Owner's coverage $		
1111.		
1112.		
1113.		
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed $; Mortgage $; Releases $		
1202. City/county tax/stamps: Deed $; Mortgage $		
1203. State tax/stamps: Deed $; Mortgage $		
1204.		
1205.		
1300. Additional Settlement Charges		
1301. Survey to		
1302. Pest inspection to		
1303.		
1304.		
1305.		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		

Idaho Real Estate
Business Conduct & Office Operations
For Live Lecture and Correspondence Class

Student Course Outline
for the four-hour live or correspondence course

Effective October 2005
Revised August 2007

Designed and developed by the:
Idaho Real Estate Commission,
The Idaho Real Estate Education Council,
Terry Ruettgers - Chief Investigator, and
R. Gail Heist – Education Council, Member

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ATTENDANCE POLICY

IREC ATTENDANCE POLICY
For Live Course Presentations

Regular attendance means 100% attendance at all sessions of a live (including courses taught by interactive video conference) prelicense or continuing education (CE) course. The Commission obligates instructors and course providers to monitor student attendance and strictly enforce this attendance policy. A certified instructor or course provider may have his/its certification withdrawn for failure to enforce the 100% attendance policy at all course offerings.

A student who misses any portion (even a few minutes) of a course taken for CE elective credit may not receive credit for the course unless the provider allows the student to attend the corresponding class session(s) in a subsequent offering of the same course.

A student who misses any portion (even a few minutes) of a prelicense course may, at the discretion of the instructor and provider, complete make-up work to satisfy the 100% attendance requirement. Make-up work is allowed ONLY for prelicense courses. Make-up work is defined as one or more of the following:

1. Extra homework or other assignment given by the instructor; or
2. Attendance in the corresponding class session(s) in a subsequent offering of the same course; or
3. Supervised presentation of an audio or video recording of the class session(s) missed.

A student who does not complete the required make-up work for a prelicense course may not receive credit for the course and will be issued an “incomplete”.

PREFACE

I. COURSE OBJECTIVES

This course is designed to supply brokers, associate brokers, sales associates, administrative assistants, bookkeepers, and other interested parties with many of the requirements of the Idaho Real Estate License Law and Rules. This is a "how to" course that will bring you up to date on changes in license law and rules governing the proper maintenance of records and accounting for client funds, and assist you in developing good record keeping and business practices. This course will also give you some information on what the Idaho Real Estate Inspector looks for when doing an audit at your real estate office.

While reading the outline along with the supplemental materials, we recommend you look up in each section or rule number from the License Law booklet for future reference and as a study guide.

This material is by no means complete and should not be used as a substitute for competent legal or other professional advice. Personal opinions expressed by the instructor in this course are not necessarily the opinions of the Idaho Real Estate Commission or Education Council. **Because the Idaho Real Estate Commission does not design, revise, sell, or approve forms for real estate transactions, any actual forms used herein are samples only.** The License Law only provides for certain information to be included in many of the forms used by real estate licensees in the State of Idaho. They are not intended to be an endorsement of any particular form. If the instructor wishes, he/she may provide information concerning the examples used in the case study on the forms generally in use in any particular area of the state. **The forms used in the case study are used with the authorization of the Idaho Association of Realtors®. They are copyrighted and can not be used by anyonewho is not a REALTOR®.**

II. CREDIT

The Commission grants 4 hours of continuing education elective credit for successful completion of this course. **100% mandatory attendance is required at live lecture courses.**

III. REFERENCES

The following are approved references used in the course. The items are also located on the Commission's website at www.idahorealestatecommission.com

- *Agency Law in Idaho (July 2007). Idaho Real Estate Commission .*
- *Investigative and Hearing Process and Common Complaints (January 2003). Idaho Real Estate Commission.*
- *Idaho Real Estate License Law and Rules (July 2007). Idaho Real Estate Commission.*
- *Idaho Real Estate Commission Guidelines (included in this course material)*

IV. QUESTIONS

If you have any questions concerning this course, call the Commission's Audits & Investigations Department at (208) 334-3285, or (866) 447-5411 toll free in Idaho.

BUSINESS CONDUCT AND OFFICE OPERATIONS

I. REAL ESTATE PRACTICES & PROCEDURES

A. Brokerage Representaion Agreements

Defined by section 54-2004(6) as "a written contract between a buyer, seller, or both, and a real estate brokerage for agency representation in a regulated real estate transaction."

1. Enforceability – Contract Law – Refers to a legally enforceable agreement between competent parties, or an enforceable promise. To be enforceable, a brokerage agreement must:
   a. Be in Writing. (Statute of Frauds) The parties to an oral real estate contract ***may*** have a valid contract (one that has all the essential elements) but the contract is not ***enforceable*** if it is not in writing.

   b. Contain Required Elements (whether exclusive or nonexclusive) that must be included in all of the following contracts.

      (1) Seller Representation Agreements, section 54-2050(1).

      (a) Conspicuous and definite beginning and expiration date. ***(Note: The expiration date is an element on the agreement that the Commission inspectors find not filled in when doing audits.)***

      (b) Legally enforceable description of the property. A legally enforceable legal description (metes & bounds description, lot/block/subdivision, or Government Rectangular Survey) must be included when agreement is signed and cannot be added later.

      (c) Price and Terms acceptable to the seller.

      (d) All fees or commissions

      (e) Signature of ***all*** *owners with date.*

      (2) Buyer Representation Agreements, section 54-2050(2).

      (a) Conspicuous and definite beginning and expiration date ***(Note: The expiration date is an element on this agreement that the Commission Inspectors find not filled in when doing audits.)***

      (b) All financial obligations of the buyer.

      (c) Manner in which fees will be paid to the broker.

      (d) Appropriate signature with date.

      (3) Automatic renewal clauses. No buyer or seller representation agreement shall contain a provision requiring the party signing the agreement to notify the broker of the party's intention to cancel the agreement after the definite expiration date.

2. Agency Disclosure

   a. Agency Disclosure brochure - Present at first substantial business contact the agency disclosure brochure adopted or approved by the Idaho Real Estate Commission. Each brokerage shall

keep a signed and dated record of a buyer or seller's receipt of the agency disclosure brochure.

b. The agency disclosure brochure and the representation agreement shall indicate the types of representation available to a buyer or seller in a regulated real estate transaction.

c. The brochure and agreement shall indicate the legal duties and obligations owed to the buyer or seller in each type of representation and a conspicuous notice that no representation will exist absent a written agreement.

d. A brokerage's relationship with a buyer or seller as an agent, nonagent, limited dual agent or limited dual agent with assigned agents must be determined and all necessary agreements executed no later than the preparation of a purchase and sale agreement. A brokerage must disclose its relationship to both buyer and seller in any transaction no later than the preparation or presentation of a purchase and sales agreement.

e. In addition, a purchase and sale agreement, an attachment thereto, or other document drafted in connection with a regulated real estate transaction shall contain the confirmation and acknowledgment of the relationship, whether it involved representation or not. **(The specific format and language required by the Idaho Real Estate Commission will be found in Section B of this outline.)**

f. Discuss representation options and make sure the buyer and seller understand. **Seller or buyer will elect single agency or will consent to limited dual representation with or without as signed agency by initialing the appropriate line on the representation agreement.**

(1) Nonagency: If there is not a written, signed and dated agreement on representation, then the buyer or seller is not being represented and would be a customer

(2) Agency Representation: If there is a written, signed and dated agreement containing all the required elements then the buyer and seller are clients and are being represented.

(3) Neither the Commission brochure nor the representation confirmation shall create a brokerage relationship. A separate, signed, written agreement is required for that pur pose.

g. The failure of a licensee to timely give a buyer or seller the agency disclosure brochure or the failure of a licensee to properly and timely obtain any written agreement or confirmation required by the Broker Law shall be a violation of the Idaho Real Estate license law and may subject the licensee to disciplinary action according to the provisions of Idaho Code.

3. Anytime there are questions concerning a contract, contact an attorney. The Idaho Real Estate Commission **DOES NOT GET INVOLVED** in contract disputes.

4. Distribution of the Brokerage Agreements

a. Copy must be given to the Sellers or Buyers

b. Listing broker must retain the original copy for 3 calendar years after the year in which the event occurred, the transaction closed, all funds were disbursed, or the agreement and any written extension expired.

5. Cancellation of a Listing—The rights of an owner or broker to cancel a listing agreement are determined by contract law and court decisions. A seller may legitimately want to cancel because the broker is not making a good effort to market the property; or maybe the broker has made every effort to market the property and he now suspects a buyer has been found but now the seller does not want to pay for services. Either could be essentially "breaking" the contract. The term "Cancellation" of a listing means that the contract is fully terminated, either with or without the broker's consent and with or without "good cause" on the part of the seller. (For further clarification, you

may want to refer to IREC Guideline #1, available from the Commission office or website.)

6. Withdrawal of a Listing—Means that the contract remains in full force and effect, but the property is no longer marketed or offered for sale by the broker. It is important to be specific and clearly state the intent to withdraw or cancel a listing.

7. Chronological Listing Number—Assigning a numbering system is recommended. It is a good business practice to include the name, mailing address, street address, etc.

8. Seller Property Condition Disclosure Form—This must be completed by the seller no later than 10 days after a purchase & sale agreement is received, and the buyer has 3 days to accept. It is a good idea to have the seller complete this form when the listing agreement is signed. Failure to comply with the dis-closure law does not invalidate the transfer, but it does impose liability for actual damages upon someonewho willfully or negligently violates the disclosure requirements. Good faith is specifically required in this law. (See your attorney if there are problems.)

9. Lead-Based Paint Disclosure— Effective 12/6/96, owners of 4 or less dwelling units, and 9/6/96 for units 4 or more, new federal requirements involving housing built prior to 1978. Requires specific federal forms and brochures. This is a federal requirement and <u>not audited by the Commission</u>. Notification and disclosure information must be provided to the buyer before the seller accepts the offer. It is a good idea to have the seller complete this form when the listing agreement is signed.

B. Offers to Purchase

(Section 54-2051) The licensee shall, as promptly as practicable, tender to the seller every written offer to purchase obtained on the real estate involved, up until time of closing. A purchase and sale agreement signed by the prospective buyer shall be deemed in all respects an offer to purchase.

1. Enforceability

   a. Contract Law: a <u>written document</u> is required in order to conform to contract law. To be legally enforceable it must contain the necessary elements of a contract.

   b. Essential terms of the purchase and sale agreement include:

      (1) All terms and conditions as directed by the buyer or seller

      (2) Actual form and amount of earnest money (section 54-2051(4)(b)

         (a) ***Cash, check, money order, promissory note (if a promissory note is used, include the specific date the note is due. Do not use "at closing"). Post-dated checks should not be accepted. If the buyer asks you to hold the check until the next week until they can deposit money, you should get a note and also you must tell the seller what the situation is. Also do not give the buyer the receipt copy and then tell them you will come back to get the check you just gave them a receipt for. The Commission finds situations where the check is dated after date on the purchase and sales agreement.***

         (b) Other:

            i. General personal property: gold, gems, love and good will. (Gems could be put in a safe deposit box. Complete a notice of opening a trust account and authorization form and send to Commission)

            ii. Value must be verified: gems should be taken to reputable jeweler to determine the value

            iii. If a vehicle is used, someone needs to value, determine who will maintain possession and have the title.

      (3) Provision for division of earnest money retained by any person as forfeited payment should the transaction not close

(4) Names of the parties involved

(5) **Name of Responsible Broker (who is responsible to hold the earnest money). The broker who lists and sells any real property shall be deemed the responsible broker. In a cooperative sale, the broker who holds entrusted funds in a real estate trust account or who delivers or transfers the funds to the closing agency or any authorized party other than the cooperating broker, shall be deemed the broker responsible for the transaction.**

(6) Signatures of the Buyer and Seller.

(7) Dates (If counter offers/addendums then check boxes accordingly), Signatures must also be dated.

(8) Legal description (metes & bounds, lot/block/ subdivision or government rectangular survey) must have an adequate legal description.

(9) Contingencies: be sure to write up any contingencies in an understandable manner such as, back up offer, or "bump clauses." You may want to contact an attorney.

(10) Agency Disclosure, as defined in Idaho Code under the "Idaho Real Estate Brokerage Representation Act" A purchase and sale agreement, an attachment thereto, or other document drafted in connection with a regulated real estate transaction shall contain the following confirmation of the relationship, whether it involved representation or not, between the buyer, seller and licensees involved:

(a) Representation Confirmation must contain this specific language: It is important to understand that this language must be part of the purchase and sales agreement or must be added as an addendum when not using a pre-printed form type contract.

(b) "Agency" refers to the broker's agency position rather than the associates. The only allowable terms are AGENT or NONAGENT or LIMITED DUAL AGENT or LIMITED DUAL AGENT WITH ASSIGNED AGENTS.

(c) Buyer/Seller Representation Agreements

i. Must be in writing (Section 54-2084, Idaho Code)–If it's not in writing you are dealing with a customer as a nonagent

ii. Requirements of responsible broker:

(i) Listing office (representing seller) needs a copy of the Seller Representation Agreement/Listing agreement in the transaction file

(ii) Selling office (representing buyer) needs a copy of the Buyer Representation Agreement or some form of written agreement with the buyer in the transaction file

(iii) Both listing and selling office (representing buyer and seller) need copies of Buyer AND Seller Representation agreement with Consent to Limited Dual Rep resentation or Consent to Limited Dual Representation with Assigned Agents in file

iii. Licensees Dealing with Their Own Property. (Section 54-2055): A licensee shall disclose in writing to any buyer or seller that the licensee directly, indirectly, or through a third party, sells or purchases an interest in real property for personal use or any other purpose; or acquires or intends to acquire any interest in real property or any option to purchase real property.

Each actively licensed person buying or selling real property or any interest therein, in a regulated real estate transaction, must conduct the transaction through the broker with whom he is licensed, whether or not the property is listed.

(b) Written Office Policy on Agency Disclosure (Section 54-2090, Idaho Code) Each designated broker shall be responsible to adopt and maintain in each office, including branch offices, a written policy which identifies and describes the types of representation in which that brokerage and its associated licensees may engage with any buyer or seller, or both, as a part of that office's real estate brokerage services.

The Idaho Real Estate Commission will ask to see the office agency policy when auditing, they are finding that brokers are not keeping their policy current. Many brokers have adopted the new agency policy but have not updated their original office agency policy. The Policy must be available if a client or customer asks for it.

2. Consult an Attorney…when advice is requested from either party to the transaction, including opinions on title. Real estate licensees can give all the information they want, but if they give advice, it can affect someone's legal rights. If the licensee is not an expert, refer to an attorney or the title company for an explanation. Licensees could be setting themselves up for a lawsuit, even though they may only be trying to be helpful. Remember, a licensee cannot advise on legal matters as it may be considered the "Unauthorized Practice of Law."

3. Distribution of the Purchase & Sale Agreement

   a. Copy must be given to the Buyer when Buyer first completes and signs

   b. Copy to the Seller upon Seller's acceptance and signature

REPRESENTATION CONFIRMATION AND ACKNOWLEDGMENT OF DISCLOSURE

Check one (1) box in Section 1 below and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section One:

A. ☐ The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).

B. ☐ The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), with out an ASSIGNED AGENT.

C. ☐ The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).

D. ☐ The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).

Section Two:

A. ☐ The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).

B. ☐ The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.

C. ☐ The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).

D. ☐ The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).Each party signing this document confirms that he or she has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho Real Estate Commission and has elected consented to the releationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

c. Copy to Buyer showing Seller's acceptance and signature

d. Original or true copy of all offers accepted, countered or rejected shall be retained in the broker's files. It is critical to designate on the purchase and sale agreement who is the responsible broker. **(Note: It is important that the broker keeps copies of rejected offers also. The commission is finding that brokers don't always have rejected offer in the files.)**

e. If the Buyer's and Seller's copies are found in the broker's file, it will be assumed that copies have not been delivered properly. If photocopies have been given to buyers or sellers because they are more legible, clear out all others, do not retain.

4. Facsimile Transmission of the Purchase & Sale Agreement—It must state that they are considered the same as delivery of an original

5. Withdrawal of Offer—It can be done at any time prior to being presented to the seller, or can be withdrawn anytime prior to acknowledgment of the offer being accepted. Attempting to withdraw an offer after it has been accepted could be a problem and end up being a civil matter to be resolved in the courts. All offers must be presented up to time of closing. (Can always take as a backup offer, but if seller chooses to reject, that's their option.)

6. **Rejected/Fallen Offers—Must be dated and marked as fallen, rejected, void, or canceled and must be retained in the brokers files for 3 years plus the year the transaction fell, was rejected, void or canceled.**

C. Sales Associate's Responsibility to Broker

1. All consideration received by a sales associate in connection with a real estate transaction shall immediately be delivered to the designated broker or office

2. No return of consideration is to be made without the knowledge and consent of the broker. If funds are to be returned before it has been deposited to a trust account or in accordance with written instructions on the purchase and sale agreement, the broker or sales associate shall indicate the return by a dated notation on the purchase and sale agreement and ledger card. As a suggestion, it is a good idea to make a copy of the check and have the buyer acknowledge receipt of the returned check with the date given noted. Keep this in your transaction file. **Note: Once you have given the buyer the receipt copy for the earnest money and then return the check when the seller rejects the offer, there still must be a ledger card done indicating what happened. This requires the agent to bring copies to the broker.**

D. Trust Ledger Cards

1. An individual trust ledger shall be immediately created whenever a broker, or any licensed or unlicensed person representing the broker, receives earnest money or other consideration, even if the consideration will be deposited with, held by, paid directly to, transferred or delivered to a title company, other approved depository, or any other person, as directed in writing, signed and assigned the next chronological transaction number (section 54-2044). This requirement also applies even if the offer is rejected and the earnest money is returned.

a. Consideration can be:

(1) Money (cash, personal or cashier's check)

(a) If Cash: it is a good business practice to deposit immediately even if the purchase and sales agreement states to hold until exception by all parties. Some brokers also have a policy of making a copy of the bills to be retained in the file.

(b) If Personal Checks: make sure before writing a check from your trust account that the buyer's check cleared since it could be insufficient fund. If the buyer asks you to hold the check until they can deposit funds, you should get a promissory note.

(2) Making a photocopy of the check or consideration for your files is a good business practice.

(3) Promise to pay (promissory note). If a promissory note is used, include the specific date the note is due. Do not use "due at closing", because if the transaction does close the note is not collectable. Make sure you actually prepare a promissory note.

(4) Personal property

(a.) If you receive gold, gems, and coin collections, someone must put a value on the items. Both the buyer and seller must agree to value. If you as the broker are going to retain possession of these type items, you should put them in a safety deposit box. You must complete a notice of opening a trust account and authorization form and send it to the commission.

(b.) Vehicle. If a motor vehicle is used, someone needs to determine value and determine who will retain title and possession.

(c.) Other items: Just like other personal property items, someone needs to determine the value and who will be responsible for retaining possession of the items.

b. MUST include names of buyer and seller, property location, transaction number, date of deposits and disbursements

(1) Transaction Number: How ledger cards are numbered will vary from office to office. If living on state borders (Idaho/ Oregon, Utah, Wyoming) do not include other state transactions in chronological numbering system along with Idaho transaction numbers (i.e. 97-001/97-002, etc.). Do not confuse listing numbers with actual sales transaction numbers. Some offices set up a running "log" of transactions so they have an "on-going" list and know the next transaction # to assign.

(2) Show final disposition of transaction on the ledger card (i.e. closed/fell, etc.) and date

2. Ledger cards to be maintained in alphabetical or transaction number order.

3. Pending transaction ledgers must be separated from closed, rejected, or fallen transaction ledgers

4. When the transaction has closed:

a. Disburse funds out of the trust account

b. Clearly account for funds disbursed

c. Note the final disposition of the transaction on the ledger card (i.e. Closed at ABC Title Company) with the date and zero balance

d. Move the ledger card from "pending" to "closed" section

5. Earnest money held for future transactions or on a back-up offer must be tracked on the ledger card(s)
6. Ledger cards are to be posted up-to-date and correct at all times, with a current balance for each entry.
7. Ledger cards must be retained for the current year plus 3 more years.

II. REAL ESTATE TRUST FUNDS & ACCOUNTS

A. Definition of Trust Account

An account set up by a broker, attorney or other agent at a bank or other approved depository, into which the broker deposits all trust funds entrusted to that broker, attorney, etc. by the principal or others. The trust account must designate the broker as trustee and must provide for withdrawal of the funds upon demand. The broker may also permit a branch manager to have custody and control of trust funds on behalf of the broker for transactions at that specific branch office. However, the broker is ultimately responsible for all funds deposited into that trust account.

B. Purpose of a Trust Account

1. A licensed Idaho real estate broker shall be responsible for all moneys or property entrusted to that broker or to any licensee representing the broker.

2. Immediately upon receipt, the broker shall deposit entrusted moneys in a neutral, qualified trust fund account, and shall properly care for any entrusted property.

3. Only moneys relating to a regulated real estate transaction may be deposited in the broker's real estate trust account.

4. The real estate broker shall remain fully responsible and accountable for all entrusted moneys and property until a full accounting has been given to the parties involved.

C. Deposited in an Approved Depository

1. What is an Approved Depository (section 54-2042)

   a. State or federally chartered bank

   b. State or federally chartered savings & loan

   c. Properly licensed title company

   d. An actively licensed attorney at law

2. Other Entity Approved by Commission – Idaho Central Credit Union

D. Accounting for Funds Held By Others

1. Agreement must state that money is to be held by:

   a. Title companies

      (1) Notice of opening trust account required

      (2) Must be established under broker's business name

      (3) Receipt required (write transaction number on receipt)

      (4) Monthly statement show account balance required.

      (5) Funds must be subject to withdrawal on demand of broker. Some title companies have told brokers that they won't release earnest money until they have a signed release from both the buyer and seller. If this is the case this title company should not be used as a trust account depository. The broker has lost control of entrusted funds.

   b. Other

(1) Attorney (with same provisions as required by a title company)

(2) Seller/Builder (only if released or to be held by seller/builder by written agreement)

2. Obtain a receipt for the funds given to the title company, attorney, seller, builder, etc.. This is one item that the inspector will review when doing an office audit.

a. Receipt must be identified by transaction number so it can be compared to the ledger card.

b. Receipt must be maintained in broker's transaction file

E. Establishing a Trust Account

All funds received by a real estate broker in connection with a real estate transaction shall be deposited into a real estate trust account maintained by the broker at an approved depository.Each trust account shall be established and maintained under the BUSINESS NAME of the broker and be under the FULL CONTROL of that broker, and

1. The trust account must be identified "REAL ESTATE TRUST ACCOUNT".

2. "Notice of Opening a Trust Account" form obtained from Commission office (available online) must be completed, signed by the broker and the official at the depository and returned to Commission.

3. Deposited according to section 54-2045 (1)

a. On or before next banking day, or

b. By a signed written agreement by both parties. Purchase and sale agreements are preprinted to say the funds are to be deposited in trust account "upon receipt" or "upon acceptance" by all parties. (If anything different, be specific, i.e. be specific as to a date and how paid.) The faxed or original signed deposit instructions are to be kept in the transaction file.

F. Interest Bearing Trust Accounts

1. Can Be Used Under These Circumstances:

a. Established by written direction of all parties

b. Clearly stated who will receive interest and, how and when it will be disbursed

c. Notice to Commission (Notice of Opening a Trust Account)

d. Must be deposited in approved depository

e. Deposited on or before the next banking day or by written agreement signed by both parties

f. Must be accounted for in broker's records on ledger cards, and there can be no penalty on principal for withdrawal of funds on demand (as in a certificate of deposit)

2. Always notify Commission when an interest bearing trust account is closed.

G. Commingling of Funds

Section 54-2042, Idaho Code specifically states that "No deposits to the trust account shall be made of funds that belong to the broker or real estate firm" in excess of $300.

1. Examples of commingling:

   a. Rental funds, security deposits, repairs, appraisal fees

   b. Developmental funds (road building)

   c. Earnest money funds not transferred after closing

2. Exceptions to commingling

   a. Maximum $300 for trust maintenance fund

   b. Establish a ledger card titled "Trust Account Maintenance Fund." This ledger is filed with the broker's current "open" ledger cards. Any credits or debits to the trust account fund shall be posted to the ledger card as soon as the bank gives the broker notice of the deposit or deduction. The balance on this ledger card shall be brought current at least monthly. Items that might be included are:

      (1) Monthly service charges

      (2) Returned check fees

      (3) Check printing charges

   c. In no case are maintenance funds to be disbursed for any purpose other than to cover bank charges directly charged to the trust account by the bank.

   d. If you have a listing and are being asked to rent the property until it gets sold and have a management agreement, then any funds that are part of the rent on the property should be made part of the transaction file and tracked in the trust account with a ledger card.

H. Duplicate Deposit Book

(54-2044 (7)) When ordering your duplicate deposit slips, make sure the required information is included and preprinted correctly. (Some offices order TRIPLICATE deposit books)

1. Must be preprinted with the broker's business name and **"Real Estate Trust Account"**

2. Duplicate deposit slips are to be maintained in the deposit book in chronological order

3. Wire Transfers whether incoming or outgoing are not allowed by license law.

4. Information required on deposit slip:

   a. Date of deposit

   b. Name of payor (buyer)

   c. Amount of the earnest money

   d. Transaction number

5. Proof of deposit must be included by means of:

a. Date stamped at bank and/or

b. Receipt attached (to back side of duplicate in bank deposit book)

6. Deposits to be accounted for in broker's records (ledger cards, check register)

I. Real Estate Trust Account Checks

1. (Section 54-2044) Trust account checks must include:

   a. Preprinted and numbered consecutively so that all checks can be accounted for

   b. Include **broker's licensed business name and current business address** (as registered with the Commission)

   c. "Real Estate Trust Account" imprinted on them

   d. Transaction number included on face of check (Whenever a check is written)

2. Voided checks must:

   a. Be maintained in order with other canceled checks or attached to check stubs. They are not to be destroyed

   b. Be marked as "void" in very large letters. It is a good business practice to have the signature line cut off.

   c. Be included on your check register or stubs. Make sure if you use a computer system that voided checks are accounted for on your computer generated check register.

3. Check register required elements

   a. Names, dates, amount, and purpose for deposit or disbursement, check number, transaction number, and current daily balance

   b. Posted up to date, current and correct at all times

J. Reconciliation

1. Purpose of a reconciliation is to verify that the broker is in balance 3 ways:

   (1) check register

   (2) bank statements, and

   (3) ledger cards

2. MUST be completed at least Monthly

3. Proof retained three calendar years after the year in which the event occurred. Suggestion: run an adding machine tape on pending ledger cards and attach to bank statements

4. Excel Form (with instructions) is available on IREC website. This is a great form to use for your reconciliation.

K. Alternate Accounting Methods

1. Computer accounting systems are ok to use but everything is still required as with a manual system. The check register and ledger cards must be printed (hard copy) if requested by the inspector.

2. Ledger cards must include buyer, seller, property location, transaction #, dates and amounts of deposits, disbursements, and final disposition of transaction
3. Check register must include dates and amounts of deposits, disbursements, transaction number and names of buyers/sellers, check #'s, and voided checks, etc. Some computers do not have fields large enough to include all necessary information.

4. Voided checks (posted to register) must show on computer generated check register.

5. Backup is a very important area for the broker to consider. What would be the end result if you didn't have a back up tape and your computer failed?

L. Disbursements From Trust Account

1. No disbursements in advance of closing, unless the funds are disbursed to the closing entity to facilitate the closing. All funds are to be disbursed only in accordance with the terms of the purchase and sale agreement or other written authorization signed by the parties having an interest in such payments, or by court order. (section 54-2046)

2. Commissions: The withdrawal of any portion of the broker's commission shall not take place without written authorization from the seller and buyer or until the closing statements have been delivered to the buyers and sellers and the seller or buyer has been paid the amount due as determined by the closing statements.

   a. Paid from trust account (which is permissible). After closing, some offices deposit the commission checks from the closing company into the trust account and write individual commission checks from the trust account. The amount of the commission check is entered on ledger card and all disbursements for that transaction are noted specifically on that ledger card, OR

   b. Paid from general account (which is also permissible). The trust account is easier to reconcile if done this way.

   c. Must be withdrawn from the trust account, regardless of whether or not the closing check is deposited into the trust account. Just make sure that those funds are withdrawn from the trust account after the closing. If commissions are left in the trust account, this would be considered "commingling", and cause a problem with your trust account not reconciling at the end of the month.

   d. Remember, the only way a broker can withdraw a commission or any other funds from the trust account prior to closing is if it is agreed to in writing by all parties. Often times, if the amount of earnest money is less than what the broker will receive as a commission, some closing companies will just tell the broker to hold that earnest money. The closing company still includes the amount of earnest money deposited with the broker on the closing statements, but then deducts that amount when the broker's commission check is written. Funds are not to be disbursed until after the actual closing and all funds have been accounted for.

   e. With the appropriate broker authorization, commission checks can be paid by the closing company directly also to the individual agents.

   f. A transaction is closed when all funds are disbursed and accounted for in ledger cards, check register, etc.

   g. Forfeited earnest money: It is very important for the purchase and sale agreement to

include a provision for how earnest money will be handled should the transaction not close and those trust funds become forfeited earnest money. Most forfeiture clauses are preprinted on your purchase and sale agreement.

M. Disputed Earnest Money

No matter how careful you try to be, sometimes a transaction will end up with disputed earnest money. This is one of the more common types of complaints received at the Real Estate Commission. (Refer to section 54-2047.)

1. The purchase and sale agreement is an agreement in writing between the buyer and seller. If the earnest money is in dispute because one or both parties have breached the contract, then the first thing a broker may want to do is attempt to get a written agreement signed by the buyer and seller on how the earnest money funds should be disbursed, thereby releasing the broker from the custody of the funds. The broker may rely on the wording of the forfeiture clause to attempt to disburse the funds.

   a. If the broker makes the decision on how the disputed earnest money is to be disbursed:

      (1) Document the decision. The broker needs to keep accurate documentation in the file on how and why the funds were disbursed.

      (2) Then the broker must account for the money disbursed by proper posting to the ledger cards, check register, transaction file, etc.

   b. If the broker is unable to satisfactorily disburse the funds, then the broker may hold the disputed money until the parties to the transaction agree on how the disputed money is to be disbursed. However, the broker can send the case to:

      (1) An interpleader

      (2) Small claims court (if $5,000 or less), or

      (3) Funds can be held until the broker is ordered by the courts to disburse

2. Remember that all parties need to be kept informed of the broker's actions

3. (For further clarification, you may want to refer to IREC Guideline #14, which is available from the Commission office or website.)

N. Returned/Unclaimed Earnest Money

If unable to locate the buyer or seller contact the "Unclaimed Property" Department of the State Tax Commission.

III. RETENTION OF TRANSACTION RECORDS

A. Responsible Broker

Responsible broker, whose name is clearly indicated on the purchase and sale agreement, is responsible for the closing and maintaining the original or true copies of:

1. Documents pertaining to the transaction. These must be kept for the current year plus three years at these location(s):

   a. Files and records for transactions negotiated through the main office will be maintained in the broker's main office at all times.

b. Files and records for transactions negotiated through a licensed branch office will be maintained at the branch office.

c. The broker will maintain all files and trust account information for any “store-front” offices in the main office.

d. The Commission needs to know how and where all the records are being maintained

2. Files must be maintained in alphabetical order by the buyer’s name, seller’s name, or street address; or maintained in numerical order by the transaction number

3. Records and files must be kept current

B. Document Maintenance and Retention

1. Accepted offers must be retained for the current year plus three years

2. All written offers that are rejected or withdrawn, etc., must be clearly marked and dated as such and retained by the responsible broker for the current year plus three years

3. Countered offers will be kept together with the purchase and sale agreement (not scattered helter-skelter throughout the file). Organize your files.

4. Superseded offers should be legibly marked as such (then mark the prior offers as rejected/fallen)

5. Fax copies should be kept with the original (fax from buyer and another fax from seller, attached to original of fax so you can promptly see if you have all your necessary signatures and dates)

C. Responsible Broker’s Transaction File Contents

1. The original or true copies of the signed purchase and sale agreement

2. Buyer/Seller representation agreements, Consent to Limited Dual Agency agreements, or Consent to Limited Dual Agency with Assigned Agents

3. Addendums, extensions, counter offer forms

4. Power of Attorney or other authority

5. Receipts for consideration DEPOSITED OR TRANSFERRED to others

6. Signed copies of closing statements

7. Other items required by law (not under the jurisdiction of the Commission)

a. Property Condition Disclosure form (effective 7/1/94, mandated by legislature)

b. Lead-Based Paint Disclosure (required by EPA)

c. Others?

IV. OTHER ITEMS

A. Real Estate Licenses

1. A brokerage is not required to obtain, display, or possess a physical license certificate as evidence of the individual’s active licensure; however, the Commission may make license certificates available for a fee as authorized by this chapter. A brokerage shall not display or otherwise make available to the public a license certificate for any individual who does not hold an active license with the brokerage.

B. Notice of License Change Forms

1. **Signed** (licensee and broker, if applicable) & Proper Fees

2. If the change is a business name change or business address change, or a change of designated broker (something that affects all licensees) include a list of the associates

3. Returning forms for signatures or completion and/or requesting missing documentation results in delays in processing changes

4. A sales associate who terminates his licensed association with a broker shall provide the broker written notice of the termination no later than three business days after the effective day.

5. A broker who terminates a sales associate shall provide written notice of the termination to the associate no later than three business days after the effective date.

6. A licensee's written notice to the commission does not relieve him of the duty to provide written notice to the other licensee that he is terminating the relationship.

7. The broker shall notify the commission in writing within 10 business days of the termination of an associate for cause.

C. New License Applications

1. **Signed** (applicant & broker)

2. Education required, pass Examination, & Experience required

3. Errors & Omission Insurance

4. Litigation Question

5. Fingerprinting

D. License Renewal

1. Signed by applicant (on-line renewal available) & Proper Fees

2. Continuing Education Verification on Renewal Form

   a. Active Licenses EFFECTIVE July 1, 2003 and after = One CE COMMISSION CORE COURSE, PLUS16 elective course hours

   b. The CE Commission Core Course is a specific course developed by IREC each July 1. **It is recommended that licensees take the Commission Core Course every year. You can take two Commission Core courses over your two years of license renewal. One will count as the required Core course and the other will be counted as elective credit.**

   c. The CE Exam is not required for Live courses, but is required for all other forms of continuing education (video, audio, Internet, etc.) The exam must be a proctored exam to get credit for any for of distance learning.

   d. **DO NOT WAIT to complete CE until the last month prior to your renewal.** You can take CE anytime from the time you are licensed until your renewal date. Once you have completed the first renewal period you then have 2 years to complete your continuing education requirements. Take it early!

3. Continuing Education changes & Clarifications:

   a. Licensee shall not submit a renewal application on active status before first having obtained the CE credit hours required by the Commission.

   b. A licensee who violates this shall be subject to displinary action.

   c. Commission may request satisfactory proof of CE compliance from any licensee who has certified that he has completed the requirement.

   d. This request shall state the time the proof must be received at the commission office which shall not be less than ten business days.

   e. Failure to submit satisfactory proof to completing the CE requirements to the Commission may subject licensee to have his license inactivated by the Commission. He shall not be entitled to reactivate the license unless and until he provides the Commission satisfactory proof of meeting CE requirements.

   f. Where an application to renew an active license has been granted, but it is later determined that the licensee did not meet the CE requirements for an ACTIVE license, inactivation is appropriate. There will also be the possibility of civil fines.

   g. Licensee has a duty to keep satisfactory proof of successful completion of the CE requirements and shall submit such at the request of the Commission

4. This proof must be 'satisfactory proof' which shall consist of the following documentation:

   a. Identify the licensee, title of course or challenge exam, course certification number, course provider, number of classroom hours, the completion date of the course or exam to include:

      (1) Transcript of course

      (2) Letter from provider verifying successful completion or course completion certificate.

      (3) Identifying course certification approval number to establish the course is approved for CE credit.

      (4) The Commission may, in its sole discretion, accept alternative documentation.

5. CE Auditing Program–Since the licensee now "self-certifies" that they have completed the required education on their renewal and activation forms rather than submitting actual course completion certificates at renewal time, the Commission implemented an "audit" program in which licensees are selected to provide their education records to prove their continuing education compliance. Failure to provide the required proof can result in the immediate inactivation of the license, and may subject the licensee to disciplinary action including suspension and civil fines.

6. <u>Errors & Omissions Insurance</u> (either the group plan offered from IREC or independent coverage)

   a. Minimum E&O Coverage Requirements: See rules 117-122, and 54-2013, Idaho Code.

   b. Effective September 1, 2002, active licensees no longer are required to submit the insurer-signed Certificate of Coverage when licensing or renewing. Instead, licensees will now "self-certify" that they have the required E&O coverage by completing the relevant portion of the license application form. The licensee self-certification is subject to audit. (This procedure is similar to that being used with the new Continuing Education self-certification process.)

   c. Under the new E&O rules, licensees are still required to obtain and keep a "Certificate of Coverage, signed by an authorized agent or employee of the insurance carrier, reflecting proof of insurance meeting the requirements established by the Commission. Upon request by the Commission the licensee shall produce for inspection the Certificate of Insurance."

7. Litigation question answered

E. Illegible or Incomplete Forms

Forms that are illegible, incomplete or not accompanied by the proper attachments may be returned for completion and delay the effective date of the application or change.

F. IREC Online Services

1. Licensees can do the following services online at
   https://www.accessidaho.org/secure/irec/licensing/services.html

   a. Renew their real estate license up to 90 days before your license expiration date and up to one year after the expiration date with a late fee and possible affidavit

   b. Change home address

   c. Register for an IREC course (BCOO, CE Pilot Program, Train the Trainer)

   d. Check posted real estate education records

   e. Search licensee database records

   g. Print a license certificate on their computer

2. Designated Brokers can *additionally*:

   a. Make changes to their company and all their associates

   b. Add a new associate to their office

   c. Remove associates

G. Audit Violations

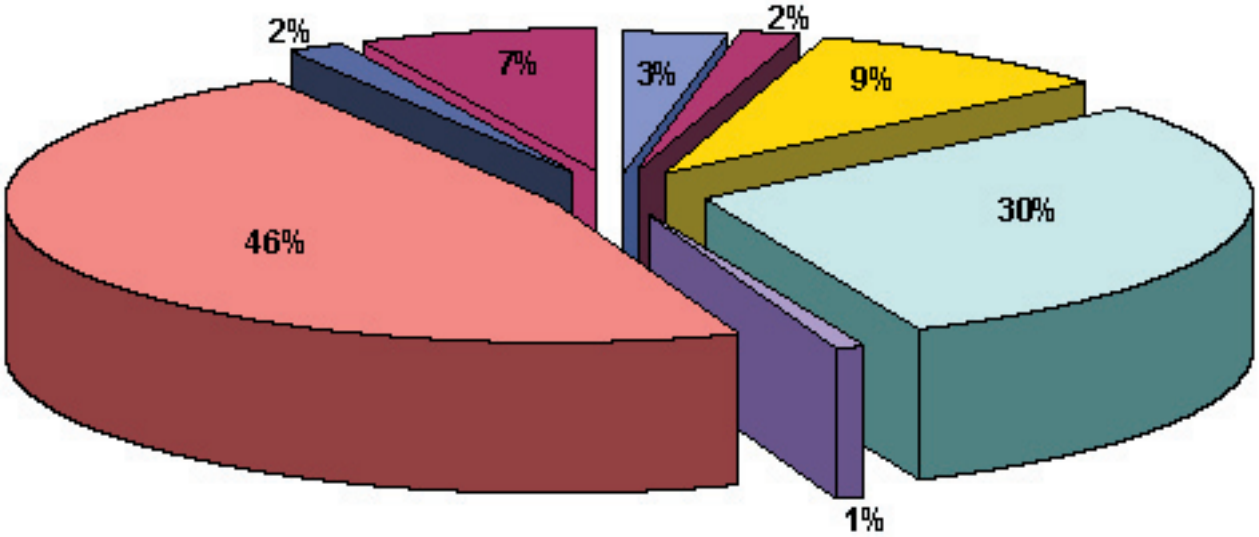
Listed here are the violations found in office audits. These do not include any formal actions that are handled separately.

2006-2007 INSPECTION STATISTICS

H. Violation Citation Program

The intent of the Citation Program is to motivate the broker to take care of the administrative issues required by license law. During the Inspector's audit of an office, if certain numbers and types of License Law or rule violations are noted within a category, the inspector will write the designated broker a citation for those violations which will carry a mandated civil fine.

The Inspector will continue to assist the broker with understanding the requirements of the various laws and rules, however, if excess numbers of violations are noted, the broker will be given a Citation that will disclose the specific violation and the amount of the civil fine. The amount of civil fines range from $10 to $75 for the following categories: Licensing; Failure to Account for Funds; Commingling;



- Failure to Account - 3%
- Commingling - 2%
- Listings/Offers to Purchase - 9%
- Agency Disclosure - 30%
- Display of License - 1%
- Record Keeping - 46%
- Closing Statements - 2%
- Trust Accounting - 7%

Unauthorized or conversion of Trust Funds; Trust account deposits & checks; trust account check register and reconciliation; trust ledgers; transaction records; agency and agency disclosures; and broker supervision and office operations. The Commission also publishes a list of licensees who have been issued citations in *The Real Estatement*.

I. Honor Roll

For those who qualify with no audit violations, an Honor Roll is published in the Real Estatement.

J. Written Notice of Legal Action

54-2062. Additional Grounds for Disciplinary Action–Other Administrative Actions–Licensee to Report to Commission.

1. The Commission may also take any disciplinary action, including, but not limited to, suspension or revocation of a license where the licensee:

   a. Has an order or determination of debarment, suspension, or any limitation on participation in government loan programs issued against the licensee for misconduct; or

   b. Has a license, issued by another jurisdiction, suspended or revoked for a disciplinary violation involving fraud, misrepresentation, or dishonest or dishonorable dealings. A certified copy of the order of the administrative agency in the other jurisdiction shall be prima facie evidence of the suspension or revocation.

2. A licensee against whom a final administrative action has been taken as described in subsection (1) of this section, shall, within twenty (20) days of such action, forward to the Commission a copy of the legal document evidencing the same.

K. Branch Managers must be Brokers

1. All managers of licensed branch offices must now be licensed at the broker level, rather having a salesperson's license plus two years experience.

2. All persons applying to be branch office manager must have taken, within the past five years, an approved "Business Conduct and Office Operations Course (BCOO).

L. New Designated Broker and Out of State Brokers Requirement

1. All persons applying to be a designated broker must have taken, within the past five years, an approved "Business Conduct and Office Operations course (BCOO).

2. Out of state brokers will no longer be exempt from the requirement to take the "Business Conduct and Office Operations Course" (BCOO).

M. Broker Supervision

1. The Designated Broker must be available to adequately supervise the day-to-day activities of the sales associates and unlicensed personnel in the real estate office. Brokers are fined for inadequate broker supervision for:

   a. Allowing unlicensed associates to work when a license has expired, and not renewed in a timely manner.

   b. Allowing a new licensee to work prior to the license actually being approved.

c. Not notifying the Commission in writing if the broker will be gone for 21 days or more, or for not designating a new broker (and changing all licenses accordingly) if gone more than 60 days.

2. Brokers are ultimately responsible for what happens in the real estate office

V. IREC GUIDELINES

(Also available on the Commission's web site at www.irec.idaho.gov)

#1 Cancellation or Withdrawal of Listings
#2 Out-of-State Real Estate Agents Acting in Idaho
#3 Regular Employee Status Determination
#4 (reserved)
#5 Disclosure of Transaction Fees – When Required
#6 Guaranteed Sales Plans
#7 Guidelines for "Suspended" Brokers
#8 Approved Escrow Holders
#9 Terms Under Which Rental or Lease Fees May Be Split with Nonlicensed Persons
#10 Splitting Fees with Nonlicensed Persons Prohibited
#11 Offices with Similar Business Names Operating at the Same Address
#12 Offering Incentives to Potential Buyers
#13 Reserved
#14 Disputed Earnest Money
#15 Establishing Real Estate Trust Accounts
#16 Presentation of Multiple Offers by the Listing Agent
#17 Use of Unlicensed Assistants and Office Staff
#18 (reserved)
#19 Signatures and the Use of Counteroffer Forms
#20 (withdrawn)
#21 Telephone Solicitation
#22 Auctioneers of Real Estate
#23 (reserved)
#24 Licensees' Personal Transactions To Be Conducted Through A Responsible Broker

IDAHO REAL ESTATE COMMISSION
Guideline #1
Rev. 7/00

CANCELLATION OR WITHDRAWAL OF LISTINGS

The relative rights of an owner or a broker to withdraw or cancel a listing agreement are determined by contract law and court decisions, and the facts in each case bear heavily on the result. As used in this guideline, the term “withdrawal” of a listing means that the contract remains in full force and effect, but the property is no longer marketed or offered for sale by the broker. The term “cancellation” of a listing shall mean that the contract is fully terminated, either with or without the broker’s consent and with or without “good cause” on the part of the seller.

As a general proposition, an owner may, at any time, withdraw from the broker the authority to sell the property (i.e. stop offering it for sale). Some listing agreements specify a penalty for early, unilateral withdrawal of the property from sale by the owner. Even if no penalty is specified in the contract, the courts might award damages to a broker if the seller has acted unreasonably and the broker has acted in good faith.

When an owner cancels a listing agreement (as opposed to withdrawing the property from sale), the seller is essentially “breaking” the contract, even though it may be upheld in court as justifiable. Such a case may occur where the broker had already breached the contract in some manner.

If an agreement cannot be reached between the parties, it would be up to the courts to determine what “damages” (if any) should be awarded to the broker for early, unilateral cancellation of the listing agreement by an owner.

The Idaho Real Estate Commission usually cannot become involved in listing cancellation disputes. In some cases, the owner may legitimately want to cancel a listing agreement because the broker is not making a good effort to market the property. Other times, the broker may not want to release the owner from the listing agreement because the broker suspects that a buyer has been found (very possibly due to the broker’s efforts) and now the seller simply does not want to pay for the services which the seller has received.The Commission does not have any legal authority to determine whether or not a seller=s unilateral cancellation is appropriate.

IDAHO REAL ESTATE COMMISSION
Guideline #2
Rev. 7/03

OUT-OF-STATE REAL ESTATE AGENTS ACTING IN IDAHO

Out-of-state real estate brokers and sales associates who are NOT licensed as a broker or salesperson in Idaho should be aware of the following:

1. They may not enter Idaho to list, show, represent, or inspect Idaho property

2. They may not advertise Idaho property in Idaho.

3. They may not have a sign placed on Idaho property.

4. They may not make initial contact by phone or mail to any potential clients in Idaho.

5. They probably could not sue for a commission if the owner of the property decided not to pay the broker.

6. They could be punished by a fine of up to $5,000 and/or one (1) year in jail if acting as a broker or salesperson in Idaho without a license, and a limited liability company or a corporation could be fined up to $10,000.

This does not prevent an out-of-state broker or salesperson from cooperating with an Idaho broker on the sale of Idaho property. An out-of-state broker or salesperson may accompany an Idaho licensee who is doing any of the above, but may not participate in any activities requiring an Idaho license. In addition, a broker licensed in Idaho may share his/her commission with a broker licensed in another state as compensation for work done by the other broker in the other state.

The pertinent sections of the *Idaho Real Estate License Law and Rules* are the following:

1. 54-2002. Licensure Required.
2. 54-2004. Definitions.(1), (2), (5), (7), (14), (21), (22), (23), (29), (30), (32), (33), (34) and (36).
3. 54-2054. Compensation, Commission and Fees-Prohibited Conduct. (1), (2), (3), (4), and (8).
4. 54-2058. Authority to Investigate and Discipline. (1)
5. 54-2064 Proof of Complaint-Prosecution by County Prosecuting Attorney.
6. 54-2065. Penalty for Acting as a Broker or Salesperson Without License.

IDAHO REAL ESTATE LICENSE LAW

54-2002. Licensure Required.
No person shall engage in the business or act in the capacity of real estate broker or real estate salesperson in this state without an active Idaho real estate license therefore. Unless exempted from this chapter, any single act described within the definitions of “real estate broker” or “real estate salesperson” shall be sufficient to constitute “engaging in the business” within the meaning of this chapter. Any person who engages in the business or acts in the capacity of real estate broker or salesperson in this state, with or without an Idaho real estate license, has thereby submitted to the jurisdiction of the state of Idaho and to the administrative jurisdiction of the Idaho Real Estate Commission, and shall be subject to all penalties and remedies available under Idaho law for any violation of this chapter.

54-2004. Definitions.
(1) “Active license” means the status of a real estate license that has not been inactivated, expired, terminated, suspended or revoked.

(2) “Associate broker” means an individual who has qualified personally as a real estate broker in Idaho under this chapter, but is licensed under, associated with and represents a designated broker in the performance of any act described in subsection (29) of this section.

(5) “Brokerage company” means a real estate business, whether a sole proprietorship, a legal entity, or any other licensed person engaged in acts requiring a real estate license in Idaho, and which is conducting or holding itself out as conducting the business of real estate through a designated broker.

(7) “Business opportunity” means and includes an established business, good will of an established business, or any interest therein, or any one (1) or combination thereof, where a sale or transfer of an interest in land including, but not limited to, an assignment of a lease, is involved in the transaction.

(14) “Designated broker” means an individual who is licensed as a real estate broker in Idaho and who is designated by the brokerage company to be responsible for the supervision of the brokerage company and the activities of any associated licensees in accordance with this chapter.

(21) “Legal business entity” means and includes any type of corporation, partnership, limited liability company or limited liability partnership, a governmental entity, trust or other entity capable of conducting business.

(22) “Licensee” means any person who is licensed in accordance with this chapter to engage in the business or act in the capacity of real estate broker, associate broker or real estate salesperson.

(23) “Limited broker” means a broker individually qualified to do business in Idaho, but who may not have associate brokers or salespersons licensed with that broker.

(29) “Real estate broker” means and includes:

(a) Any person other than a real estate salesperson, who, directly or indirectly, while acting for another, for compensation or a promise or an expectation thereof, engages in any of the following: sells, lists, buys, or negotiates, or offers to sell, list, buy or negotiate the purchase, sale, option or exchange of real estate or any interest therein or business opportunity or interest therein for others.

(b) Any actively licensed broker while, directly or indirectly, acting on the broker’s own behalf;

(c) Any person who represents to the public that the person is engaged in any of the above activities;

(d) Any person who directly or indirectly engages in, directs, or takes any part in the procuring of prospects, or in the ne
gotiating or closing of any transaction which does or is calculated to result in any of the acts above set forth.

(e) A dealer in options as defined in this section.

(30) “Real estate salesperson” or “salesperson” means any person who has qualified and is licensed as a real estate salesperson in Idaho under this chapter, and is licensed under, associated with, and represents a designated broker in the performance of any act described in subsection (29) of this section.

(32) “Reciprocal license” means an Idaho real estate license that is issued pursuant to the terms of a specific, written reciprocal agreement between Idaho and another state or jurisdiction, and that is contingent upon the licensee=s maintaining a license in the other state or jurisdiction.

(33) “Regulated real estate transaction” means those real estate transactions for which a real estate license is required under chapter 20, title 54, Idaho Code.

(34) “Responsible broker” means the designated broker in the regulated real estate transaction who is responsible for the accounting and transaction files for the transaction, in the manner described in section 54□2048, Idaho Code.

(36) “Sales associate” means a salesperson or an associate broker licensed under and associated with a designated broker.

54-2054. Compensation, Commissions and Fees B Prohibited Conduct.
(1) Court action for fee collection. No person engaged in the business or acting in the capacity of real estate broker or salesperson in Idaho shall bring or maintain any action in the courts for the collection of a fee, commission or other compensation for the performance of any acts requiring a real estate license as provided in section 54-2002, Idaho Code, without alleging and proving that such person was an actively licensed broker or salesperson in Idaho at the time the alleged cause of action arose.

(2) Fee--splitting with unlicensed persons prohibited. Unless otherwise allowed by statute or rule, a real estate broker, associate broker or salesperson licensed in the state of Idaho shall not pay any part or share of a commission, fee or compensation received in the licensee's capacity as such in a regulated real estate transaction to any person who is not actively licensed as a real estate broker in Idaho or in another state or jurisdiction. The Idaho broker making the payment to another licensed person is responsible for verifying the active licensed status of the receiving broker. This section shall not prohibit payment of a part or share of a commission, fee or compensation by the broker to a legal business entity, all of whose shareholders, members or other persons having a similar ownership interest are active real estate licensees. An Idaho licensee may pay any part or share of a commission, fee or compensation received, directly to the buyer or seller in the real estate transaction. However, no commission, fee or compensation may be split with any party to the transaction in a manner which would directly or indirectly create a double contract, as defined in this chapter or which would otherwise mislead any broker, lender, title company or government agency involved in the transaction regarding the source of funds used to complete the real estate transaction or regarding the financial resources or obligations of the buyer.

(3) Finder's fees prohibited. Any offer of monetary value, by an Idaho licensee, to any person who is not licensed in Idaho or any state or jurisdiction, made for the purpose of inducing such unlicensed person to secure prospects to buy, sell, option, or otherwise dispose of an interest in real property shall be considered to be splitting fees with an unlicensed person, and is prohibited.

(4) Interference with real estate brokerage agreement prohibited. It shall be unlawful for any person, licensed or unlicensed, to interfere with the contractual relationship between a broker and a client. Communicating a company's relocation policy or benefits to a transferring employee or consumer shall not be considered a violation of this subsection so long as the communication does not involve advice or encouragement on how to terminate or amend an existing contractual relationship between a broker and client.

(8) After-the-fact referral fees prohibited. It shall be unlawful for any person to solicit or request a referral fee or similar payment from a licensed Idaho real estate broker or sales associate, for the referral of a buyer or seller in connection with a regulated real estate transaction, unless the person seeking the referral fee has reasonable cause. "Reasonable cause" shall not exist unless:

> (a) The person seeking the referral fee has a written contractual relationship with the Idaho real estate broker for a referral fee or similar payment; and
>
> (b) The contractual relationship providing for the referral fee exists at the time the buyer or seller purportedly referred by such person signs a written agreement with the Idaho broker for the listing of the real estate or for representation by the broker, or the buyer signs an offer to purchase the real estate involved in the transaction. It shall be unlawful for any person including, but not limited to, a relocation company or company with a relocation policy or benefits, to directly or indirectly threaten to or actually reduce or withhold promised or expected employee or customer relocation benefits from a buyer or seller in a regulated real estate transaction based upon a broker's participation in payment of a referral fee or other fee.

54-2058. Authority to Investigate and Discipline.
(1) General authority to investigate. The Commission may investigate the action of any person engaged in the business or acting in the capacity of real estate broker or salesperson within the state of Idaho, or any person believed to have acted as a real estate broker or salesperson without a license in violation of section 54-2002, Idaho Code. Upon receipt of a written complaint from anyone who claims to have been injured or defrauded as a result of such action, or upon information received by the Executive Director, the Executive Director shall perform an investigation of the facts alleged against such real estate broker or salesperson or such unlicensed person. Prior to the initiation of any proceedings for the revocation or suspension of a license, or for such other disciplinary actions as set forth in section 54-2059, Idaho Code, the Executive Director shall transmit to the Commission a report, in writing, signed by the Executive Director, setting forth the facts alleged against such real estate broker or salesperson or unlicensed person. Upon receiving such report, the Commission

shall make an examination of all the facts and circumstances connected with such report. If the facts set forth in the report are deemed insufficient by the Commission, no further action shall be taken, unless the Executive Director resubmits the report with additional facts supporting the filing of an administrative complaint. Should the Commission deem that the facts set forth in the report are sufficient to proceed with a formal action, the Commission shall authorize the filing of an administrative complaint against such person. A person is acting "within the state of Idaho" if that person is dealing with any interest in real property or a business opportunity involving an interest in real property, which is situated in this state, or is conducting or attempting to conduct or solicit real estate business with residents of the state of Idaho.

54-2064. Proof of Complaint B Prosecution by County Prosecuting Attorney.
The Commission may prefer a complaint for violation of any section of this chapter before any court of competent jurisdiction. It shall be the duty of the prosecuting attorney of each county in the state to prosecute all violations of the provisions of this chapter in their respective counties in which the violations occur.

54-2065. Penalty for Acting as a Broker or Salesperson Without License.
Any person acting as a real estate broker or real estate salesperson within the meaning of this chapter without a license as herein provided shall be guilty of a misdemeanor and, upon conviction thereof, if a natural person, be punished by a fine of not to exceed five thousand dollars ($5,000), or by imprisonment in the county jail for a term not to exceed one (1) year, or by both such fine and imprisonment in the discretion of the court or if a limited liability company or corporation, by a fine of not to exceed ten thousand dollars ($10,000). Additionally, the court may assess a civil penalty against a natural person in an amount not to exceed five thousand dollars ($5,000), and against a limited liability company or corporation, in an amount not to exceed ten thousand dollars ($10,000). All civil penalties shall be credited to the special real estate fund.

IDAHO REAL ESTATE COMMISSION
Guideline #3
Rev. 7/93

REGULAR EMPLOYEE STATUS DETERMINATION

1. Federal income tax is withheld from the employee's regular paycheck and paid to the federal government by the employer.

2. State income tax is withheld from the employee's regular paycheck and paid to the state government by the employer.

3. Social Security (FICA) tax is withheld from the employee's regular paycheck and that plus the contribution from the employer is paid to the Internal Revenue Service by the employer.

4. Workman's Compensation Insurance is paid by the employer to the State Insurance Fund or private insurance company on behalf of the employee.

5. State Unemployment Insurance is paid by the employer to the State Department of Employment on behalf of the employee.

6. Employee is covered by state or federal minimum wage laws.

Note: These criteria are considered by the Commission in determining whether or not a person is a "regular employee" as that term is used in the *Idaho Real Estate License Law and Rules*.

IDAHO REAL ESTATE COMMISSION
Guideline # 5
Eff. 5/15/03

DISCLOSURE OF TRANSACTION FEES – WHEN REQUIRED

The Commission has received questions concerning the circumstances under which a brokerage is required to disclose, to all parties, the fact that it is charging or receiving a transaction fee. The inquiries pertain to the application of Section 54-2054(7), Idaho Code.

This provision requires that, whenever the brokerage is receiving "compensation" "from more than one party" (e.g., when the brokerage is receiving compensation from both the buyer and the seller), the brokerage must make a "full disclosure in writing" "to all parties."

When Disclosure Is Required.

The statute's disclosure requirement is triggered **only** where the brokerage is going to receive compensation from the buyer **and** the seller. If the broker is being paid by **only one** of the parties, then disclosure is **not** required.

The brokerage's agency (and non-agency) relationships have no direct bearing on the application of the statute. If the broker is receiving compensation from both the buyer and the seller, the broker is required to make the disclosure, regardless of whether the broker is representing both parties (e.g., in-house transaction), or whether the broker is representing only one party (e.g., the other party is working with or being represented by a different broker).

The following scenarios demonstrate how the statute is applied:

A. The listing broker is getting a portion of the brokerage fee from the seller and a transaction fee, also from the seller. Because the listing broker is receiving compensation from only one party to the transaction, the disclosure requirement does NOT apply.

B. The listing brokerage is getting a transaction fee from the buyer (even though the buyer is represented by another office), and the listing brokerage is also getting a portion of the brokerage fee from the seller. Because the listing brokerage will be receiving compensation from each party, the listing brokerage IS required to make the written disclosure to all parties.

C. The listing broker is not the buyer's broker. The listing broker receives only a portion of the brokerage fee from the seller (as provided in the MLS agreement), and charges no fee to the buyer. However, the buyer's broker receives a portion of the brokerage fee from the seller, and also receives a transaction fee from the buyer. Because the buyer's broker is receiving compensation from the buyer (transaction fee) and the seller (portion of the brokerage fee), **the buyer's broker must make the disclosure to all parties.** However, because the listing broker is receiving compensation from the seller only, the listing broker is NOT required to make the disclosure.

D. The buyer's broker receives a portion of the brokerage fee from the seller (as provided in the MLS agreement), and charges no other transaction fee or commission to the buyer. The same broker enters a separate agreement with the buyer to provide additional services outside of the purchase and sale transaction, e.g., as a professional consultant/representative for the buyer in the planning a zoning permitting process, or as a property manager. The statute would NOT be triggered, and the broker would NOT have to disclose that he is receiving compensation from outside consulting services or property management services. Although the broker clearly is charging/accepting "compensation" from someone who is a party in the transaction, that compensation is not being charged/accepted "in the one (1) transaction," but for services performed outside of the transaction.

Form and Content of the Disclosure

Where disclosure is required, it must be made "in writing." There is no requirement that it be made in any particular form, or contained in any particular document. Whatever form is used, the Commission strongly advises the broker to obtain the parties' initials or signatures and dates to document that the required disclosure was in fact made.

The statute does not dictate the contents of the disclosure and the Commission prescribes none. However, for audit purposes, the Commission will deem the requirement satisfied by a written statement, provided to and acknowledged by

both parties, containing the following: “In this transaction, this brokerage will be receiving compensation in the form of a commission and/or transaction fee from both the Buyer and the Seller.”

IDAHO REAL ESTATE LICENSE LAW

54-2054. Compensation, Commissions and Fees – Prohibited Conduct.
(7) Compensation from more than one party. No licensed real estate broker or salesperson shall charge or accept compensation from more than one (1) party in any one (1) transaction, without first making full disclosure in writing of the broker’s intent to do so, to all parties involved in the transaction.

IDAHO REAL ESTATE COMMISSION
Guideline #6
Rev. 1/04

GUARANTEED SALES PLANS (GSPs)

A "guaranteed sales plan" (GSP) is defined as a written agreement between a broker and a seller whereby the broker agrees to purchase the seller's property within a specified period of time and at a specified price if the property is not sold in accordance with the terms of the listing or on other terms acceptable to the seller.

This Guideline is intended to advise licensees how to advertise GSP's without being misleading or creating misunderstanding.

1. No broker should offer any GSP or enter into any GSP unless the broker has adequate financial resources to meet the commitment. A broker offering a GSP should, if requested, provide to the seller proof that the broker has sufficient financial resources to satisfy his/her commitment.

2. Every Guaranty Sales agreement should be in writing and contain all of the conditions and other terms under which the property is guaranteed to be sold or purchased, including the charges or other costs for the service or plan, the price for which the property will be sold or purchased and the approximate net proceeds the seller may reasonably expect to receive.

3. A GSP should include a provision clearly stating that the broker's obligation to purchase property is enforceable only at the option of the seller.

4. A broker offering a GSP should give good market exposure to each property covered by any such plan, and shall present to the seller all offers received for each property, up to and until the time of closing of the guaranteed sale.

5. Advertising. A broker offering a GSP is free to advertise and promote the plan as a service of the broker available to sellers who qualify. However, a broker may NOT advertise the plan in a manner that is likely to mislead the seller to believe that the plan is available without restriction or costs, unless the plan is indeed available without restriction or costs. Any advertisement of a GSP should include a conspicuous statement advising prospective sellers that if the seller is eligible, costs and restrictions will apply (unless none do), and advising the seller to inquire of the licensee as to the terms of the GSP.

6. Disclosures. Prior to taking any listing a broker offering a GSP should provide in writing to the prospective seller all of the details of such plan. These details should include the exact price that the broker will actually pay to purchase the property, or else the precise formula that will be used to determine that price, including an itemization of any and all costs taken into account in determining that price. These details should also include the exact circumstances under which the commitment to purchase will be honored, and the reason(s) for any difference between the listing price and the price which the broker agrees to pay.

7. The broker who advertises a GSP should, prior to taking any listing, advise the seller whether the seller qualifies for the plan, and if so, explain any restrictions, conditions and costs that apply to the seller. The broker is advised to obtain a signed written confirmation from the seller that the terms of the GSP have been explained, and that the seller understands that he does/does not qualify for the plan.

8. Brokers may NOT use a GSP as a misleading advertisement or as a false inducement to obtain a listing. A broker advertising a GSP, or any other product or service, should be familiar with the state laws protecting consumers from unfair and misleading advertising, namely, section 54-2053(4) of the Idaho Real Estate License Law, and the Attorney General's Rules of Consumer Protection. Excerpts from these advertising laws are set forth below.

Idaho Real Estate License Law.
Section 54-2053(4) of the Real Estate License Law provides:
No advertising shall provide any information to the public or to prospective customers or clients which is misleading in nature. Information is misleading if, when taken as a whole, there is a distinct probability that such information will deceive the persons whom it is intended to influence.

Idaho Rules of Consumer Protection:
The Attorney General's Office has promulgated comprehensive *Rules of Consumer Protection*. Although many of the Rules deal with specific products (e.g., automobiles), there are some general rules defining and prohibiting unfair and deceptive practices, including "bait and switch" practices. Violations of the *Rules of Consumer Protection* are pursued by the Office of Attorney General; however, those Rules may provide useful guidance to the Commission in determining whether a particular advertising practice is "misleading" within the meaning of the License Law

.Subchapter E, Rule 50, of the Consumer Protection Rules states that, "It is an unfair and deceptive act or practice for a seller to engage in bait-and-switch sales tactics." "Bait and switch" is defined to mean:

Advertising goods or services with the intent not to sell them but to lure the consumer to the seller's place of business and then switch the consumer from buying the advertised goods or services to other or different goods or services on a basis more advantageous to the seller.

The Rules regarding "bait and switch" further provide:

051. INITIAL OFFER (Rule 51).
It is an unfair and deceptive act or practice for a seller to create a false impression of the grade, quality, quantity, make, value, age, size, color, usability, availability, or origin of the goods or services offered, or which may otherwise misrepresent the goods or services in such a manner that later, on disclosure of the true facts, there is a likelihood that the consumer may be switched from the advertised goods or services to other goods or services. Even though the true facts are subsequently made known to the consumer, Subchapter E is violated if the first contact or interview is secured by a bait-and-switch offer.

052. DISCOURAGEMENT OF PURCHASE OF ADVERTISED MERCHANDISE (Rule 52).
It is an unfair and deceptive act or practice for a seller to discourage the purchase of the advertised goods or services as part of a bait-and-switch scheme to sell other goods or services. For example, among acts or practices which will be considered in determining if an advertisement is a bona fide offer are:

01. Refusal To Show. The refusal to reasonably show, demonstrate, or sell the goods or services advertised or otherwise offered in accordance with the terms of the initial offer.

02. Disparagement. The disparagement by acts or words of the advertised goods or services or disparagement with respect to the guarantee, credit terms, availability of service, repairs, or parts, or in any other respect, in connection with the advertised goods or services.

03. Availability. The failure to have available at all outlets listed in the advertisement a sufficient quantity of the advertised goods or services to meet reasonably expected public demand, as defined in CPR 103, unless the advertisement clearly and conspicuously discloses that the supply of a particular good is limited and/or the goods or services are available only at designated outlets, or unless the advertisement discloses that a particular good is to be closed out or offered for a limited time. Issuing of "rain checks" of goods or offering comparable or better goods at the sale price will be considered a mitigating circumstance, unless there is a pattern of inadequate inventory or the inadequate inventory was intentional.

04. Refusal To Take Orders. The refusal to take orders for the advertised goods or services to be delivered within a reasonable period of time.

05. Showing Impractical Goods Or Services. The showing or demonstrating of goods or services which are defective, unusable, or impractical for the purpose represented or implied in the advertisement.

06. Compensation Plans. The use of a sales plan or method of compensation for salesmen which is designed to prevent or discourage them from selling the advertised goods or services. This does not prohibit compensating salesmen by use of a commission.

053. SWITCH AFTER SALE (Rule 53).In the event of a sale of the advertised goods or services, it is an unfair and deceptive act or practice for a seller to attempt to "unsell" the advertised goods or services with the intent and purpose of selling other goods or services in their stead, except when the parties are bargaining for a bona fide trade-in.

054. PATTERN OF CONDUCT (Rule 54). The fact that a seller occasionally sells the advertised goods or services at the advertised price shall not constitute a defense to a charge that the seller has engaged in bait-and-switch tactics.

055. LEADER ITEMS (Rule 55).Nothing in Subchapter E shall prevent a seller from advertising goods and services with the hope that consumers will buy goods or services in addition to those advertised.

IDAHO REAL ESTATE COMMISSION
Guideline #7
Rev. 7/03

GUIDELINES FOR "SUSPENDED" BROKERS

Idaho's license laws impose certain duties and consequences upon the salesperson or broker whose license is "suspended" as part of a disciplinary action taken pursuant to the Commission=s "Disciplinary Powers" or "suspended" under the statute's "Automatic Suspension" provisions. This Guideline is intended to outline those duties and consequences. (This Guideline is not intended to address a situation in which the license has "expired" after the license period has elapsed and the license is not renewed.)

1. A person whose license is suspended is in the same position as an unlicensed person. Such person may not engage in any real estate activity that requires a real estate license, e.g., he or she may not list, sell, buy, or negotiate, or offer to list, sell or buy or negotiate the purchase, sale, option or exchange of real estate.

2. The person whose license is suspended may receive compensation during the suspended period only for acts performed during the period in which the person was properly licensed. For example, if the person negotiated a sale during the licensed period, the person may receive payment for performance of those acts even though the sale closes during the suspended period.

3. If the suspended person is a broker, any transaction that is closed during the period of suspension must be finalized by either another broker, an attorney, a title company, or a financial institution.

4. All advertising naming the suspended person, including but not limited to signs on office buildings and on "for sale" properties, must be removed. All evidence of the person's licensure must be removed from public view.

5. If the suspended person is the broker, and if no other broker is designated to act for the brokerage company, the office must be closed during the period of suspension, and the licenses of all associated licensees will be made inactive by the Commission. Telephone service should be canceled, or the telephone must be answered by indicating to all callers that the office is closed due to the suspension of the broker=s real estate license.

6. If the suspended person is the designated broker for a licensed business entity, the law grants the entity ten (10) days to designate a new broker. If no new broker is designated within the statutory period, the license of the entity is terminated, and the licenses of all associated licensees are inactivated by the Commission.

The pertinent sections of the Idaho Real Estate License Law and Rules are the following:

54-2002. Licensure Required.
54-2004. Definitions - (17) "Real Estate Broker" and (18) "Real Estate Salesperson".
54-2039(3). Broker and Branch Office Manager Absences and Changes.
54-2054. Compensation, Commissions and Fees - Prohibited Conduct.
54-2059. Disciplinary Powers.
54-2060. Grounds for Disciplinary Action.
54-2061. Additional Grounds - Court Actions.
54-2062. Additional Grounds - Other Administrative Actions.
54-2074. Automatic Suspension.

IDAHO REAL ESTATE LICENSE LAW

54-2002. LICENSURE REQUIRED.
No person shall engage in the business or act in the capacity of real estate broker or real estate salesperson in this state without an active Idaho real estate license therefore. Unless exempted from this chapter, any single act described within the definitions of "real estate broker" or "real estate salesperson" shall be sufficient to constitute "engaging in the business" within the meaning of this chapter. Any person who engages in the business or acts in the capacity of real estate broker or salesperson in this state, with or without an Idaho real estate license, has thereby submitted to the jurisdiction of the state of Idaho and to the administrative jurisdiction of the Idaho Real Estate Commission, and shall be subject to all penalties and remedies available under Idaho law for any violation of this chapter.

54-2004. DEFINITIONS.
As used in this chapter:(17) "Real estate broker" means and includes:(a) Any person other than a real estate salesperson, who, directly or indirectly, while acting for another, for compensation or a promise or an expectation thereof, engages in any of the following sells, lists, buys, or negotiates, or offers to sell, list, buy or negotiate the purchase, sale, option or exchange of real estate or any interest therein or business opportunity or interest therein for others. (b) Any actively licensed broker while, directly or indirectly, acting on the broker's own behalf;(c) Any person who represents to the public that the person is engaged in any of the above activities;(d) Any person who directly or indirectly engages in, directs, or takes any part in the procuring of prospects, or in the negotiating or closing of any transaction which does or is calculated to result in any of the acts above set forth.(e) A dealer in options as defined in this section. (18) "Real estate salesperson" or "salesperson" means any person who has qualified and is licensed as a real estate salesperson in Idaho under this chapter, and is licensed under, associated with, and represents a designated broker in the performance of acts requiring a real estate license in Idaho.

54-2039. BROKER AND BRANCH OFFICE MANAGER ABSENCES AND CHANGES.
Each real estate brokerage company must have a legally qualified individual acting as designated broker at all times. Each branch office licensed under section 54-2016(4), Idaho Code, shall have, at all times, a legally qualified individual acting as branch office manager. (3) Change of broker in business entity. A license issued to a legal business entity, as defined in this chapter, is effective only as long as the individual designated broker's license is in active status and in effect. If the individual so designated has a license refused, revoked, suspended or otherwise made inactive by the commission, or if the individual designated broker voluntarily surrenders the individual license or ceases to be connected with the entity in the manner required in this chapter, the business entity shall have ten (10) business days in which to designate another qualified individual as designated broker before the entity's license is terminated, and the licenses of all associated licensees are made inactive.

54-2054. COMPENSATION, COMMISSIONS AND FEES - PROHIBITED CONDUCT.
(1) Court action for fee collection. No person engaged in the business or acting in the capacity of real estate broker or salesperson in Idaho shall bring or maintain any action in the courts for the collection of a fee, commission or other compensation for the performance of any acts requiring a real estate license as provided in section 54-2002, Idaho Code, without alleging and proving that such person was an actively licensed broker or salesperson in Idaho at the time the alleged cause of action arose.

(2) Fee-splitting with unlicensed persons prohibited. Unless otherwise allowed by statute or rule, a real estate broker, associate broker or salesperson licensed in the state of Idaho shall not pay any part or share of a commission, fee or compensation received in the licensee's capacity as such in a regulated real estate transaction to any person who is not actively licensed as a real estate broker in Idaho or in another state or jurisdiction. The Idaho broker making the payment to another licensed person is responsible for verifying the active licensed status of the receiving broker. This section shall not prohibit payment of a part or share of a commission, fee or compensation by the broker to legal business entity, all of whose shareholders, members or other persons having a similar ownership interest are active real estate licensees. An Idaho licensee may pay any part or share of a commission, fee or compensation received, directly to the buyer or seller in the real estate transaction. However, no commission, fee or compensation may be split with any party to the transaction in a manner which would directly or indirectly create a double contract, as defined in this chapter or which would otherwise mislead any broker, lender, title company or government agency involved in the transaction regarding the source of funds used to complete the real estate transaction or regarding the financial resources or obligations of the buyer.

54-2059. DISCIPLINARY POWERS -- REVOCATION, SUSPENSION OR OTHERDISCIPLINARY ACTION.
1) The Commission may temporarily suspend or permanently revoke licenses issued under the provisions of this chapter, issue a formal reprimand and impose a civil penalty in an amount not to exceed five thousand dollars ($5,000), and

assess costs and attorney's fees for the cost of any investigation and administrative or other proceedings against any licensee who is found to have violated any section of the Idaho Code, the Commission's administrative rules or any order of the Commission. The executive director may issue informal letters of reprimand to licensees without civil penalty or cost assessment.

54-2060. GROUNDS FOR DISCIPLINARY ACTION.
A person found guilty of misconduct while performing or attempting to perform any act requiring an Idaho real estate broker or salesperson's license, regardless of whether the act was for the person's own account or in his capacity as broker or salesperson, shall be subject to disciplinary action by the Commission. The following acts shall constitute misconduct within the meaning of this section:

(1) Making fraudulent misrepresentations;

(2) Engaging in a continued or flagrant course of misrepresentation or making of false promises, whether done personally or through agents or salespersons;

(3) Failure to account for or remit any property, real or personal, or moneys coming into the person's possession which belong to another;

(4) Failure to keep adequate records of all property transactions in which the person acts in the capacity of real estate broker or salesperson;

(5) Failure or refusal, upon lawful demand, to disclose any information within the person's knowledge, or to produce any documents, books or records in the person's possession for inspection by the commission or its authorized representative;

(6) Acting as a real estate broker or salesperson under an assumed name;

(7) Employment of fraud, deception, misrepresentation, misstatement or any unlawful means in applying for or securing a license to act as a real estate broker or salesperson in the state of Idaho;

(8) Using, proposing to use, or agreeing to use a "double contract" as prohibited in section 54-2054(5), Idaho Code;

(9) Seeking or receiving a "kickback" or rebate prohibited in section 54-2054(6), Idaho Code;

(10) Violation of any provision of sections 54-2001 through 54-2097, Idaho Code, or any administrative rule made or promulgated by the commission or any final order of the commission;

(11) Any other conduct whether of the same or a different character than hereinabove specified which constitutes dishonest or dishonorable dealings;

(12) Gross negligence or reckless conduct in a regulated real estate transaction. Conduct is grossly negligent or reckless if, when taken as a whole, it is conduct which substantially fails to meet the generally accepted standard of care in the practice of real estate in Idaho.

54-2061. ADDITIONAL GROUNDS FOR DISCIPLINARY ACTION -- COURT ACTIONS.
(1) The Commission may also take disciplinary action against a licensee including, but not limited to, suspension or revocation of a license, where, in a court of competent jurisdiction, the licensee:

(a) Has been convicted of a felony, or has been convicted of a misdemeanor involving fraud, misrepresentation, or dishonest or dishonorable dealing or which otherwise demonstrates the licensee's lack of trustworthiness to engage in the real estate business;

(b) Has been declared to lack capacity or to be incompetent or under an infirmity, for the duration of such declaration only;

(c) Has a judgment entered against the licensee in a civil action upon grounds of fraud, misrepresentation, deceit or gross negligence with reference to a real estate-related transaction.

(2) The court's record of conviction, order determining legal competency, or the order entering judgment in a civil case, or certified copies thereof, shall be prima facie evidence of a conviction, or the court's action.

54-2062. ADDITIONAL GROUNDS FOR DISCIPLINARY ACTION -- OTHER ADMINISTRATIVE ACTIONS.
The Commission may also take any disciplinary action, including, but not limited to, suspension or revocation of a license where the licensee:

(1) Has an order or determination of debarment, suspension, or any limitation on participation in government loan programs issued against the licensee for misconduct; or

(2) Has a license, issued by another jurisdiction, suspended or revoked for a disciplinary violation involving fraud, misrepresentation, or dishonest or dishonorable dealings. A certified copy of the order of the administrative agency in the other jurisdiction shall be prima facie evidence of the suspension or revocation.

54-2074. AUTOMATIC SUSPENSION OF BROKER'S, ASSOCIATE BROKER'S OR SALESPERSON'S LICENSE ON PAYMENT BY COMMISSION -- CONDITION FOR LICENSE REINSTATEMENT.
If, pursuant to court order, the Commission pays from the recovery fund any amount in settlement of a claim or towards satisfaction of a judgment against a licensed broker, associate broker or salesperson, the license of such broker, associate broker or salesperson shall be automatically suspended without further order of the Commission upon the effective date of any order by the court as set forth herein authorizing payment from the recovery fund. No such broker, associate broker or salesperson shall be granted reinstatement until he has repaid in full, the amount so paid from the recovery fund plus interest at the legal rate of interest allowable by law for judgments.

IDAHO REAL ESTATE COMMISSION
Guideline #8
Rev. 7/03

APPROVED ESCROW HOLDERS

The following entities are "approved escrow depositories" within the context of Idaho Code, section 54-2042(1) and (8) of the Idaho Real Estate License Law and Rules:

1. A state or federally chartered bank and/or trust company;
2. A state or federally chartered savings and loan;
3. A properly licensed title company;
4. An actively licensed attorney at law;
5. Other entities specifically approved by the Commission:

Any other entity wishing to be considered as an "approved escrow depository" should submit the following information:

1. Corporate financial structure;
2. Amount and terms of errors and omissions insurance and any bonding;
3. Copy of last audit and financial statement;
4. If the entity or person is regulated (or has been issued some type of license), send a copy of that license or certificate;
5. Any other information which will help the Commission make its determination.

The broker is responsible for all entrusted funds, regardless of where they are deposited. Refer also to Guideline #15 on establishing real estate trust accounts.

IDAHO REAL ESTATE LICENSE LAW

54-2042. Creation Of Noninterest-bearing Trust Accounts-Requirements.
A broker may establish one (1) or more real estate trust accounts but each account must meet all requirements of this chapter, including the following:

(1) Each trust account must be established at an approved depository and must be noninterest-bearing, except as allowed in section 54-2043, Idaho Code, or as otherwise may be provided by law. Approved depositories are state or federally chartered banks and trust companies, state or federally chartered savings and loan associations, properly licensed title insurance companies in Idaho, or an actively licensed attorney at law in Idaho.

(8) An entity not specified as an approved escrow depository in subsection (1) of this section, may be accepted and approved by the Commission as an escrow depository upon disclosure of the following:

(a) The details of the entity's financial structure;

(b) The amount and terms of Errors and Omissions insurance and any bonding;

(c) A copy of the entity's last audit and financial statement;

(d) A copy of any license or certificate issued to the entity; and

(e) Any other information which will help the Commission make its determination.

IDAHO REAL ESTATE COMMISSION
Guideline #9
Rev. 7/03

TERMS UNDER WHICH RENTAL OR LEASE FEES MAY BE SPLIT WITH NONLICENSED PERSONS

Compensation (commissions) received by a licensed real estate broker or a salesperson for leasing or renting real property may be split or shared with nonlicensed persons.

However, if the lease or rental agreement includes any provision which requires the licensee to act in the capacity of a real estate licensee, then the compensation may not be split with any nonlicensed person, with the exception of the buyer or seller in the transaction, as provided in section 54-2054(2). Some examples of lease provisions which require a real estate license are as follows:

1. An option to purchase;
2. A definite purchase agreement at the end of the lease term (a lease/purchase agreement); or
3. A first right of refusal.
4. For any other questionable practice, the Idaho Real Estate Commission should be contacted for clarification.

IDAHO REAL ESTATE LICENSE LAW

54-2054. Splitting Fees with Non-licensed Persons Prohibited.
(2) Fee-splitting with unlicensed persons prohibited. Unless otherwise allowed by statute or rule, a real estate broker, associate broker or salesperson licensed in the state of Idaho shall not pay any part or share of a commission, fee or compensation received in the licensee's capacity as such in a regulated real estate transaction to any person who is not actively licensed as a real estate broker in Idaho or in another state or jurisdiction. The Idaho broker making the payment to another licensed person is responsible for verifying the active licensed status of the receiving broker. This section shall not prohibit payment of a part or share of a commission, fee or compensation by the broker to a legal business entity, all of whose shareholders, members or other persons having a similar ownership interest are active real estate licensees. An Idaho licensee may pay any part or share of a commission, fee or compensation received, directly to the buyer or seller in the real estate transaction. However, no commission, fee or compensation may be split with any party to the transaction in a manner which would directly or indirectly create a double contract, as defined in this chapter or which would otherwise mislead any broker, lender, title company or government agency involved in the transaction regarding the source of funds used to complete the real estate transaction or regarding the financial resources or obligations of the buyer.

Therefore, if the compensation received by the licensee is for an act which requires the licensee to act in the capacity of a real estate licensee, the compensation may not be split with nonlicensed persons, unless that person is the seller or buyer, and is a party to the contract.

IDAHO REAL ESTATE COMMISSION
Guideline #10
Rev. 7/00

SPLITTING FEES WITH NONLICENSED PERSONS PROHIBITED

A licensee may not offer anything of monetary value to a nonlicensee for the purpose of inducing that person to secure prospective buyers or sellers. If there is "intent" by the licensee to compensate the nonlicensee for a referral of customers and/or the nonlicensee expects to be compensated for referring customers (either buyers or sellers), then it would appear that a violation of the Idaho Real Estate License Law and Rules exists.

Presentation of a relatively inexpensive "gift" to a nonlicensee in a gesture of gratitude is not prohibited if the "gift" has not been predisclosed to (and is not expected by) the nonlicensee.

IDAHO REAL ESTATE LICENSE LAW

54-2054. Compensation, Commissions and Fees-Prohibited Conduct.
(3) Finder's fees prohibited. Any offer of monetary value, by an Idaho licensee, to any person who is not licensed in Idaho or any state or jurisdiction, made for the purpose of inducing such unlicensed person to secure prospects to buy, sell, option, or otherwise dispose of an interest in real property shall be considered to be splitting fees with an unlicensed person, and is prohibited.

IDAHO REAL ESTATE COMMISSION
Guideline #11
Revised August 2007

OFFICES WITH SIMILAR BUSINESS NAMES
OPERATING AT THE SAME ADDRESS

These guidelines apply under the following circumstances:

1. More than one broker licensed at the same address;
2. The brokers do not want to be associated through licensure with the other brokers;
3. The brokers are licensed separately and not associated with the other brokers; and,
4. The separately licensed brokers are all operating with somewhat similar business names.

When the above conditions exist, the brokers must comply with section 54-2040(3), Idaho Code, which states:

54 2040. Main Office or Business Location.
. . .
(3) Brokers sharing same business location. More than one (1) individually licensed broker may operate an office at the same address only if each broker operates under a business name which clearly identifies the broker as an individual within the group of brokers, and each broker shall maintain his or her records and trust accounts separate from all other brokers.

The following requirements must be met in order to be in compliance:

1. Each broker must maintain his or her real estate trust account separate and apart from the other brokers;

2. Each broker must maintain his or her records separate and apart from the other brokers;

3. Each broker must maintain all trust account and transaction records at the office where licensed;

4. All advertising must specify that each licensed brokerage (office) is separately owned and separately licensed; and

5. Each broker must operate under a business name which indicates that his or her office is a separate entity from the others.

Idaho Real Estate License Law allows separately licensed brokers to operate under a common business name if, in addition to the common business name, each broker also uses a separate individual name. Separate brokers operating out of the same office and using a “common business name” must include a separate individual name for each broker along with the common business name.

Example:

Mr. Jones and Mr. Smith each want to be licensed separately as individual brokers doing business under a common business name of First International Realty. The complete business name of Mr. Jones might be First International Realty - Jones Brokerage. The complete business name of Mr. Smith might be First International Realty - Bill Smith Agency or First International Realty Pine Tree Company or First International Realty/Black Cat and Associates.

IDAHO REAL ESTATE COMMISSION
Guideline #12
Rev. 7/03

OFFERING INCENTIVES TO POTENTIAL SELLERS OR BUYERS

Section 54-2054(2), Idaho Code, allows a broker to share any part of a commission, fee or compensation received with the buy or seller in a real estate transaction. However, no commission, fee or compensation may be split with any party to the transaction in a manner that would directly or indirectly create a double contract, or would otherwise mislead any broker, lender, title company or government agency involved in the transaction, regarding the source of the funds used to complete the transaction or regarding the financial resources or obligation of the buyer or seller.

Splitting fees with unlicensed person (bird dog fees) who are not a party to the transaction, is prohibited.

Section 54-2054(6), Idaho Code, prohibits licensees from receiving “illegal” kickbacks and rebates from title insurance companies, escrow companies and lenders.

IDAHO REAL ESTATE LICENSE LAW

54-2054. Compensation, Commissions and Fees B Prohibited Conduct.
(2) Fee-splitting with unlicensed persons prohibited. Unless otherwise allowed by statute or rule, a real estate broker, associate broker or salesperson licensed in the state of Idaho shall not pay any part or share of a commission, fee or compensation received in the licensee’s capacity as such in a regulated real estate transaction to any person who is not actively licensed as a real estate broker in Idaho or in another state or jurisdiction. The Idaho broker making the payment to another licensed person is responsible for verifying the active licensed status of the receiving broker. This section shall not prohibit payment of a part or share of a commission, fee or compensation by the broker to a legal business entity, all of whose shareholders, members or other persons having a similar ownership interest are active real estate licensees. An Idaho licensee may pay any part or share of a commission, fee or compensation received, directly to the buyer or seller in the real estate transaction. However, no commission, fee or compensation may be split with any party to the transaction in a manner which would directly or indirectly create a double contract, as defined in this chapter or which would otherwise mislead any broker, lender, title company or government agency involved in the transaction regarding the source of funds used to complete the real estate transaction or regarding the financial resources or obligations of the buyer.

(6) Kickbacks and rebates prohibited. No licensed real estate broker or salesperson shall receive a kickback or rebate for directing any transaction to any individual for financing. A licensee shall not receive a kickback or unearned fee for directing any transaction to any lending institution, escrow or title company, as those practices are defined and prohibited by the real estate settlement and procedures act of 1974, as amended, 12 U.S.C. section 2601 et seq. However, a licensee legally receiving any fee or rebate from any person providing direct services to either the buyer or the seller in connection with a regulated real estate transaction is required to disclose the licensee’s intent to receive such fee, rebate or compensation in writing to all parties to the transaction prior to closing.

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IDAHO REAL ESTATE COMMISSION
Guideline #14
Rev. 10/02

DISPUTED EARNEST MONEY

One of the most common types of complaints brought to the attention of the Commission concerns disputed earnest money. When a situation involving disputed earnest money occurs, the broker should first try to obtain a settlement agreement signed by the buyer and the seller releasing the broker from the custody of such money and instructing the broker as to the proper disbursement of same.

The Commission is aware of the fact that, in most cases involving disputed earnest money, the buyer and seller are not getting along and, in such cases, it is impossible for the broker to obtain a settlement statement signed by both parties as contemplated above which forces the broker to use the next alternative of relying on the provisions of the purchase and sale agreement (forfeiture clauses and/or contingency clauses).

The broker may rely on the wording of a properly executed purchase and sale agreement under which said money was originally taken and which describes the manner in which division of funds shall occur in the event one of the parties fails to fulfill the terms of the contract.

In the event a broker disburses the earnest money in accordance with the terms of the purchase and sale agreement, the broker should, of course, keep accurate documentation in his/her files as to why the money was disbursed. Also, prior to such disbursal, the broker should notify both parties in writing as to the broker's intentions. If the broker has made his or her best effort to accomplish all of the above, but still cannot determine how the earnest money should be disbursed, the parties involved should be notified that the money is being held in the trust account until the broker is ordered to disburse such funds by a court of competent jurisdiction (as required by section 54-2047(1), (2), and (3), Idaho Code).

It should be kept in mind that the broker may be found civilly liable to the party not receiving the funds if the broker disburses the funds in a manner found to be inconsistent with the terms of the purchase and sale agreement.

Unless the broker has acted in a reckless manner by improperly holding or disbursing the earnest money, the Commission will not get involved in this type of problem. It is up to the buyer and seller to reach agreement concerning the problem or to get the matter resolved in civil court. If the dispute involves $4,000.00 or less, then, in many cases, it may be handled in Small Claims Court. It is the broker's responsibility to use his or her best efforts to get the dispute resolved between the buyer and the seller.

IDAHO REAL ESTATE LICENSE LAW

54-2047. Disputed Earnest Money.

(1) Any time more than one (1) party to a transaction makes demand on funds or other consideration for which the broker is responsible, such as, but not limited to, earnest money deposits, the broker shall:

a) Notify each party, in writing, of the demand of the other party; and

b) Keep all parties to the transaction informed of any actions by the broker regarding the disputed funds or other consideration, including retention of the funds by the broker until the dispute is properly resolved.

(2) The broker may reasonably rely on the terms of the purchase and sale agreement or other written documents signed by both parties to determine how to disburse the disputed money and may, at the broker's own discretion, make such disbursement. Discretionary disbursement by the broker based on a reasonable review of the known facts is not a violation of license law, but may subject the broker to civil liability.

(3) If the broker does not believe it is reasonably possible to disburse the disputed funds, the broker may hold the funds until ordered by a court of proper jurisdiction to make a disbursement. The broker shall give all parties written notice of any decision to hold the funds pending a court order for disbursement.

IDAHO REAL ESTATE COMMISSION
Guideline #15
Rev. 7/03

ESTABLISHING REAL ESTATE TRUST ACCOUNTS

This guideline has been prepared because routine audits, inspections, and office visits in the field continue to indicate that there is confusion concerning what constitutes a real estate trust account, where trust accounts may be established, and how they should be established and managed.

IDAHO REAL ESTATE LICENSE LAW

54-2041. Trust Accounts and Entrusted Property.

(1) A licensed Idaho real estate broker shall be responsible for all moneys or property entrusted to that broker or to any licensee representing the broker.

(2) Immediately upon receipt, the broker shall deposit entrusted moneys in a neutral, qualified trust fund account in Idaho, and shall properly care for any entrusted property.

(3) Only moneys relating to a regulated real estate transaction may be deposited in the broker=s real estate trust fund account. Entrusted moneys shall not be commingled with the moneys of the broker, firm or agent, except for that minimum amount that may be required to open and maintain the trust account or as otherwise allowed by subsection (7) of section 54-2042, Idaho Code.

(4) The real estate broker shall remain fully responsible and accountable for all entrusted moneys and property until a full accounting has been given to the parties involved.

54-2042. Creation of Non-Interest-bearing Trust Accounts B Requirements.
A broker may establish one (1) or more real estate trust accounts but each account must meet all requirements of this chapter, including the following:

(1) Each trust account must be established at an approved depository, and must be non-interest-bearing, except as allowed in section 54-2043, Idaho Code, or as otherwise may be provided by law. Approved depositories are state or federally chartered banks and trust companies, state or federally chartered savings and loan associations, properly licensed title insurance companies, or an actively licensed attorney at law.

(2) Each account must be identified by the term “real estate trust account,” on checks, deposit slips, and with the depository.

(3) Each trust account must be established and maintained under the licensed business name of the broker, and shall be under the full control of the broker.

(4) Each broker trust account must have a separate and complete set of records, which must consist of a monthly accounting, deposits, charges, and withdrawals or checks, even if the moneys are on deposit with a title company, attorney or other approved depository. The broker is responsible for ensuring that these separate account records are provided by the depository.

(5) Funds deposited in a real estate trust account must be subject to withdrawal on demand at the order or direction of the broker at all times, even if deposited with a title company or other approved depository.

(6) A Commission-approved form giving notice of opening a trust account and giving authorization for the Commission to inspect the account must be completed for each trust account, signed by the broker and an officer of the bank or depository and returned to the Commission.

(7) No deposits to the trust account shall be made of funds that belong to the broker or real estate firm, except that the broker may deposit broker or firm funds for the purpose of opening and maintaining the account and

for the payment of anticipated bank service charges for the trust account. In no event shall the balance of broker or firm funds in the account exceed three hundred dollars ($300). Maintenance funds shall not be disbursed for any purpose other than to cover bank charges charged directly to the trust account by the bank.

(8) An entity not specified as an approved escrow depository in subsection (1) of this section, may be accepted and approved by the Commission as an escrow depository upon disclosure of the following:

(a) The details of the entity=s financial structure;

(b) The amount and terms of Errors and Omissions insurance and any bonding;

(c) A copy of the entity's last audit and financial statement;

(d) A copy of any license or certificate issued to the entity; and

(e) Any other information which will help the Commission make its determination.

54-2043. Interest-bearing Trust Accounts.
The broker may deposit funds in a separate, interest-bearing trust account for a single transaction if directed in writing by both parties to the transaction, and only if the following additional requirements are met:

(1) The interest-bearing trust account must be established in accordance with all requirements in section 54-2042, Idaho Code. However, the interest-bearing trust account shall be created at an approved depository in Idaho.

(2) The deposit shall be made in the name of the broker, as described above, and each such account shall contain only the funds relating to one (1) transaction.

(3) The interest-bearing trust account, when created for this purpose, must allow for withdrawal of the funds upon the broker's demand, unless all parties direct the broker in writing to do otherwise.

(4) There must be a written agreement signed by both the buyer and the seller stating who is to receive the interest accrued from the deposit. This agreement is to be retained by the responsible broker in the transaction file with a copy given to the buyer and the seller.

When a trust account is established the account must be in the licensed business name of the broker, must be identified as a "real estate trust account", and the FUNDS MUST BE SUBJECT TO WITHDRAWAL ON DEMAND BY THE BROKER. The broker may authorize others to sign trust account checks and withdraw funds, but the broker is held strictly responsible and accountable for the funds on deposit.

When a broker establishes a trust account with a title company the same principles apply. The trust account must be established in the licensed business name of the broker and the broker must retain control of the funds until a full accounting is made with the buyers and sellers. If the title company requires approval from some other person or persons prior to releasing the funds, then the broker has relinquished control and is not properly accounting for the funds as required by the Idaho Real Estate License Law and Rules.

Regardless of where the broker establishes a real estate trust account, the broker is required to notify the Commission on a form entitled Notice of Opening a Trust Account and includes the Agreement & Authorization to Inspect@. This form must be signed by the broker and by an officer of the trust account depository. In the event of a coop transaction, the funds may be placed in the listing or selling broker's trust account if the purchase and sale agreement specifies that the listing or selling broker is to be responsible for holding the funds. (section 54-2048, Idaho Code).

If the buyer and seller refuse to place the funds with the broker and want the earnest money or other funds placed with someone other than the broker, the broker must advise all parties in writing that (1) the broker has not receipted for any funds, (2) the broker has no control over the funds, (3) the transaction is being handled in a manner contrary to standard practice, and (4) the parties are fully responsible for the deposit and access to the funds. In these situations, the broker must never handle the funds in any manner.
Note: Refer also to Guideline #8 - Approved Escrow Holders

IDAHO REAL ESTATE COMMISSION
Guideline #16
Rev. July 2007

PRESENTATION OF MULTIPLE OFFERS BY THE LISTING AGENT

Effective July 1, 2007, all brokerages hired to provide any brokerage services, whether as an agent or non-agent, must be available to receive and timely present all written offers and counteroffers.

This Guideline addresses the situation in which more than one offer is received in connection with the same property.

Section 54-2051 Idaho Code provides:

A broker or sales associate shall, as promptly as practicable, tender to the seller every written offer to purchase obtained on the real estate involved, up until time of closing. A purchase and sale agreement signed by the prospective buyer shall be deemed in all respects an offer to purchase.

Whenever more than one written offer is received in connection with the same property, special care must be taken to ensure that the duties owed to the parties, whether as clients or customers, are carried out by the licensees involved. The following is a list of some of the more common issues to be considered when multiple offers are received:

WORKING WITH THE SELLER

1. General Duty to Present Offers. All licensees, whether acting as an agent or nonagent of the seller, have the duty to promptly present to the seller EVERY WRITTEN OFFER up to and until closing of the property.

2. Duty to Promote Client/Seller's Interest. When acting on behalf of a Seller pursuant to an Agency Representation Agreement, licensees owe the seller/client the further, heightened duty "to promote the best interests of the client in good faith, honesty and fair dealing." This includes "seeking a buyer to purchase the seller's property at a price, and under terms and conditions acceptable to seller and assisting in the negotiation thereof." As an agent for the seller/client, the licensee should be diligent in informing the seller about any offers or possible offers on the property that might materially affect the seller/client's decisions about the sale of the property.

3. Making Known the Terms of the Offer to Other Buyers. At the time of the listing, it is advisable that the licensee discusses with the seller/client the issue of disclosing the terms of any offer. Generally, the seller should decide whether to make known to other buyers the terms of the offers he or she might receive. However, if the licensee also represents the buyer – as a limited dual agent - the licensee's ability to disclose the terms of the offer to other buyers may be restricted. For this reason, it is critical that the licensee be aware of whom he or she represents, and also that the licensee disclose to the client(s) any limitations upon his or her representation. However, unless the licensee also represents the buyer, the licensee owes no duty to the buyer to withhold terms of the offer from other buyers.

However, while the idea of disclosing offers from one buyer to another may seem appealing at first to a seller hoping to get a higher price, it can also work to the seller's detriment. For example – a property is listed for $200,000 and seller has offer in hand for $180,000. The seller instructs the agent to reveal this offer to another interested buyer, who then offers $181,000 and buys the house. Actually, the second buyer had intended to offer $195,000. The seller is out $14,000. For this reason, it is important to discuss with the seller, preferably beforehand, the handling of multiple offers.

4. Advising the Seller on Multiple Offers. The licensee should also inform the client/seller that the listing for sale is not an offer, but an invitation for offers from others. As such, the seller is not obligated to deal with multiple offers in any particular order, and, in fact, is not obligated to accept, or counter, or formally reject any of them. However, the seller should be advised that he or she may become contractually liable to the broker for a commission if the seller fails to accept the offer of buyer who is "ready, willing and able" to purchase the property on the listing terms.

5. Advising the Seller After an Offer has been Accepted. On occasion, a seller who has accepted an offer (i.e., entered into a contract) is presented with better offer from a different buyer, and the seller wants out of the existing contract. In

such cases, the licensee should advise the seller to seek legal advice before attempting to terminate the existing contract, and before becoming obligated under a second contract (e.g., contracting to sell the same property to two different buyers). A licensee may not give the seller legal advice; but the licensee can state that failing to perform the terms of a contract, or obligating oneself under two contracts, can have serious legal consequences for a seller. If the seller does accept a second buyer's offer (other than as a backup offer), it is advisable that the licensee maintain documentation showing that the licensee advised the seller to seek legal advice prior to seller's agreeing to sell the same property to two different buyers.

WORKING WITH THE BUYER

Licensees working with or representing buyers have some additional issues to watch when dealing with multiple offers.

1. Offer Conditioned on Nondisclosure. A buyer may desire as a condition of his offer, that the price and terms of the offer not be disclosed to any other party (e.g., other potential buyers). However, because a seller is not bound by this condition unless or until he agrees to it, the licensee working with the buyer should obtain the seller's agreement to non-disclosure prior to presenting the buyer's offer.

2. Multiple Offers By the Same Buyer on Different Properties. On occasion, a buyer who has accepted an offer (e.g., entered a binding contract) on one property, subsequently wants to make an offer on a different property instead, and, if the second is accepted, terminate the existing contract. When faced with a buyer's request to write up an offer on a second property, the licensee should proceed with caution. The licensee should advise the buyer to seek legal advice before becoming obligated under two contracts (e.g., by buying two properties), and before attempting to terminate the existing contract. Although the licensee may not give legal advice, the licensee can state that failing to perform the terms of a contract, or obligating oneself under two contracts, can have serious legal consequences for a buyer. If the buyer insists on making an offer on the second property, the licensee should maintain documentation showing the licensee advised the buyer to seek legal advice prior to making the offer on the second property.

3. Multiple Offers Presented by a Licensee Representing Different Buyers for the Same Property.
A licensee may represent two or more buyers interested in the same property. When this situation arises, the licensee should ensure that the buyer/clients have been notified that the licensee may be presenting competing offers of other buyer clients, and that the licensee is not permitted to promote the interests of one buyer/client over the interests of any other.

On occasion, a seller wishing to avoid the delays of negotiations may make the initial "offer," or a counter-offer, to all prospective buyers, by presenting terms of a sale which, upon acceptance by the first buyer, will be binding on the parties. Licensees working with interested buyers should advise their customers/clients that it is the first buyer to deliver written acceptance of the seller's terms that gets the contract, and therefore time is of the essence.

GENERAL:

1. If questions arise on any area of contract law, such as if and when effective acceptance or revocation of an offer or counteroffer will take place, it is in the agent's best interest to advise the seller or buyer to seek legal counsel.

2. Remember that many issues in multiple offers are determined by the agency status of a real estate licensee. Be certain to follow scrupulously Sections 54-2086, 54-2087, and 54-2088, Idaho Code, and to act in a manner consistent with the agency relationship you undertake.

This Guideline is general in nature and is not intended to address each and every circumstance or issue that may arise in a multiple offer situation. As with any area where a question of contract law arises, it is best to urge the seller to seek competent legal counsel before difficulties develop, and, as is always prudent, licensees would be well advised to document in writing that they have advised the client or customer to see an attorney

IDAHO REAL ESTATE COMMISSION
Guideline #17
Rev. 1/02

USE OF UNLICENSED ASSISTANTS AND OFFICE STAFF

The Commission often receives questions from brokers and salespersons on the use of unlicensed personal assistants, secretaries and office staff. The use of personal assistants has grown considerably in recent years. Personal assistants are generally thought of as unlicensed persons performing various functions as employees (including clerical support) or independent contractors of a real estate broker within the framework of a real estate transaction. The Commission recognizes the growth in the utilization of such assistants. Inquiries generally fit into two categories:

(1) whether the activity performed is one which requires a license, and

(2) what are the supervisory responsibilities of an employing broker?

Personal assistants who hold active real estate licenses and the brokers in whose offices they work should be aware that the brokers are fully responsible for all licensees, whether they are called personal assistants or not, and all licensed "assistants" are fully subject to Idaho License Law and Rules.

The license law prohibits unlicensed persons from negotiating, listing or selling real property. Therefore, foremost to the use of personal assistants is careful restriction of their activities so as to avoid illegal brokerage practice. Personal assistants may complete forms prepared and as directed by licensees but should never independently draft legal documents such as listing and sales contracts, nor should they offer opinions, advice or interpretations. In addition, they should not distribute information on listed properties other than that prepared by the employing broker or broker associate.

On the other hand, they may:

1. Perform clerical duties for an employing broker or broker associate which may include the gathering of information for a listing;

2. Provide access to a property other than showings to potential buyers and hand out reprinted, objective information, so long as no negotiating, offering, selling or contracting is involved;

3. Distribute preprinted, objective information at an open house, so long as no negotiating, offering, selling or contracting is involved;

4. Distribute information on listed properties when such information is prepared by the broker or broker associate;

5. Deliver paperwork to other brokers;

6. Deliver paperwork to sellers or purchasers, if such paperwork has already been reviewed by a broker;

7. Deliver paperwork requiring signatures in regard to financing documents that are prepared by lending institutions; and

8. Prepare market analyses for sellers or buyers on behalf of a broker, but disclosure of the name of the preparer must be given, and it must be submitted by the broker.

Employing brokers need to be especially aware of their supervisory duties under the license law. Brokers have always been and continue to be responsible for the actions of their licensed and unlicensed staff. Part of that responsibility has been supervising unlicensed staff and seeing that the unlicensed personnel does not engage in any prohibited activity -- that is, activity requiring a real estate license.

An employing broker should have a written office policy explaining the duties, responsibilities and limitations on the use of personal assistants. This policy should be reviewed by and explained to all employees. Licensees should not directly

share commissions with unlicensed assistants. Although this may not technically be a violation of the licensing act if the activity is not one which requires a license, the temptation to "cross over" into the area of negotiating and other prohibited practices is greatly increased where compensation is based on the success of the transaction.

If brokers develop adequate policies for the use of assistants and routine procedures for monitoring their activities, the assistant can serve as a valuable tool in the success of the transaction. As with any other activity involving the delegation of an act to another, the freedom and convenience afforded the broker in allowing the use of assistants carries with it certain responsibilities for that person's actions.

IDAHO REAL ESTATE LICENSE LAW

54-2002. Licensure Required.
No person shall engage in the business or act in the capacity of real estate broker or real estate salesperson in this state without an active Idaho real estate license therefore. Unless exempted from this chapter, any single act described within the definitions of "real estate broker" or "real estate salesperson" shall be sufficient to constitute "engaging in the business" within the meaning of this chapter. Any person who engages in the business or acts in the capacity of real estate broker or salesperson in this state, with or without an Idaho real estate license, has thereby submitted to the jurisdiction of the state of Idaho and to the administrative jurisdiction of the Idaho Real Estate Commission, and shall be subject to all penalties and remedies available under Idaho law for any violation of this chapter.

54-2059. Disciplinary Powers B Revocation,
Suspension or Other Disciplinary Action. (1) The Commission may temporarily suspend or permanently revoke licenses issued under the provisions of this chapter, issue a formal reprimand and impose a civil penalty in an amount not to exceed five thousand dollars ($5,000), and assess costs and attorney's fees for the cost of any investigation and administrative or other proceedings against any licensee who is found to have violated any section of the Idaho Code, the Commission's administrative rules or any order of the Commission. The Executive Director may issue informal letters of reprimand to licensees without civil penalty or cost assessment. The Commission may impose a civil penalty in an amount not to exceed five thousand dollars ($5,000) and assess costs and attorney's fees for the cost of any investigation and administrative or other proceedings against any person who is found, through a court or administrative proceeding, to have acted without a license in violation of section 54-2002, Idaho Code. The civil penalty provisions of this section are in addition to and not in lieu of any other actions or criminal penalties for acting as a broker or salesperson without a license which might be imposed by other sections of this chapter or Idaho law. The Commission may also accept, on such conditions as it may prescribe, or reject any offer to voluntarily terminate the license of a person whose activity is under investigation or against whom a formal complaint has been filed.

54-2065. Penalty for Acting as a Broker or Salesperson Without License.
Any person acting as a real estate broker or real estate salesperson within the meaning of this chapter without a license as herein provided shall be guilty of a misdemeanor and, upon conviction thereof, if a natural person, be punished by a fine of not to exceed five thousand dollars ($5,000), or by imprisonment in the county jail for a term not to exceed one (1) year, or by both such fine and imprisonment in the discretion of the court; or if a limited liability company or corporation, by a fine of not to exceed ten thousand dollars ($10,000). Additionally, the court may assess a civil penalty against a natural person in an amount not to exceed five thousand dollars ($5,000), and against a limited liability company or corporation, in an amount not to exceed ten thousand dollars ($10,000). All civil penalties shall be credited to the special real estate fund.

IDAHO REAL ESTATE COMMISSION
Guideline #19
Rev. 7/00

SIGNATURES AND THE USE OF COUNTEROFFER FORMS

Section 54-2051(2), Idaho Code, states: "Immediately upon receiving any offer to purchase signed and dated by the buyer and any consideration, a broker or salesperson shall provide a copy of the offer to purchase to the buyer as a receipt."

In an effort to avoid illegible alterations on the purchase and sale agreements, "counteroffer" forms should be used to make any changes to the original offer. Section 54-2051(3) and (4)(a), Idaho Code, states:

> (3) Upon obtaining a properly signed and dated acceptance of an offer to purchase, the broker or sales associate shall promptly deliver true and legible copies of such accepted offer to both the buyer and the seller.
>
> (4) The broker or sales associate shall make certain that all offers to purchase real property or any interest therein are in writing and contain all of the following specific terms, provisions and statements:
>
> (a) All terms and conditions of the real estate transaction as directed by the buyer or seller.

The signatures must be obtained in a manner which will effectuate a "proper acceptance" of the offer. The question has arisen: when a "counteroffer" form is used in addition to the original purchase and sale agreement, should the seller sign BOTH the original purchase and sale agreement AND the counteroffer form, or should the seller sign ONLY the counteroffer form?

If the counteroffer form contains specific language incorporating it by reference into the original agreement, it is not MANDATORY that the seller sign both documents. The seller may sign the counteroffer only. However, if the counteroffer form does NOT contain specific "incorporation" language, the seller must sign both documents and reference the attached counteroffer on the original purchase and sale agreement.

OR, it is also permissible for the seller to sign the original purchase and sale agreement and include, at the signature line, a reference to the counteroffer to which it pertains.

The important point to remember is that any time a counteroffer is used, both documents must properly "track" or identify exactly which offers are the accepted offers. For instance, the signature line on the original offer might be signed by the seller in the following way: "(signed) John W. Doe/acceptance subject to the counteroffer of July 1, 2000, 1:30 p.m.". Identification should be done with as much specificity as possible. Clearly, having a seller sign an original purchase and sale agreement which does not reference a counteroffer and which does not reflect the actual agreement between the parties would be improper.

Any and all questions about the effectiveness of the offer and acceptance in a specific case should be referred to the attorney for the seller or buyer. The Idaho Real Estate Commission does not produce or approve, in any manner, any of the purchase and sale agreements, counteroffer forms, addendums or any other forms for use in the state of Idaho.

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IDAHO REAL ESTATE COMMISSION
Guideline #21
Revised August 2007

TELEPHONE, FAX AND E-MAIL SOLICITATION

Introduction
The Idaho Real Estate Commission is often asked whether or not an unlicensed person can perform telemarketing services on behalf of a licensee. Most often, licensees want to employ the services of unlicensed assistants or telemarketing firms, from in or out of state, to make unsolicited telephone calls to the residential phones of persons whose listings have expired recently, persons who live in a neighborhood where homes are selling well, or persons who currently have their houses offered for sale by owner (FSBO's).

Licensees considering telephone solicitation or sending any unsolicited information to a wireless device (e-mail or text-messaging) should be aware of the following:

1. Any person who, by telephone solicitations, attempts to secure listings or attempts to secure appointments for listing presentations to any individual, must hold an active Idaho real estate license.

2. All telephone solicitors, including real estate licensees, must comply with the Idaho Telephone Solicitation Act, (ITSA), and the federal Telephone Consumer Protection Act (TCPA).

3 Federal law prohibits licensees from sending unsolicited faxes, e-mails, and text messages – with narrow exceptions. Licensees should familiarize themselves with the restrictions imposed by the TCPA, the Controlling the Assault of Non-Solicited Pornography and Marketing Act (CAN-SPAM), and the Junk Fax Prevention Act.

DISCUSSION

#1 – A Real Estate License Is Required

Under the Idaho Real Estate License Law, no person may engage in the business of a "real estate broker" in Idaho without first obtaining an active Idaho real estate license (Section 54 2002, Idaho Code). Section 54 2004, Idaho Code, defines a real estate broker:

54-2004. Definitions.
"Real estate broker" means and includes:
(a) Any person other than a real estate salesperson, who, directly or indirectly, while acting for another, for compensation or a promise or an expectation thereof, engages in any of the following: sells, lists, buys, or negotiates, or offers to sell, list, buy or negotiate the purchase, sale, option or exchange of real estate or any interest therein or business opportunity or interest therein for others.
(b) Any actively licensed broker while, directly or indirectly, acting on the broker's own behalf;
(c) Any person who represents to the public that the person is engaged in any of the above activities;
(d) Any person who directly or indirectly engages in, directs, or takes any part in the procuring of prospects, or in the negotiating or closing of any transaction which does or is calculated to result in any of the acts above set forth;
(e) a dealer in options as defined in this section.

It is the opinion of the Idaho Real Estate Commission that any person who, by telephone solicitations, attempts to secure listings or attempts to secure appointments for listing presentations to any individual, must first be licensed as a real estate broker or sales associate within the state of Idaho.

While the Idaho Real Estate License Law and Rules do not specifically address telephone solicitation of listings, general

rules regarding listings, including agency disclosure, fairness, prohibition of misrepresentation, etc. would apply.

A licensee may engage in telemarketing. However, the licensee should be familiar with the state and federal laws applicable to such marketing activities.

#2 – State and Federal Regulations Apply to Telephone Solicitation

A. The Idaho Telephone Solicitation Act. Enacted in 1992, the Idaho Telephone Solicitation Act, ("ITSA"), (Title 48, Chapter 10, Idaho Code) regulates telephone solicitation in Idaho, including solicitation by fax. This law is enforced by the Idaho Attorney General.

"Telephone solicitation" means "Any unsolicited telephone call to a purchaser for the purpose of asking, inducing, inviting, requesting, or encouraging the purchaser to purchase or invest in goods or services during the course of a telephone call . . ." Idaho Code § 48-1002(10). A "telephone solicitor" is "any person who, on his own behalf or through other persons or through use of an automatic dialing-announcing device, engages in a telephone solicitation." Idaho Code § 48-1002(11)

i. Do Not Call Registry. Under ITSA, it is illegal for telephone solicitor to call Idaho phone numbers registered on the National Do Not Call Registry (The State no longer publishes a separate state No Call List.) The law specifically permits a business to call consumers with whom the business has an established business relationship, even if the consumer is on the Registry. Businesses can obtain Idaho phone numbers registered on the National Do Not Call Registry through the internet, at:
https://telemarketing.donotcall.gov/default.aspx

ii. Unlawful Acts. All telephone solicitation in Idaho is subject to the ITSA's "unlawful acts" prohibition, found at section 48-1003, Idaho Code. Prohibited acts include: intimidation; refusal to hang up immediately upon request; misrepresentation of or failure to disclose material facts concerning the services being offered; and sending any unsolicited advertisement by fax.

More information about the Idaho Telephone Solicitation Act may be accessed at:
http://www2.state.id.us/ag/consumer/ncl/telemarketerlinks.htm

B. The Federal Telephone Consumer Protection Act. The federal Telephone Consumer Protection Act of 1991, ("TCPA"), 47 U.S.C. Section 227, and the regulations promulgated by the Federal Communications Commission (FCC), govern telephone solicitations and regulate the use of automatic telephone dialing systems, prerecorded or artificial voice messages, and telephone facsimile machines. These laws apply to ALL solicitors; there are no exemptions for real estate licensees. So brokers and sales associates contacting prospects must be familiar with the federal TCPA and its implementation by the Federal Communications Commission (FCC). The applicable rules and their amendments may be accessed at:
http://www.ftc.gov/bcp/edu/microsites/donotcall/businfo.html

#3. Federal law also prohibits the sending of unsolicited faxes and unsolicited e-mail messages to wireless devices, such as cell phones. The Junk Fax Prevention Act makes the restrictions of the Telephone Consumer Protection Act (TCPA) applicable to faxes. The federal CAN-SPAM Act supplements the TCPA and sets forth specific requirements for senders of commercial e-mails.
The prohibitions and requirements apply to all "commercial messages," meaning messages for which the primary purpose is to advertise or promote a commercial product or service. However, they do not cover "transactional or relationship" messages, or notices to facilitate a transaction that the recipient has already agreed to. They do not prohibit messages that the recipient has expressly authorized the licensee to send. Further information concerning the requirements of these federal laws can be accessed as follows:
CAN-SPAM Act: http://www.fcc.gov/cgb/consumerfacts/canspam.html
Unsolicited Faxes: http://www.fcc.gov/cgb/consumerfacts/unwantedfaxes.html

CONCLUSION

1. An unlicensed person must not engage in telephone solicitations of any kind designed to procure buyers, listings, or appointments for real estate listing presentations. Such activities require an active Idaho real estate license.

2. The Idaho Telephone Solicitation Act and the federal Telephone Consumer Protection Act (TCPA), and the CAN-SPAM ACT may impact any telephone solicitations made by licensees to prospective buyers and sellers. Due to the potential for government sanctions and private lawsuits for failure to comply with either law, licensees are encouraged to consult their attorneys and obtain further information prior to engaging in telephone solicitation, or the sending by telephone, fax or e-mail of any unsolicited advertisement.

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Information concerning the Idaho TCPA and the Rules of the Attorney General may be found through the Idaho Attorney General's website:
http://www2.state.id.us/ag/consumer/ncl/telemarketerlinks.htm

Information concerning the federal TCPA (15 U.S.C. 6101– 6108) and the Rules of the FCC (16 CFR 310) may be found through the FCC web site:
I
http://www.ftc.gov/bcp/edu/microsites/donotcall/index.html

or by requesting copies from the FCC at:
Federal Communications Commission
Consumer & Governmental Affairs Bureau
445 12th Street, SW
Washington D.C. 20554

IDAHO REAL ESTATE COMMISSION
Guideline #22
Rev. 7/03

AUCTIONEERS OF REAL ESTATE

When persons who provide auction services become involved in real estate sales, questions arise as to whether or not that auctioneer needs to be licensed as a real estate broker or salesperson.

Idaho law does require every auctioneer to obtain an auctioneer=s license from their county treasurer. For an annual fee, this auctioneer's license is valid for sales in any county of Idaho. (Section 63-2304, Idaho Code). However, an auctioneer's particular services and business activities in the sale of real estate may well require real estate licensure also.

The basic test is: Are the activities being performed by the auction company or auctioneer identified in Section 54-2004(29), Idaho Code, as activities requiring a real estate license? While the specific answer to this question can only be determined on a case by case basis, here are some common questions and answers:

1. Is the taking of a "consignment" to sell real property at auction a licensed brokerage activity?

   Most likely, yes. Procuring of prospects to list or sell real property for compensation is an activity requiring licensure.

2. Is the act **alone** of calling the sale at auction one requiring a real estate license?

   No.

3. Is a one-time sale by auction, i.e., the sale of one property in a single transaction, all right without having a real estate license?

   *Only if conducted **exactly** according to the statutory exemption in Section 54-2003(1)(c), Idaho Code, which is the exception for the sale of a single property in a single transaction pursuant to a power of attorney. This **exception** , while valid, is very limited and may not be relied on in conducting any other regular or frequent or even occasional auction business.*

4. Do floor "spotters" at the real estate auction need to be licensed?

   If the activity of the person is limited to pointing out bidders to the auctioneer, no.

5. Can the unlicensed auctioneer advertise upcoming real estate auctions alone, without associating with and naming a licensed broker?

   See answers #2 and #3 above. While possible, the more activities and services performed by an auctioneer in assisting with and facilitating the sale of real property, the more likely that auctioneer is moving into licensed brokerage activity. An auctioneer must not be holding out to the public that he or she is in any way providing any licensed real estate services.

6. Can a licensed real estate broker split the brokerage commission with an unlicensed auctioneer upon sale at auction?

   No. An unlicensed auctioneer can be paid only for specific real estate services rendered, such as calling the auction. The fee just cannot be a split of the brokerage commission or paid from the broker to the unlicensed auctioneer. For example, a broker or seller may purchase advertising on radio or television to market a property. The payment is only for the actual advertising service rendered. While the amount of payment given to an auctioneer can be a percentage of the sales price, it is critical that the seller enter separate contractual obligations - one with the auctioneer and one with the licensed broker, delineating their separate services provided and the compensation therefor. Section 54-2054(2), Idaho Code, states:

Fee-splitting with unlicensed persons prohibited. Unless otherwise allowed by statute or rule, a real estate broker, associate broker or salesperson licensed in the state of Idaho shall not pay any part or share of a commission, fee or compensation received in the licensee's capacity as such in a regulated real estate transaction to any person who is not actively licensed as a real estate broker in Idaho or in another state or jurisdiction. The Idaho broker making the payment to another licensed person is responsible for verifying the active licensed status of the receiving broker. This section shall not prohibit payment of a part or share of a commission, fee or compensation by the broker to a legal business entity, all of whose shareholders, members or other persons having a similar ownership interest are active real estate licensees. An Idaho licensee may pay any part or share of a commission, fee or compensation received, directly to the buyer or seller in the real estate transaction. However, no commission, fee or compensation may be split with any party to the transaction in a manner which would directly or indirectly create a double contract, as defined in this chapter or which would otherwise mislead any broker, lender, title company or government agency involved in the transaction regarding the source of funds used to complete the real estate transaction or regarding the financial resources or obligations of the buyer.

7. If an auctioneer has a license as a real estate salesperson, can he or she act as an auctioneer and receive commissions without the involvement of his or her broker?

Generally, no. Any licensed activities conducted by a salesperson are legally possible only through the license of that person=s broker. Technically, a licensee who wishes to merely provide "talent" and call an auction, if not holding himself or herself out as a licensee in any way, may engage in this activity. However, the permission and consent of all brokers should be obtained!! This type of practice is one fraught with hazards and conflicts and is NOT recommended or advised.

8. Is the recruitment of potential buyers of real property to attend an auction considered brokerage activity?

"Recruiting" prospects or "assist(ing) in the procuring of..." prospects, for compensation, ***is*** *brokerage activity requiring a real estate license. Of course, mere execution of clerical tasks or running advertisements alone is not licensed activity. Refer to Guideline #17 on the Use of Unlicensed Assistants and Office Staff for additional guidance.*

9. If an auction company is a licensed real estate brokerage, must all advertising follow license law and rules?

If the auction company is engaged in licensed activity involving the sale or auction of real property, yes. If the public believes the licensee is acting in a licensed capacity, and/or the licensee is holding himself or herself out as acting in a capacity of a licensee, then, yes, all law and rules of the Idaho Real Estate Commission will apply to that licensed activity, whether or not an auction.

10. What about agency? Whom does the auctioneer or auction company represent and how must this issue be disclosed before, during and after the sale?

All fees except for non-licensed auction services (calling the action, advertising, set-up, etc.), should be directed to real estate agent not auctioneer. If the auctioneer is also a real estate licensee, he or she is bound by all license law including disclosures required by the Brokerage Representation Act. It is the responsibility of the licensee to hand out a blue brochure at first substantial business contact. Any real estate licensee associating with an auctioneer to sell a property should explain his or her own agency or nonagency position prior to beginning the auction, and the fact that the auctioneer is not a real estate licensee.

11. What is a "buyer's premium" and who receives it?

A buyer's premium is a fee, usually a percentage of the bid price, which is paid with and added onto the successful bid amount. Who receives this fee? This depends on the written contractual arrangement between the licensees and/or auctioneer, and the buyer. Refer to question #6 for caveats.

12. Who is the responsible broker in an auction sale?

*Either broker, listing or selling, can be the responsible broker. However, one **must** be identified in a licensed transaction.*

13. Can a licensee auction properties listed by another real estate company?

Yes, in theory. However, it must be pursuant to agreement between the brokers in writing, and the responsibilities of each brokerage and the licensee should be carefully spelled out, including identification of responsible broker.

14. Must potential buyers give any consideration up front in order to attend an auction of real property? If so, what is the responsibility of any affiliated licensee or broker?

*Auctioneers structure real estate auctions differently. However, if **any** type of consideration is "held" by or on behalf of the parties conducting the auction of real property involving licensed activity, the licensee will be expected to fully account for the consideration received, according to license law and rules.*

15. What are some of the other issues to consider in auction of real estate?

Be aware of the fact that bidders coming to an auction without a real estate licensee, or those who preregister through a licensee, may already have some kind of buyer broker contract and some type of commission or fee obligation to a licensee.

In conclusion, the final determination on the necessity of licensure must be made on the basis of Section 54-2004(29), Idaho Code, defining a real estate broker:

"Real estate broker" means and includes:

(a) Any person other than a real estate salesperson, who, directly or indirectly, while acting for another, for compensation or a promise or an expectation thereof, engages in any of the following: sells, lists, buys, or negotiates, or offers to sell, list, buy or negotiate the purchase, sale, option or exchange of real estate or any interest therein or business opportunity or interest therein for others;

(b) Any actively licensed broker while, directly or indirectly, acting on the broker's own behalf;

(c) Any person who represents to the public that the person is engaged in any of the above activities;

(d) Any person who directly or indirectly engages in, directs, or takes any part in the procuring of prospects, or in the negotiating or closing of any transaction which does or is calculated to result in any of the acts above set forth;

(e) A dealer in options as defined in this section.

If any person is engaged, whether or not through an auction mechanism, in licensed real estate activity in the state of Idaho, a real estate broker's license is required.

Guideline #24
Rev. August 2007

LICENSEE'S PERSONAL TRANSACTIONS TO BE CONDUCTED THROUGH THE BROKER WITH WHOM HE IS LICENSED

Under Idaho law, all active licensees are required to conduct their personal real estate transactions through the broker with whom they are licensed, regardless whether the property is listed. See section 54-2055, Idaho Code. The law states:

54 2055. LICENSEES DEALING WITH THEIR OWN PROPERTY.

(1) Any actively licensed Idaho broker, sales associate, or legal business entity shall comply with this entire chapter when that licensee is buying, selling or otherwise acquiring or disposing of the licensee's own interest in real property in a regulated real estate transaction.

(2) A licensee shall disclose in writing to any buyer or seller that the licensee holds an active Idaho real estate license, if the licensee directly, indirectly, or through a third party, sells or purchases an interest in real property for personal use or any other purpose; or acquires or intends to acquire any interest in real property or any option to purchase real property.

(3) Each actively licensed person buying or selling real property or any interest therein, in a regulated real estate transaction, must conduct the transaction through the broker with whom he is licensed, whether or not the property is listed.

[Emphasis added].

This Guideline attempts to answer several questions that have arisen as to the requirements of the licensee who conducts his personal transactions through his brokerage.

Question: Must the licensee's broker always be the "responsible broker" for the transaction? If not, how can the transaction "be conducted through" the licensee's broker?

Answer: The Commission recognizes there are transactions for which it is impractical to have the licensee's broker act as the "responsible broker." The purpose and intent of subsection (3) is to ensure that the licensee's broker is made aware of and able to supervise transactions for which he might be held liable. The Commission finds that this purpose is satisfied if the licensee timely provides a copy of each transaction document to his broker, even if the original document is provided to a different broker who is the "responsible broker for the transaction."

Question: Must the licensee enter an Agency Representation Agreement with his Brokerage?

Answer: No. Although the licensee is required to conduct his personal transactions through his brokerage, he and the brokerage are NOT required to enter a written agreement for agency representation. An individual licensee buying or selling property is necessarily acting on his own behalf. However, whether the brokerage agrees to represent the licensee and act as his agent is a decision left to the brokerage and its licensee, and is not required by the law.

The law permits the brokerage and the licensee to enter a written agreement for agency representation, in which case the brokerage will owe its licensee, for that transaction, those duties owed a client under section 54-2087, Idaho Code. Absent a written agreement for agency representation, the relationship of the brokerage to the licensee in the transaction is that of a "non-agent" to a "customer." Whatever brokerage relationship is chosen, it must be indicated accurately in the Representation Confirmation (check the box) section of the Purchase and Sale Agreement. And, of course, the licensee always is required to make written disclosure of the fact that he is actively licensed.

Question: Must the licensee give himself the Agency Disclosure Brochure?

Answer: No. Complying with the License Law does NOT require that the licensee give himself a copy of the Agency Disclosure Brochure. This requirement, contained in Section 54-2085, Idaho Code, does not apply where the "prospective buyer or seller" is an active Idaho licensee.

Question: Will my errors and omissions insurance policy provide coverage for my personal transactions?

Answer: Not likely. Insurance contracts vary. However, errors and omissions policies typically exclude from coverage the licensee's personal transactions. Coverage may exist for the brokerage under the brokerage's separate policy. All licensees should pay careful attention to the exclusion and exemption provisions of any policy of insurance he or she maintains.

Question: Which transactions have to conducted through the licensee's broker?

Answer: Questions have also arisen as to which transactions fall within the scope of subsection (3), requiring that the transaction be run through the broker with whom the licensee is licensed. The answers will depend on the identity of the "person" buying or selling the property, and whether that person is "actively licensed". A "person" is either an individual or a legal business entity. Unless the "person" buying or selling is actively licensed, the requirement does not apply.

Example #1

Mary Smith is an active licensee. She is married to John, who is not licensed. John works for ABC, Inc., a business that owns real property and constructs new homes. John and Mary are the sole shareholders in ABC, Inc. ABC, Inc. is not licensed.

Question: Does the law require that ABC, Inc.'s sales of its new homes by ABC, Inc. be conducted through a responsible broker?

Answer: No. In this case, ABC, Inc. is the "person" selling property. Because ABC, Inc. is not an "actively licensed person", the requirement of subsection (3) does not apply. However, under the broad language of subsection (2), 54-2055, Idaho Code, Mary Smith is required to disclose, in writing, that she is an active licensee.

Example #2
Same facts as in #1. Mary and John have agreed to buy their neighbor's ranch, and to make the purchase in their own names, "Mary and John Smith". The ranch property is not on the market.

Question: Must the transaction be conducted through Mary's broker?

Answer: Yes. Because Mary is one of the persons buying the property, and because she is "actively licensed", the transaction must be conducted through Mary's broker, "whether or not the property is listed". Mary will also have to make written disclosure of her status as an active licensee.

Example #3
Same facts as in #1. John wants to buy a small lot and building for use in connection with his own personal hobbies. John will handle the transaction and Mary will not be involved at all. (The funds used are not John's sole and separate property.)

Question: Must the transaction be conducted through Mary's broker?

Answer: Yes. Even if the property is purchased for exclusive use by John, the property will still belong to the marital community, and Mary will acquire a community "interest therein." Therefore, the transaction must be conducted through Mary's broker. Again, Mary is also required to disclose her status as an active licensee.

CASE STUDY

This case study is designed to evaluate your experience in receipting, depositing, disbursing, and accounting for funds in a hypothetical realistic work situation.

Assume you are the broker for Terry Joe's Realty located in Ipswitch, Idaho. On May 14, you deposited $200 cash into the trust account for bank fees. On May 20, you are charged $75 by the bank for check printing costs. Terry Joe's Realty will be receiving 6 offers to purchase real estate and three statements from the bank concerning monies deposited and checks drawn on Terry Joe's Realty Trust Account during the three-month period (June, July and August).

Read the narratives concerning the offers, find the correct forms, process them as if you were the broker of Terry Joe's Realty, complete any necessary documents for each item received, and account for all forms and funds received by Terry Joe's Realty in this 3-month period. The trust account must be reconciled upon receipt of each monthly bank statement.

DEPOSIT SLIP

Deposited with
Rocky Mountain
Bank Note
Ipswitch, Idaho 83000

TO THE CREDIT OF
TERRY JOE'S REALTY
REAL ESTATE TRUST
ACOUNT
93 E. MAIN
IPSWITCH, ID 83000

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS

DATE	May 14, 20XX
CURRENCY	$200.00
COIN	
CHECKS (list separately)	
Maintenance Funds	
TOTAL FROM OTHER SIDE	
TOTAL	$200.00
Received By:	

123456789 0000 0000 0000

LEDGER

Maintenace Funds
Buyer

N/A
Seller

Property Location

Transaction Number

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance

I. TRANSACTION #YR-001 – NEWHOME/BETTER BUILDERS

On June 1, the balance in your trust account check register is $225, which includes the maintenance funds along with the Transaction #YR-001's earnest money consideration deposited in May that will not close during the term of this case study.

A. Ledger Card

LEDGER

Bill & Betty Newhome
Buyer

Better Builders
Seller

633 Sagebrush Lane, Ipswitch, ID 83000
Property Location

YR-001
Transaction Number

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance
05/15/XX	Earnest money check #xxxx $100 held for acceptance				0.00
05/15/XX	Earnest money agreement accepted money deposited		$100.00		$100.00

B. Check Register

CHECK REGISTER

Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		Trust Account Maintenance			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		Check Printing Fees		$75.00		$225.00

C. Deposit Slip

1. Transaction Number
2. Payor's (Buyer) Name
3. Date
4. Amount

DEPOSIT SLIP		
Deposited with Rocky Mountain Bank Note Ipswitch, Idaho 83000 To THE CREDIT OF TERRY JOE'S REALTY REAL ESTATE TRUST AC- COUNT 93 E. MAIN IPSWITCH, ID 83000	ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLEC- TION AND RECIEPT OF PRO- CEEDS IN CASH OR SOLVENT CREDITS	123456789 0000 0000 0000
DATE	May 15, YR	
CURRENCY		
COIN		
CHECKS (list separately)		
Maintenance Funds		
#YR-001 Newhome	$100.00	
TOTAL FROM OTHER SIDE		
TOTAL	$100.00	
Received By:		

D. Bank Statement Dated June 1

ROCKY MOUNTAIN BANK			
BANK STATEMENT			
Previous Balance: $0.00 Current Balance: $225.00		Date: June 1, 20XX	
DATE	DEPOSIT	CHECKS Number	Amount
05/14/XX	$200.00		
05/15/XX	$100.00		
05/20/XX		BANK	$75.00

E. Reconciliation—Using the 3-Way Form

In order to complete the reconciliation form, you will need the check register, the deposit book, the most recent bank statement, last month's reconciliation form (to identify any checks that are still outstanding), and the pending (open) trust account ledger sheets.

1. In the upper right hand corner of the form, fill in the "Date of Reconciliation" when the reconciliation is being completed (today's date). For the purposes of this Case Study, we suggest you use the same day you receive the bank statement – in this case, the exact date of the bank statement.

2. Fill in the "Date of Bank Statement" as shown on the bank statement.

3. Fill in the "Ending Balance" as shown on the bank statement.

4. Identify any deposits made since the closing date on the bank statement that do not appear on this statement. List those individual deposits under Outstanding Deposits. Add up the Outstanding Deposits and enter the total.

5. Identify any checks that have not cleared the bank including any checks issued in prior months that are still outstanding. From the check register, include all checks written since the closing date on the bank statement and any checks missing in sequence. List these checks under Outstanding Checks. Add up the Outstanding Checks and enter the total.

6. Enter the totals of Outstanding Deposits and Outstanding Checks in the reconciliation section of the form (upper right). Calculate the current balance in the bank: Ending Balance minus (–) Oustanding Checks plus (+) Outstanding Deposits equals (=) Bank Balance.

7. List all pending (open) trust account ledger balances in the columns on the left-hand side of the form under "Trust Liability" referencing transaction number and buyer/seller names. Be sure to include the Trust Maintenance Funds ledger if there are any maintenance funds in the trust account. Total the balance column under "Trust Liability" and record the total at the bottom of the column where indicated "Total Liability."

8. Enter the "Total Liability" balance on the "Open Ledger Balance" line in the reconciliation section of the form (upper right).

9. Enter the current balance from the check register on the "Check Register Balance" line.

10. The current Bank Balance, Open Ledger Balance, and the Check Register Balance MUST be the same (equal) if the account is in the required 3-way balance.

11. If the account is NOT in the 3-way balance, list the amount it is "off", and go back to your records to research why the account is off by that amount. Redo the reconciliation if necessary in order to balance.

NOTE!

This reconciliation form is available free from the Commission's website as a downloadable Excel file, with automatic calculations.

F. Reconciliation Form

Monthly 3-Way Reconciliation Form

❼ **Trust Ledger Liability**
(Open ledgers with or without a balance)

Transaction #	Buyer	Seller	Balance

II. TRANSACTION #YR-002 – KING/BLACK

On June 3, Yr, one of your sales associates obtains an offer from Steven King with a promissory note due June 10, Yr, as the earnest money consideration. The agreement is contingent upon the buyer obtaining financing. The sellers accept the offer on June 5, Yr. The note is paid on June 9, Yr, with a check drawn on a local bank. On June 23, Yr, you receive a copy of a letter from the lender stating that the buyers can not obtain financing, and, therefore, after obtaining releases signed by both parties, the earnest money is returned to the buyer.

A. Ledger Card

LEDGER

Buyer _____ Seller _____

Property Location _____ Transaction Number _____

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance

B. Promissory Note—King

PROMISORY NOTE

I, Steven King, do hereby promise to pay $1,500. (one thousand five hundred dollars) as earnest money consideration, for the purchase of 1615 East Jefferson, in Ipswitch, Idaho.

This note is due in full by June 10, YR, and will be paid directly to Terry Joe's Realty.

Signed: Steven King

Date: June 3, 20XX

Witnessed: Terry Joe

Date: June 3, 20XX

C. Deposit Slip

DEPOSIT SLIP			
Deposited with Rocky Mountain Bank Note Ipswitch, Idaho 83000 To THE CREDIT OF TERRY JOE'S REALTY REAL ESTATE TRUST ACCOUNT 93 E. MAIN IPSWITCH, ID 83000		ALL ITEMS ARE CREDITED SUB-JECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS	123456789 0000 0000 0000
DATE			
CURRENCY			
COIN			
CHECKS (list separately)			
TOTAL FROM OTHER SIDE			
TOTAL			
Received By:			

D. Check Register

CHECK REGISTER						
Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		Trust Account Maintenance			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		Check Printing Fees		$75.00		$225.00

RE- 20 NOTICE TO TERMINATE CONTRACT AND RELEASE OF EARNEST MONEY

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

RE: Purchase and Sale Agreement Dated: _____ **ID#** _____

Hereinafter referred as "Contract" covering the following described property:

Property Address: _____

Legal Description: _____

BUYER: _____

SELLER: _____

The undersigned BUYER and SELLER agree that the above real estate Contract WILL NOT be completed and hereby mutually release each other from all further obligations to buy, sell or exchange under the Contract and all related documents, and from all claims, actions, and demands which each may have against the other by reason of said Contract. It is the intent of this agreement that all rights and obligations arising out of said Contract are null and void. BUYER and SELLER further agree to release brokers and their associates from any claims, actions and demands by reason of releasing and disbursing of said earnest money deposit.

Earnest Money Holder: _____

Amount of Earnest Money: _____ $ _____

Earnest money holder, is hereby instructed to release and disburse said earnest money deposit in the following manner:

$ _____ TO: _____

$ _____ TO: _____

$ _____ TO: _____

BUYER: _____ **Date:** _____

BUYER: _____ **Date:** _____

SELLER: _____ **Date:** _____

SELLER: _____ **Date:** _____

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RE- 20 NOTICE TO TERMINATE CONTRACT AND RELEASE OF EARNEST MONEY JULY, 2007 EDITION PAGE 1 OF 1

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

F. Trust Account Check (1)

TRUST ACCOUNT CHECK

Terry Joe's Realty 1100
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000

For: _____ _____

123456789 0000 0000 0000

REALTOR®

RE- 16 EXCLUSIVE SELLER REPRESENTATION AGREEMENT

EQUAL HOUSING OPPORTUNITY

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

DATE May 15, 20XX **AGENT:** Ben Brown
Acting as Agent for the Broker

1. SELLER Joe and Beatrice Black

retains Terry Joe Broker of Terry Joe's Realty as

Exclusive SELLER'S Broker to sell, lease, or exchange the property described in Item #2 below, during the term of this agreement and on any additional terms hereafter set forth.

2. PROPERTY ADDRESS AND LEGAL DESCRIPTION. The property address and the complete legal description of the property are as set forth below.

Address 1615 East Jefferson

County Homey City Ipswitch Zip 83000

Legal Description Lot 5, Block 6, Sunny Subdivision

or ☐ Legal Description Attached as addendum # None . **(Addendum must accompany original listing)**

3. TERM OF AGREEMENT. The term of this Agreement shall commence on May 15, 20xx and shall expire at 11:59 p.m. on November 15, 20xx unless renewed or extended. If the SELLER accepts an offer to purchase or exchange, the terms of this Agreement shall be extended through the closing of the transaction.

4. PRICE. SELLER agrees to sell the property for a total price of $ 87,000.00

5. FINANCING. SELLER agrees to consider the following types of financing: *(Complete all applicable provisions).*

☒ FHA ☒ VA ☒ CONVENTIONAL ☐ IHFA ☐ RURAL DEVELOPMENT ☐ Exchange

☒ Cash ☐ Cash to existing loan(s) ☐ Assumption of existing loan(s)

☐ SELLER will carry contract and accept a minimum down payment of $ None and an acceptable secured note for the balance to be paid as follows: None

Other acceptable terms None

Brokers are required by Idaho Real Estate Law to present all written offers.

6. BROKERAGE FEE.

(A) If Broker or any person, including SELLER, procures a purchaser ready, willing and able to purchase, transfer or exchange the property on the terms stated herein or on any other price and terms agreed to in writing, the SELLER agrees to pay a total brokerage fee of 6 % of the contract or purchase price OR $ 0.00 of which 3 % of the contract or purchase price OR $ ----- will be shared with the cooperating brokerage unless otherwise agreed to in writing. The fee shall be paid in cash at closing unless otherwise designated by the Broker in writing.

(B) Further, the brokerage fee is payable if the property or any portion thereof or any interest therein is, directly or indirectly, sold, exchanged or optioned or agreed to be sold, exchanged or optioned within 180 days following expiration of the term hereof to any person who has examined, been introduced to or been shown the property during the term hereof.

(C) If SELLER, upon termination of this Agreement, enters into an Exclusive Right to Sell Agreement to market said property with another Broker, then the time period specified above in Section 6B, shall not apply and will be of no further force or effect.

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 1615 East Jefferson Ipswitch

7. ADDITIONAL FEES: None

8. INCLUDED ITEMS. SELLER agrees to leave with the premises all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein.
Also included: Pink bedspread in master bedroom, all wood for fireplace

9. EXCLUDED ITEMS. Swing set

10. TITLE AND EXISTING ENCUMBRANCES. Title to the property is to be conveyed by Warranty Deed unless otherwise provided herein, and is to be marketable and insurable except for rights reserved in federal patents, federal, state or railroad deeds, building or use restrictions, building and/or zoning regulations and ordinances of any governmental entity, and rights of way and easements established or of record. The individual executing this Agreement warrant and represents that said individual either owns the property or has full power and right to enter into this Agreement and to sell and convey the property on behalf of the SELLER and that to the best of said individual's knowledge the property is in compliance with all applicable building and zoning regulations and with any applicable covenants and restrictions affecting the property except: None

The SELLER agrees to provide good and marketable title to the property at the time of closing. The property is currently encumbered by the following liens:
☒ 1st Mortgage ☐ 2nd Mortgage ☐ Home Equity Loan ☐ Other ------
☐ The property is not encumbered by any mortgage, lien, or other security instrument.
Loan payments ☒ are ☐ are not current; loan ☐ is ☒ is not assumable. If loan is assumable, Buyer ☐ will ☐ will not be required to qualify and ☐ will ☐ will not release SELLER'S liability.
SELLER is aware that some loans have a recapture provision or prepayment penalty and SELLER may be required to pay additional funds to satisfy such **recapture or penalty.**

11. MULTIPLE LISTING SERVICE AUTHORIZATION. (Name of MLS) Overall Multiple Listing Service

_____ / _____ *(Initial)* By initialing this line, it is understood that Broker is a member of the above MLS. SELLER authorizes and directs Broker to offer to cooperate with and compensate other Brokers, and to submit a Property Data Sheet and any authorized changes to MLS as required in the Rules and Regulations of the above MLS. SELLER understands and agrees that any MLS information regarding the above property will be made available to Buyer's Agents and/or Dual Agents. SELLER acknowledges that any sales price information compiled as a result of this Agreement may be provided to the County Assessor's office. SELLER agrees that any such disclosure is permissible.

12. LOCKBOX AUTHORIZATION.

_____ / _____ *(Initial)* By initialing this line, SELLER directs that a lockbox containing a key which gives MLS Keyholders access to the property shall be placed on any building located on the property. SELLER authorizes MLS Keyholders to enter said property to inspect or show the same. SELLER agrees to hold Broker harmless from any liability or loss.

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 1615 East Jefferson Ipswitch

18. SELLER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: SELLER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other Buyers and for SELLERS in the sale of the property. SELLER has been advised and understands that it may create a conflict of interest for Broker to introduce Buyers to SELLER Client's property because Broker could not satisfy all of its Client duties to both Buyer Client and SELLER Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, SELLER makes the following election: (Make one selection only)

_____ / _____
Initials
Limited Dual Agency and/or Assigned Agency

SELLER **does want** Broker to introduce any interested Client of Broker to Client SELLER'S property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at that time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the SELLER and Buyer in the introduction of Buyers to such SELLER Client's property and in the preparation of any contract of sale which may result. SELLER authorizes Broker to act in a **limited dual agency** capacity. Further, SELLER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, SELLER authorizes Broker to act in such capacity.

OR

_____ / _____
Initials
Single Agency

SELLER **does not want** Broker to introduce interested Buyer Clients to Client SELLER'S property and hereby releases Broker from any responsibility or duty under the agency agreement to do so. Broker shall be under no obligation or duty to introduce the Buyer to any Client SELLER'S property.

19. INFORMATION WARRANTY. SELLER warrants that all information provided by the SELLER herein and hereafter will be true and correct.

20. DEPOSIT. Brokers are authorized to receive a deposit from any prospective purchaser who offers to purchase or exchange the property and shall notify SELLER of the receipt of any such deposit. Acceptance of such deposit by a Broker shall not constitute SELLER'S acceptance of any such offer.

21. GENERAL PROVISIONS. In the event either party shall initiate any suit or action or appeal on any matter relating to this Agreement the defaulting party shall pay the prevailing party all damages and expenses resulting from the default, including all reasonable attorneys' fees and all court costs and other expenses incurred by the prevailing party. This Agreement is made in accordance with and shall be interpreted and governed by the laws of the State of Idaho. All rights and obligations of the parties hereunder shall be binding upon and inure to the benefit of their heirs, personal representatives, successors and assigns.

22. NON-DISCRIMINATION. SELLER and Broker acknowledge that it is illegal to discriminate in the showing, sale or leasing of the property on the basis of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. FACSIMILE TRANSMISSION. Facsimile or electronic transmission of any signed original document and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

25. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

26. OTHER TERMS AND CONDITIONS: None

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 1615 East Jefferson Ipswitch

18. SELLER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: SELLER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other Buyers and for SELLERS in the sale of the property. SELLER has been advised and understands that it may create a conflict of interest for Broker to introduce Buyers to SELLER Client's property because Broker could not satisfy all of its Client duties to both Buyer Client and SELLER Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, SELLER makes the following election: (Make one selection only)

_____ / _____
Initials
Limited Dual Agency and/or Assigned Agency

SELLER **does want** Broker to introduce any interested Client of Broker to Client SELLER'S property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at that time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the SELLER and Buyer in the introduction of Buyers to such SELLER Client's property and in the preparation of any contract of sale which may result. SELLER authorizes Broker to act in a **limited dual agency** capacity. Further, SELLER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, SELLER authorizes Broker to act in such capacity.

OR

_____ / _____
Initials
Single Agency

SELLER **does not want** Broker to introduce interested Buyer Clients to Client SELLER'S property and hereby releases Broker from any responsibility or duty under the agency agreement to do so. Broker shall be under no obligation or duty to introduce the Buyer to any Client SELLER'S property.

19. INFORMATION WARRANTY. SELLER warrants that all information provided by the SELLER herein and hereafter will be true and correct.

20. DEPOSIT. Brokers are authorized to receive a deposit from any prospective purchaser who offers to purchase or exchange the property and shall notify SELLER of the receipt of any such deposit. Acceptance of such deposit by a Broker shall not constitute SELLER'S acceptance of any such offer.

21. GENERAL PROVISIONS. In the event either party shall initiate any suit or action or appeal on any matter relating to this Agreement the defaulting party shall pay the prevailing party all damages and expenses resulting from the default, including all reasonable attorneys' fees and all court costs and other expenses incurred by the prevailing party. This Agreement is made in accordance with and shall be interpreted and governed by the laws of the State of Idaho. All rights and obligations of the parties hereunder shall be binding upon and inure to the benefit of their heirs, personal representatives, successors and assigns.

22. NON-DISCRIMINATION. SELLER and Broker acknowledge that it is illegal to discriminate in the showing, sale or leasing of the property on the basis of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. FACSIMILE TRANSMISSION. Facsimile or electronic transmission of any signed original document and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

25. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

26. OTHER TERMS AND CONDITIONS: None

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 1615 East Jefferson Ipswitch

CONTRACTOR REGISTRATION # (if applicable) None

Seller Signature: _____ **Accepted:** _____ **(Broker)**

Seller Signature: _____ **By:** _____ **(Agent)**

Date: May 15, 20xx **Date:** May 15, 20xx

Address: 1615 East Jefferson **Address:** 93 East Main

City: Ipswitch **State:** ID **Zip:** 83000 **City:** Ipswitch **State:** ID **Zip:** 83000

E-Mail: _____ **E-Mail:** benbrown@hotyahoo.com

Phone(s): 555-7777 **Phone(s):** 555-5555

Fax: 555-7777 **Fax:** 555-6666

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Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-21 REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

ID# 222 DATE June 3, 20xx

LISTING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666
Listing Agent Ben Brown E-Mail benbrown@hotyahoo.com Phone # 555-5555

SELLING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666
Selling Agent Terry Joe E-Mail terryjoe@hotyahoo.com Phone # 555-5555

1. BUYER: Steven King (Hereinafter called "**BUYER**") agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PREMISES" **COMMONLY KNOWN AS** 1615 East Jefferson City Ipswitch Homey County, ID, Zip 83000 legally described as: Lot 5, Block 6, Sunny Subdivision

OR Legal Description Attached as addendum # None **(Addendum must accompany original offer.)**

2. $ 87,000.00 **PURCHASE PRICE:** Eighty seven thousand **DOLLARS,** payable upon the following **TERMS AND CONDITIONS** (not including closing costs) :

3. FINANCIAL TERMS: Note: A+C+D+E must add up to total purchase price.

$ 1,500.00 **(A). EARNEST MONEY:** BUYER hereby deposits One thousand five hundred DOLLARS as Earnest Money evidenced by: ☐ cash ☐ personal check ☐ cashier's check ☒ note (due date): June 10, 20xx ☐ other --------- and a receipt is hereby acknowledged. Earnest Money to be deposited in trust account ☐ upon receipt, or ☒ upon acceptance by all parties and shall be held by: ☐ Listing Broker ☒ Selling Broker ☐ other ------ for the benefit of the parties hereto. The responsible Broker shall be Terry Joe.

(B). ALL CASH OFFER: ☒ NO ☐ YES **If this is an all cash offer do not complete lines 32 through 61, fill blanks with "0" (ZERO.) IF CASH OFFER, BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCIAL CONTINGENCY.** BUYER agrees to provide SELLER within -------- business days from the date of acceptance of this agreement by all parties, evidence of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes, but is not limited to, a copy of a recent bank or financial statement or contract(s) for the sale of BUYER'S current residence or other property to be sold.

$ 78,300.00 **(C). NEW LOAN PROCEEDS**: This Agreement is contingent upon BUYER obtaining the following financing:
☒ **FIRST LOAN** of $ 78,300.00 not including mortgage insurance, through ☐ FHA, ☐ VA, ☒ CONVENTIONAL, ☐ IHFA, ☐ RURAL DEVELOPMENT, ☐ OTHER ------- with interest not to exceed 8.5 % for a period of 30 year(s) at: ☒ Fixed Rate ☐ Other ------- BUYER shall pay no more than 3 point(s) plus origination fee if any. SELLER shall pay no more than 0 point(s). Any reduction in points shall first accrue to the benefit of the ☒ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

☐ **SECOND LOAN** of $ None with interest not to exceed None % for a period of None year(s) at: ☐ Fixed Rate ☐ Other None BUYER shall pay no more than None point(s) plus origination fee if any. SELLER shall pay no more than None point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

LOAN APPLICATION:BUYER ☐ has applied ☒ shall apply for such loan(s) within 5 business day(s) of SELLER'S acceptance. Within 10 business days of final acceptance of all parties, BUYER agrees to furnish SELLER with **a written confirmation showing lender approval of credit report, income verification, debt ratios in a manner acceptable to the SELLER(S) and subject only to satisfactory appraisal and final lender underwriting.** If such written confirmation is not received by SELLER(S) within the strict time allotted, SELLER(S) may at their option cancel this agreement by notifying BUYER(S) in writing of such cancellation within 3 business day(s) after written confirmation was required. If SELLER does not cancel within the strict time period specified as set forth herein, SELLER shall be deemed to have accepted such written confirmation of lender approval and shall be deemed to have elected to proceed with the transaction. SELLER'S approval shall not be unreasonably withheld. **If an appraisal is required by lender, the property must appraise at not less than purchase price** or BUYER'S Earnest Money may be returned at BUYER'S request. *BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements to the SELLER*

FHA / VA: If applicable, it is expressly agreed that notwithstanding any other provisions of this contract, BUYER shall not be obligated to complete the purchase of the property described herein or to incur any penalty or forfeiture of Earnest Money deposits or otherwise unless BUYER has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement lender setting forth the appraised value of the property of not less than the sales price as stated in the contract. SELLER agrees to pay fees required by FHA or VA.

$ None **(D). ADDITIONAL FINANCIAL TERMS:**
☐ Additional financial terms are specified under the heading "OTHER TERMS AND/OR CONDITIONS" (Section 4).
☐ Additional financial terms are contained in a **FINANCING ADDENDUM** of same date, attached hereto, signed by both parties.

$ 7,200.00 **(E). APPROXIMATE FUNDS DUE FROM BUYERS AT CLOSING** ***(Not including closing costs)*****: Cash at closing** to be paid by BUYER at closing in GOOD FUNDS, includes: **cash, electronic transfer funds, certified check or cashier's check. NOTE:** *If any of above loans being Assumed or taken "subject to", any net differences between the approximate balances and the actual balance of said loan(s) shall be adjusted at closing of escrow in:* ☒ Cash ☐ Other: -------.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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4. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations and/or contingencies which must be satisfied prior to closing None

5. ITEMS INCLUDED & EXCLUDED IN THIS SALE: All existing fixtures and fittings that are attached to the property are **INCLUDED IN THE PURCH PRICE** (unless excluded below), and shall be transferred free of liens. These include, but are not limited to, all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein. BUYER should satisfy himself/herself that the condition of the included items is acceptable. It is agreed that any item included in this section is of nominal value less than $100.

(A). ADDITIONAL ITEMS SPECIFICALLY INCLUDED IN THIS SALE: All window coverings, pink bedspread in master bedroom, all wood for fireplace

(B). ITEMS SPECIFICALLY EXCLUDED IN THIS SALE: Swing set

6. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out of purchase money at date of closing. No liens, encumbrances or defects which are to be discharged or assumed by BUYER or to which title is taken subject to, exist unless otherwise specified in this Agreement.

7. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the BUYER additional coverage.

(A). PRELIMINARY TITLE COMMITMENT: Prior to closing the transaction, ☒ SELLER or ☐ BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said premises. BUYER shall have 5 business day(s) from receipt of the preliminary commitment or not fewer than twenty-four (24) hours prior to closing, within which to object in writing to the condition of the title as set forth in the preliminary commitment. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title. It is agreed that if the title of said premises is not marketable, or cannot be made so within 10 business day(s) after notice containing a written statement of defect is delivered to SELLER, BUYER'S Earnest Money deposit will be returned to BUYER and SELLER shall pay for the cost of title insurance cancellation fee, escrow and legal fees, if any.

(B). TITLE COMPANY: The parties agree that Good Title Company **Title Company located at** 101 Title Row **shall provide the title policy and preliminary report of commitment.**

(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the premises showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. **The risk assumed by the title company in the standard coverage policy is limited to matters of public record.** BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct Closing Agency in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. **This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.**

8. MECHANIC'S LIENS - GENERAL CONTRACTOR DISCLOSURE STATEMENT NOTICE: BUYER and SELLER are hereby notified that, subject to Idaho Code §45-525 *et seq.*, a "General Contractor" must provide a Disclosure Statement to a homeowner that describes certain rights afforded to the homeowner (e.g. lien waivers, general liability insurance, extended policies of title insurance, surety bonds, and sub-contractor information). The Disclosure Statement must be given to a homeowner prior to the General Contractor entering into any contract in an amount exceeding $2,000 with a homeowner for construction, alteration, repair, or other improvements to real property, or with a residential real property purchaser for the purchase and sale of newly constructed property. Such disclosure is the responsibility of the General Contractor and it is not the duty of your agent to obtain this information on your behalf. You are advised to consult with any General Contractor subject to Idaho Code §45-525 *et seq.* regarding the General Contractor Disclosure Statement.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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9. INSPECTION:

(A). BUYER chooses ☒ to have inspection ☐ not to have inspection. If BUYER chooses not to have inspection skip section 9C. BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at **BUYER'S expense**. BUYER shall, within 10 business day(s) of acceptance, complete these inspections and give to SELLER written notice of disapproved items. BUYER is strongly advised to exercise these rights and to make BUYER'S own selection of professionals with appropriate qualifications to conduct inspections of the entire property. Some inspections, investigations, tests, surveys and other studies may require additional days to complete. The parties agree that unless specifically set forth below, the above timeframe for investigations, tests, surveys and other studies shall govern. Additional inspections/timeframes:

None

(B). FHA INSPECTION REQUIREMENT, If applicable: "For Your Protection: Get a Home Inspection", HUD 92564-CN must be signed on or before execution of this agreement.

(C). SATISFACTION/REMOVAL OF INSPECTION CONTINGENCIES:

1). If BUYER **does not** within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

2). If BUYER **does** within the strict time period specified give to SELLER written notice of disapproved items, **BUYER shall provide to SELLER pertinent section(s) of written inspection reports**. SELLER shall have 3 business day(s) in which to **respond in writing.** The SELLER, at their option, may correct the items as specified by the BUYERS in their letter or may elect not to do so. If the SELLER agrees to correct the items asked for in the BUYERS letter, then both parties agree that they will continue with the transaction and proceed to closing. **This will remove the BUYER'S inspection contingency.**

3). If the SELLER elects not to correct the disapproved items, or does not respond in writing within the strict time period specified, then the BUYER(S) have the option of either continuing the transaction without the SELLER being responsible for correcting these deficiencies or giving the SELLER written notice within 3 business days that they will not continue with the transaction and will receive their Earnest Money back.

4). If BUYER **does not** give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct. SELLER shall make the property available for all Inspections. BUYER shall keep the property free and clear of liens; indemnify and hold SELLER harmless from all liability, claims, demands, damages and costs; and repair any damages arising from the inspections. No inspections may be made by any governmental building or zoning inspector or government employee without the prior consent of SELLER unless required by local law.

10. LEAD PAINT DISCLOSURE: The subject property ☐ is ☒ is not defined as "Target Housing" regarding lead-based paint or lead-based paint hazards. The term lead-based paint hazards is intended to identify lead-based paint and all residential lead-containing dusts and soils **regardless of the source of the lead**. If yes, BUYER hereby acknowledges the following: (a) BUYER has been provided an EPA approved lead-based paint hazard information pamphlet, "Protect Your Family From Lead in Your Home", (b) receipt of SELLER'S Disclosure of Information and Acknowledgment Form and have been provided with all records, test reports or other information, if any,related to the presence of lead-based paint hazards on said property, (c that this contract is contingent upon BUYERS right to have the property tested for lead-based paint hazards to be completed no later than None or the contingency will terminate, (d) that BUYER hereby ☒ waives ☐ does not waive this right, (e) that if test results show unacceptable amounts of lead-based paint on the premises, BUYER has the right to cancel the contract subject to the option of the SELLER (to be given in writing) to elect to remove the lead-based paint and correct the problem which must be accomplished before closing, (f) that if the contract is canceled under this clause, BUYER'S earnest money deposit will be returned to BUYER.

11. SQUARE FOOTAGE VERIFICATION: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE REAL PROPERTY OR IMPROVEMENTS IS APPROXIMATE. IF SQUARE FOOTAGE IS MATERIAL TO THE BUYER, IT MUST BE VERIFIED DURING THE INSPECTION PERIOD.

12. SELLER'S PROPERTY DISCLOSURE FORM: If required by Title 55, Chapter 25 Idaho Code SELLER shall within ten (10) days after execution of this Agreement provide to BUYER or BUYER'S agent ,"SELLER'S Property Disclosure Form" or other acceptable form. BUYER has received the "SELLER'S Property Disclosure Form" or other acceptable form prior to signing this Agreement: ☒ Yes ☐ No ☐ N/A

13. COVENANTS, CONDITIONS AND RESTRICTIONS (CC& R'S): BUYER is responsible to obtain and review a copy of the CC& R's (if applicable). BUYER has reviewed CC&Rs (if applicable) as part of BUYER'S inspection of the property ☐ Yes ☐ No

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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14. SUBDIVISION HOMEOWNER'S ASSOCIATION: BUYER is aware that membership in a Home Owner's Association may be required and BUYER agrees to abide by the Articles of Incorporation, By-Laws and rules and regulations of the Association. BUYER is further aware that the Property may be subject to assessments levied by the Association described in full in the Declaration of Covenants, Conditions and Restrictions, BUYER has reviewed Homeowner's Association Documents: ☐ Yes ☐ No ☒ N/A Association fees/dues are $ 0.00 per -------- ☐ BUYER ☐ SELLER ☒ N/A to pay Homeowner's Association **SET UP FEE of $** ------- **and/or property TRANSFER FEES of** $ 0.00 at closing.

15. COSTS PAID BY: Costs in addition to those listed below may be incurred by BUYER and SELLER unless otherwise agreed herein, or provided by law or required by lender, or otherwise stated herein. The below costs will be paid as indicated. Some costs are subject to loan program requirements. This section relates ONLY to the costs to be paid by the parties. None of the costs to be paid by the parties in this section create an inspection or performance obligation other than strictly for the payment of cost.

	BUYER	SELLER	Shared Equally	N/A		BUYER	SELLER	Shared Equally	N/A
Appraisal Fee	X				Title Ins. Standard Coverage Owner's Policy		X		
Appraisal Re-Inspection Fee		X			Title Ins. Extended Coverage **Lender's** Policy -- Mortgagee Policy	X			
Closing Escrow Fee			X		Additional Title Coverage				X
Lender Document Preparation Fee	X				Fuel in Tank -- Amount to be Determined by Supplier				X
Tax Service Fee	X				Well Inspection				X
Flood Certification/Tracking Fee		X			Septic Inspections				X
Lender Required Inspections	X				Septic Pumping				X
Attorney Contract Preparation or Review Fee	X				Survey				X

SELLER agrees to pay up to $ 1,000.00 **of lender required repair costs only.**
BUYER or SELLER has the option to pay any lender required repair costs in excess of this amount.

16. OCCUPANCY: BUYER ☒ does ☐ does not intend to occupy property as BUYER'S primary residence.

17. FINAL WALK THROUGH: The SELLER grants BUYER and any representative of BUYER reasonable access to conduct a final walk through inspection of the premises approximately 2 calendar day(s) prior to close of escrow, NOT AS A CONTINGENCY OF THE SALE, but for purposes of satisfying BUYER that any repairs agreed to in writing by BUYER and SELLER have been completed and premises are in substantially the same condition as on acceptance date of this contract. SELLER shall make premises available for the final walk through and agrees to accept the responsibility and expense for making sure all the utilities are turned on for the walk through except for phone and cable. If BUYER does not conduct a final walk through, BUYER specifically releases the SELLER and Broker(s) of any liability.

18. RISK OF LOSS: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the premises be materially damaged by fire or other destructive cause prior to closing, this agreement shall be void at the option of the BUYER.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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19. CLOSING: On or before the closing date, BUYER and SELLER shall deposit with the closing agency all funds and instruments necessary to complete this transaction. **Closing means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to SELLER.** The closing shall be no later than (Date) August 15, 20xx.
The parties agree that the **CLOSING AGENCY** for this transaction shall be Good Title Company
located at 101 Title Row, Ipswitch, Idaho 83000.
If a long-term escrow / collection is involved, then the long-term escrow holder shall be _____.

20. POSSESSION: BUYER shall be entitled to possession [X] upon closing or [ ] date ----- time ----- [ ] A.M. [ ] P.M.
Property taxes and water assessments (using the last available assessment as a basis), rents, interest and reserves, liens, encumbrances or obligations assumed and utilities shall be pro-rated as of Day of closing.

21. SALES PRICE INFORMATION: SELLER and BUYER hereby grant permission to the brokers and either party to this Agreement, to disclose sale data from this transaction, including selling price and property address to the local Association / Board of REALTORS®, multiple listing service, its members, its members' prospects, appraisers and other professional users of real estate sales data. The parties to this Agreement acknowledge that sales price information compiled as a result of this Agreement may be provided to the County Assessor Office by either party or by either party's Broker.

22. FACSIMILE TRANSMISSION: Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. BUSINESS DAYS: A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real property is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73-108. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

25. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

26. DEFAULT: **If BUYER defaults** in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right and/or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER'S Broker, provided that the amount to be paid to SELLER'S Broker shall not exceed the Broker's agreed to commission. SELLER and BUYER specifically acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER'S sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of brokerage fee, title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter.

If SELLER defaults, having approved said sale and fails to consummate the same as herein agreed, BUYER'S Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, appraisals, credit report fees, inspection fees, brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

27. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination of this contract, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing agency, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or closing agency shall not be required to take any action but may await any proceeding, or at Broker's or closing agency's option and sole discretion, may interplead all parties and deposit any monies or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.

28. COUNTERPARTS: This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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PROPERTY ADDRESS: 1615 East Jefferson, Ipswitch, Idaho **ID#:** 222

29. "NOT APPLICABLE DEFINED:" The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

30. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

31. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section 1:

☐ A. **The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).**

☐ B. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.**

☐ C. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).**

☒ D. **The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).**

Section 2:

☒ A. **The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).**

☐ B. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.**

☐ C. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).**

☐ D. **The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).**

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

32. ENTIRE AGREEMENT: This Agreement contains the entire Agreement of the parties respecting the matters herein set forth and supersedes all prior Agreements between the parties respecting such matters. No warranties, including, without limitation, any warranty of habitability, agreements or representations not expressly set forth herein shall be binding upon either party.

33. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

34. AUTHORITY OF SIGNATORY: If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.

35. ACCEPTANCE: BUYER'S offer is made subject to the acceptance of SELLER on or before (Date) June 7, 20XX at (Local Time in which property is located) 11:59 ☐ A.M. ☒ P.M. If SELLER does not accept this Agreement within the time specified, the entire Earnest Money shall be refunded to BUYER on demand.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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PROPERTY ADDRESS: 1615 East Jefferson, Ipswitch, Idaho **ID#:** 222

36. BUYER'S SIGNATURES:

☐ **SEE ATTACHED BUYER'S ADDENDUM(S):** None (Specify number of BUYER addendum(s) attached.)

BUYER Signature _____ **BUYER (Print Name)** Steven King

Date June 3, 20xx Time 1:30 ☐ A.M. ☒ P.M. Phone # 555-5678 Cell # ----------

Address 123 1st Avenue South City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ----------

BUYER Signature _____ **BUYER (Print Name)** _____

Date _____ Time _____ ☐ A.M. ☐ P.M. Phone # _____ Cell # _____

Address _____ City _____ State _____ Zip _____

E-Mail Address _____ Fax # _____

37. SELLER'S SIGNATURES:

On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

☐ **SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER**

☐ **SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #** _____

SELLER Signature _____ **SELLER (Print Name)** Joe Black

Date June 5, 20xx Time 8:30 ☒ A.M. ☐ P.M. Phone # 555-7777 Cell # -------

Address 1615 East Jefferson City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ---------

SELLER Signature _____ **SELLER (Print Name)** Beatrice Black

Date June 5, 20xx Time 8:30 ☒ A.M. ☐ P.M. Phone # 555-7777 Cell # ---------

Address 1615 East Jefferson City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ----------

CONTRACTOR REGISTRATION # (if applicable) None

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Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

III. TRANSACTION #YR-003 – SHORT/LONG

On June 11, Yr, a sales associate obtains an offer from Sam and Cathy Short to purchase the Longs' property. The original offer is countered by the Longs on June 13, Yr and accepted by the buyer. The earnest money is a $2,000.00 check. There are no contingencies in the agreement. On July 2, Yr, the Shorts inform you that they have decided not to purchase the Long's property and agree to forfeit the earnest money. The language in the purchase and sale agreement directs the broker to pay all expenses from the forfeited earnest money and divide the balance equally between the seller and the broker. The preliminary title policy was canceled with a charge of $100.00 payable to Grand Title Company. There were no other costs involved. After obtaining a signed release from both the buyers and sellers, you, as the broker distribute the forfeited earnest money on July 3, Yr.

A. Ledger Card

LEDGER

Buyer _____ Seller _____

Property Location _____ Transaction Number _____

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance

B. Check Register

CHECK REGISTER

Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		Trust Account Maintenance			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		Check Printing Fees		$75.00		
06/09/XX		YR-002 King -- Depost EM			$1500.00	$1725.00
06/23/XX		YR-002 King -- Return EM Deal fell	1100	$1500.00		

C. Deposit Slip

DEPOSIT SLIP			
Deposited with Rocky Mountain Bank Note Ipswitch, Idaho 83000 To THE CREDIT OF TERRY JOE'S REALTY REAL ESTATE TRUST ACCOUNT 93 E. MAIN IPSWITCH, ID 83000		ALL ITEMS ARE CREDITED SUB-JECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS	123456789 0000 0000 0000
DATE			
CURRENCY			
COIN			
CHECKS (list separately)			
TOTAL FROM OTHER SIDE			
TOTAL			
Received By:			

D. Bank Statement Dated July 1

ROCKY MOUNTAIN BANK			
BANK STATEMENT			
Previous Balance: $225.00 Current Balance: $2,225.00		Date: July 1, 20XX	
DATE	DEPOSIT	CHECKS Number	Amount
06/09/XX	$1500.00		
06/13/XX	$2000.00		
06/23/XX		1100	$1500.00

E. Reconciliation Form

Monthly 3-Way Reconciliation Form

❼ **Trust Ledger Liability**
(Open ledgers with or without a balance)

Transaction #	Buyer	Seller	Balance

F. Earnest Money Release

RE- 20 NOTICE TO TERMINATE CONTRACT AND RELEASE OF EARNEST MONEY

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

RE: Purchase and Sale Agreement Dated: _____ **ID#** _____
Hereinafter referred as "Contract" covering the following described property:

Property Address: _____

Legal Description: _____

BUYER: _____

SELLER: _____

The undersigned BUYER and SELLER agree that the above real estate Contract WILL NOT be completed and hereby mutually release each other from all further obligations to buy, sell or exchange under the Contract and all related documents, and from all claims, actions, and demands which each may have against the other by reason of said Contract. It is the intent of this agreement that all rights and obligations arising out of said Contract are null and void. BUYER and SELLER further agree to release brokers and their associates from any claims, actions and demands by reason of releasing and disbursing of said earnest money deposit.

Earnest Money Holder: _____

Amount of Earnest Money: _____ $ _____

Earnest money holder, is hereby instructed to release and disburse said earnest money deposit in the following manner:

$ _____ TO: _____

$ _____ TO: _____

$ _____ TO: _____

BUYER: _____ **Date:** _____

BUYER: _____ **Date:** _____

SELLER: _____ **Date:** _____

SELLER: _____ **Date:** _____

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RE- 20 NOTICE TO TERMINATE CONTRACT AND RELEASE OF EARNEST MONEY JULY, 2007 EDITION PAGE 1 OF 1

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Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

G. Trust Account Checks (3)

Terry Joe's Realty 1101
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000

For: _____ _____
123456789 0000 0000 0000

Terry Joe's Realty 1102
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000

For: _____ _____
123456789 0000 0000 0000

Terry Joe's Realty 1103
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000

For: _____ _____
123456789 0000 0000 0000

H. Exclusive Seller Rep

REALTOR®

RE- 16 EXCLUSIVE SELLER REPRESENTATION AGREEMENT

EQUAL HOUSING OPPORTUNITY

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

DATE May 10, 20XX **AGENT:** Cynthia Sellers
Acting as Agent for the Broker

1. SELLER John and Sue Long

retains Terry Joe Broker of Terry Joe's Realty as

Exclusive SELLER'S Broker to sell, lease, or exchange the property described in Item #2 below, during the term of this agreement and on any additional terms hereafter set forth.

2. PROPERTY ADDRESS AND LEGAL DESCRIPTION. The property address and the complete legal description of the property are as set forth below.

Address 119 West 2nd Street

County Homey City Ipswitch Zip 83000

Legal Description Lot 7, Block 3, Estate Subdivision, Ipswitch, Idaho

or ☐ Legal Description Attached as addendum # None . **(Addendum must accompany original listing)**

3. TERM OF AGREEMENT. The term of this Agreement shall commence on May 10, 20XX and shall expire at 11:59 p.m. on August 10, 20XX unless renewed or extended. If the SELLER accepts an offer to purchase or exchange, the terms of this Agreement shall be extended through the closing of the transaction.

4. PRICE. SELLER agrees to sell the property for a total price of $ 81,000.00

5. FINANCING. SELLER agrees to consider the following types of financing: *(Complete all applicable provisions).*

☒ FHA ☒ VA ☒ CONVENTIONAL ☐ IHFA ☐ RURAL DEVELOPMENT ☐ Exchange

☒ Cash ☐ Cash to existing loan(s) ☐ Assumption of existing loan(s)

☐ SELLER will carry contract and accept a minimum down payment of $ None and an acceptable secured note for the balance to be paid as follows: None

Other acceptable terms None

Brokers are required by Idaho Real Estate Law to present all written offers.

6. BROKERAGE FEE.

(A) If Broker or any person, including SELLER, procures a purchaser ready, willing and able to purchase, transfer or exchange the property on the terms stated herein or on any other price and terms agreed to in writing, the SELLER agrees to pay a total brokerage fee of 6 % of the contract or purchase price OR $ 0.00 of which 3 % of the contract or purchase price OR $ ------ will be shared with the cooperating brokerage unless otherwise agreed to in writing. The fee shall be paid in cash at closing unless otherwise designated by the Broker in writing.

(B) Further, the brokerage fee is payable if the property or any portion thereof or any interest therein is, directly or indirectly, sold, exchanged or optioned or agreed to be sold, exchanged or optioned within 180 days following expiration of the term hereof to any person who has examined, been introduced to or been shown the property during the term hereof.

(C) If SELLER, upon termination of this Agreement, enters into an Exclusive Right to Sell Agreement to market said property with another Broker, then the time period specified above in Section 6B, shall not apply and will be of no further force or effect.

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 119 West 2nd Street Ipswitch

7. ADDITIONAL FEES: None

8. INCLUDED ITEMS. SELLER agrees to leave with the premises all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein.
Also included: None

9. EXCLUDED ITEMS. None

10. TITLE AND EXISTING ENCUMBRANCES. Title to the property is to be conveyed by Warranty Deed unless otherwise provided herein, and is to be marketable and insurable except for rights reserved in federal patents, federal, state or railroad deeds, building or use restrictions, building and/or zoning regulations and ordinances of any governmental entity, and rights of way and easements established or of record. The individual executing this Agreement warrant and represents that said individual either owns the property or has full power and right to enter into this Agreement and to sell and convey the property on behalf of the SELLER and that to the best of said individual's knowledge the property is in compliance with all applicable building and zoning regulations and with any applicable covenants and restrictions affecting the property except: None

The SELLER agrees to provide good and marketable title to the property at the time of closing. The property is currently encumbered by the following liens:
☒ 1st Mortgage ☐ 2nd Mortgage ☐ Home Equity Loan ☐ Other ----------
☐ The property is not encumbered by any mortgage, lien, or other security instrument.
Loan payments ☒ are ☐ are not current; loan ☐ is ☐ is not assumable. If loan is assumable, Buyer ☐ will ☐ will not be required to qualify and ☐ will ☐ will not release SELLER'S liability.
SELLER is aware that some loans have a recapture provision or prepayment penalty and SELLER may be required to pay additional funds to satisfy such **recapture or penalty.**

11. MULTIPLE LISTING SERVICE AUTHORIZATION. (Name of MLS) Overall Multiple Listing Service

_____ / _____ *(Initial)* By initialing this line, it is understood that Broker is a member of the above MLS. SELLER authorizes and directs Broker to offer to cooperate with and compensate other Brokers, and to submit a Property Data Sheet and any authorized changes to MLS as required in the Rules and Regulations of the above MLS. SELLER understands and agrees that any MLS information regarding the above property will be made available to Buyer's Agents and/or Dual Agents. SELLER acknowledges that any sales price information compiled as a result of this Agreement may be provided to the County Assessor's office. SELLER agrees that any such disclosure is permissible.

12. LOCKBOX AUTHORIZATION.

_____ / _____ *(Initial)* By initialing this line, SELLER directs that a lockbox containing a key which gives MLS Keyholders access to the property shall be placed on any building located on the property. SELLER authorizes MLS Keyholders to enter said property to inspect or show the same. SELLER agrees to hold Broker harmless from any liability or loss.

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 119 West 2nd Street Ipswitch

13. ADVERTISING AUTHORIZATION.

SELLER ☒ does ☐ does not agree to allow Broker to advertise said property in print media.
SELLER ☒ does ☐ does not agree to allow Broker to advertise said property in internet advertising media.
SELLER ☒ does ☐ does not agree to allow Broker to advertise said property in other advertising media.
SELLER ☒ does ☐ does not agree to allow Broker to place the Broker's sign on above property.

14. SELLER'S PROPERTY DISCLOSURE FORM. If required by Title 55, Chapter 25 Idaho Code, SELLER shall within ten (10) days after execution of a Purchase and Sale Agreement provide to Buyer "SELLER'S Property Disclosure Form" and Buyer shall have three (3) business days from receipt of the disclosure report to rescind the offer in a written signed and dated document delivered to the SELLER or the SELLER'S Agents. Buyer rescission must be based on a specific written objection to a disclosure made in the SELLER'S Property Disclosure Form.

15. LEAD BASED PAINT DISCLOSURE. SELLER has been advised of disclosure obligations regarding lead-based paint and lead-based paint hazards in the event property is a defined "Target Housing" under Federal Regulations. The term lead-based paint hazard is intended to identify lead-based paint and all residential lead-containing dusts and soils **regardless of the source of lead**. Said property ☐ **is** ☒ **is not** "Target Housing". If yes, SELLER agrees to sign and complete the Information Disclosure and Acknowledgment Form provided and deliver to my agent all records, test reports or other information related to the presence of lead-based paint or lead-based paint hazards, if any.

16. TRANSACTION RELATED SERVICES DISCLAIMER: SELLER understands that Broker is qualified to advise SELLER on general matters concerning real estate, but is not an expert in matters of law, tax, financing, surveying, structural conditions, property inspections, hazardous materials, or engineering. SELLER acknowledges that Broker advises SELLER to seek expert assistance for advice on such matters. The Broker or Broker's agents may, during the course of the transaction, identify individuals or entities who perform services including **BUT NOT LIMITED TO** the following; home inspections, service contracts, appraisals, environmental assessment inspection, code compliance inspection, title insurance, closing and escrow services, loans and refinancing services, construction and repair, legal and accounting services, and/or surveys. The SELLER understands that the identification of service providers is solely for SELLER'S convenience and that the Broker and their agents are not guaranteeing or assuring that the service provider will perform its duties in accordance with the SELLER'S expectations. SELLER has the right to make arrangements with any entity SELLER chooses to provide these services. SELLER hereby releases and holds harmless the Broker and Broker's agents from any claims by the SELLER that service providers breached their agreement, were negligent, misrepresented information, or otherwise failed to perform in accordance with the SELLER'S expectations. In the event the SELLER requests Broker to obtain any products or services from outside sources, **SELLER agrees to pay for them immediately when payment is due.** For example: surveys or engineering, environmental and/or soil tests, title reports, home or property inspections, appraisals, etc.

17. CONSENT TO LIMITED DUAL REPRESENTATION AND ASSIGNED AGENCY: The undersigned SELLERS(S) have received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned SELLER(S) understand that the brokerage involved in this transaction may be providing agency representation to both the SELLER(S) and the Buyer. The undersigned SELLER(S) each understands that, as an agent for both SELLER/client and Buyer/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms or factors motivating the Buyer/client to buy or the SELLER/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by Section 54-2085, Idaho Code. The undersigned SELLER(S) each understands that a limited dual agent does not have a duty of undivided loyalty to either client.

The undersigned SELLER(S) further acknowledge that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in Section 54-2087, Idaho Code. In an assigned agency situation, the designated broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship. SELLER ☒ **does** ☐ **does not** consent to allow Buyer's Agents and/or Limited Dual Agents to show property and to allow the Broker to share brokerage fees as determined by the Broker with Buyer's Agents and/or Limited Dual Agents.

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 119 West 2nd Street Ipswitch

18. SELLER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: SELLER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other Buyers and for SELLERS in the sale of the property. SELLER has been advised and understands that it may create a conflict of interest for Broker to introduce Buyers to SELLER Client's property because Broker could not satisfy all of its Client duties to both Buyer Client and SELLER Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, SELLER makes the following election: (Make one selection only)

_____ / _____
Initials
Limited Dual Agency and/or Assigned Agency

SELLER **does want** Broker to introduce any interested Client of Broker to Client SELLER'S property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at that time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the SELLER and Buyer in the introduction of Buyers to such SELLER Client's property and in the preparation of any contract of sale which may result. SELLER authorizes Broker to act in a **limited dual agency** capacity. Further, SELLER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, SELLER authorizes Broker to act in such capacity.

OR

_____ / _____
Initials
Single Agency

SELLER **does not want** Broker to introduce interested Buyer Clients to Client SELLER'S property and hereby releases Broker from any responsibility or duty under the agency agreement to do so. Broker shall be under no obligation or duty to introduce the Buyer to any Client SELLER'S property.

19. INFORMATION WARRANTY. SELLER warrants that all information provided by the SELLER herein and hereafter will be true and correct.

20. DEPOSIT. Brokers are authorized to receive a deposit from any prospective purchaser who offers to purchase or exchange the property and shall notify SELLER of the receipt of any such deposit. Acceptance of such deposit by a Broker shall not constitute SELLER'S acceptance of any such offer.

21. GENERAL PROVISIONS. In the event either party shall initiate any suit or action or appeal on any matter relating to this Agreement the defaulting party shall pay the prevailing party all damages and expenses resulting from the default, including all reasonable attorneys' fees and all court costs and other expenses incurred by the prevailing party. This Agreement is made in accordance with and shall be interpreted and governed by the laws of the State of Idaho. All rights and obligations of the parties hereunder shall be binding upon and inure to the benefit of their heirs, personal representatives, successors and assigns.

22. NON-DISCRIMINATION. SELLER and Broker acknowledge that it is illegal to discriminate in the showing, sale or leasing of the property on the basis of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. FACSIMILE TRANSMISSION. Facsimile or electronic transmission of any signed original document and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

25. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

26. OTHER TERMS AND CONDITIONS: None

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 119 West 2nd Street Ipswitch

CONTRACTOR REGISTRATION # (if applicable) None

Seller Signature: _____ **Accepted:** _____ **(Broker)**

Seller Signature: _____ **By:** _____ **(Agent)**

Date: May 10, 20XX **Date:** May 10, 20XX

Address: 119 West 2nd Street **Address:** 93 East Main

City: Ipswitch **State:** ID **Zip:** 83000 **City:** Ipswitch **State:** ID **Zip:** 83000

E-Mail: _____ **E-Mail:** csellers@hotyahoo.com

Phone(s): 555-8888 **Phone(s):** 555-5555

Fax: --------- **Fax:** 555-6666

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Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

DATE: June 11, 20XX **AGENT:** Terry Joe
Acting as Agent for the Broker

1. BUYER Sam and Cathy Short

retains Terry Joe **Broker of** Terry Joe's Realty **as**

Exclusive Buyer Broker (hereinafter referred to as Broker), where the BUYER is represented by one agent only for time herein set forth and for the express purpose of Representing BUYER in the purchase, lease, or optioning of real property. Further, BUYER agrees, warrants and acknowledges that BUYER has not and shall not enter into any exclusive buyer representation agreement with another broker in the state of Idaho as a broker for BUYER during the effective term of this agreement, unless otherwise agreed to in writing by BUYER and above-listed Broker. BUYER agrees to indemnify and hold the above-listed Broker harmless from any claim brought by any other broker or real estate salesperson for compensation claimed or owed during the effective term of this agreement. By appointing Broker as BUYER'S exclusive agent, BUYER agrees to conduct all negotiations for property through Broker, and to refer to Broker all inquiries received in any form from real estate brokers, salespersons, prospective sellers, or any other source, during the time this Exclusive Buyer Representation Agreement is in effect. BUYER desires to purchase, lease, or option the following real estate: Type of property:

☒ Residential ☐ Residential Income ☐ Commercial ☐ Vacant Land ☐ Other -------

Applicable City(s) Ipswitch, Idaho; Applicable Zip Codes 83000

Applicable County(s) Homey

Other Description: (i.e., geographical area, price, etc.) 3-bedroom, under $100,000

2. TERM OF AGREEMENT: This EXCLUSIVE BUYER REPRESENTATION AGREEMENT (herein after referred to as Agreement) is in force from date June 11, 20xx and will expire at 11:59 p.m. on date August 30, 20xx, or upon closing of escrow of such property purchased through this agreement.

3. BROKER REPRESENTATIONS AND SERVICES: The Broker and Broker's agent representing a BUYER are agents of the BUYER. Broker will use reasonable efforts as BUYER'S agent to locate property as described in Section One hereof from the information available in the Multiple Listing Service (MLS) and from other sources for unlisted property that the Broker may be aware of when applicable as set forth in Section One. The Broker's duty to locate property for the BUYER is limited to the properties that the Broker is aware of and does not include a duty to discover every unlisted property that may be privately advertised. Broker shall make submissions to BUYER describing and identifying properties that substantially meet the criteria set forth in Section One, for consideration of the BUYER and Broker agrees to negotiate acceptance of any offer to purchase or lease such property.

4. TRANSACTION RELATED SERVICES DISCLAIMER: BUYER understands that Broker is qualified to advise BUYER on general matters concerning real estate, but is not an expert in matters of law, tax, financing, surveying, structural conditions, property inspections, hazardous materials, or engineering. BUYER acknowledges that Broker advises BUYER to seek expert assistance for advice on such matters. Broker cannot warrant the condition of property to be acquired, or guarantee that all material facts are disclosed by the Seller. Broker will not investigate the condition of any property including without limitation the status of permits, zoning, location of property lines, square footage, possible loss of views and/or compliance of the property with applicable laws, codes or ordinances and BUYER must satisfy themself concerning these issues by obtaining the appropriate expert advice. The Broker or Broker's agent may, during the course of the transaction, identify individuals or entities who perform services including **BUT NOT LIMITED TO** the following; home inspections, service contracts, appraisals, environmental assessment inspections, code compliance inspections, title insurance, closing and escrow services, loans and refinancing services, construction and repairs, legal and accounting services, and/or surveys. The BUYER understands that the identification of service providers is solely for BUYER'S convenience and that the Broker and its agent are not guaranteeing or assuring that the service provider will perform its duties in accordance with the BUYER'S expectations. BUYER has the right to make arrangements with any entity BUYER chooses to provide these services. BUYER hereby releases and holds harmless the Broker and Broker's agent from any claims by the BUYER that service providers breached their agreement, were negligent, misrepresented information, or otherwise failed to perform in accordance with the BUYER'S expectations. In the event the BUYER requests Broker to obtain any products or services from outside sources, **BUYER agrees to pay for them immediately when payment is due.** For example: surveys or engineering, environmental and/or soil tests, title reports, home or property inspections, appraisals, etc.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Sam and Cathy Short

10. SEVERABILITY CLAUSE: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11. SINGULAR AND PLURAL terms each include the other, when appropriate.

12. DEFAULT / ATTORNEY'S FEES: In the event of default by BUYER under this Agreement, Broker shall be entitled to the Fee that Broker would have received had no default occurred, in addition to other available legal remedies. In the event of any suit or other proceeding arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and all costs incurred relative to such suit or proceeding. Venue of any action arising out of this Agreement shall be in the court of the county in which Broker's office is located.

13. COMPENSATION OF BROKER: In consideration of the services to be performed by the Broker, BUYER agrees that broker may be compensated in any of the following ways: Check all that apply.

☒ A. **If the property is subject to a listing agreement with the Broker's Company or a cooperating Broker** through the Multiple Listing Service (MLS) or otherwise, the fee will be the amount equal to the compensation offered by the aforementioned Brokers but not less than 3 % of the selling price. BUYER agrees to pay to the Broker any difference between the amount received from the aforementioned Brokers and the stated minimum.

☒ B. **If the property is not subject to a Listing Agreement,** such as a For Sale By Owner or a Custom Build Job, the BUYER agrees that the Broker will be paid a fee of not less than ☒ 6 % of selling price or ☐ $ -------. The Broker shall first seek to obtain this fee through the transaction paid by the Seller. If the fee cannot be obtained through the Seller, the BUYER will be responsible for such fee stated above.

☐ C. **Retainer Fee.** BUYER will pay Broker a non-refundable retainer fee of $ 0.00 due and payable upon signing of this Agreement. Retainer fee ☐ shall ☐ shall not be credited against any compensation set forth in paragraph A or B.

☐ D. **Hourly rate.** BUYER will pay Broker at the rate of $ 0.00 per hour for the time spent by Broker pursuant to this Agreement to be paid when billed whether or not BUYER acquires or leases property. The fee ☐ shall ☐ shall not be credited against any compensation as set forth in paragraph A, B, or C.

This compensation shall apply to transactions made for which BUYER enters into a contract during the original term of this Agreement or during any extension of such original or extended term, and shall also apply to transactions for which BUYER enters into a contract within 60 days after this Agreement expires or is terminated, if the property acquired by the BUYER was submitted in writing to the BUYER by Broker pursuant to Section One hereof during the original term or extension of the term of this Agreement. Unless otherwise indicated herein the Broker's fee shall be paid in cash at closing.

In the event BUYER purchases any property without using the representation of the Broker named above within the time this agreement remains in force, above stated BUYER shall be liable to Broker for a cancellation fee equal to 3 % of the contract or purchase price of the property acquired or $ -------.

14. OTHER TERMS AND CONDITIONS: None

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Sam and Cathy Short

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☒ B. **If the property is not subject to a Listing Agreement,** such as a For Sale By Owner or a Custom Build Job, the BUYER agrees that the Broker will be paid a fee of not less than ☒ 6 % of selling price or ☐ $ -------. The Broker shall first seek to obtain this fee through the transaction paid by the Seller. If the fee cannot be obtained through the Seller, the BUYER will be responsible for such fee stated above.

☐ C. **Retainer Fee.** BUYER will pay Broker a non-refundable retainer fee of $ 0.00 due and payable upon signing of this Agreement. Retainer fee ☐ shall ☐ shall not be credited against any compensation set forth in paragraph A or B.

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This compensation shall apply to transactions made for which BUYER enters into a contract during the original term of this Agreement or during any extension of such original or extended term, and shall also apply to transactions for which BUYER enters into a contract within 60 days after this Agreement expires or is terminated, if the property acquired by the BUYER was submitted in writing to the BUYER by Broker pursuant to Section One hereof during the original term or extension of the term of this Agreement. Unless otherwise indicated herein the Broker's fee shall be paid in cash at closing.

In the event BUYER purchases any property without using the representation of the Broker named above within the time this agreement remains in force, above stated BUYER shall be liable to Broker for a cancellation fee equal to 3 % of the contract or purchase price of the property acquired or $ -------.

14. OTHER TERMS AND CONDITIONS: None

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Sam and Cathy Short

15. AUTHORITY OF SIGNATORY: If BUYER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER.

16. TIME IS OF THE ESSENCE IN THIS AGREEMENT: The terms hereof constitute the entire agreement and supersede all prior agreements, negotiations and discussions between parties. This agreement may be modified only by a written agreement signed by each of the parties.

Buyer Signature:	**Accepted:** (Broker)
Buyer Signature:	**By:** (Agent)
Date: June 11, 20xx	**Date:** June 11, 20xx
Address: 7878 Paradise Road	**Address:** 93 East Main
City: Ipswitch **State:** ID **Zip:** 83000	**City:** Ipswitch **State:** ID **Zip:** 83000
E-Mail: ----------	**E-Mail:** terryjoe@hotyahoo.com
Phone(s): 555-1111	**Phone(s):** 555-5555
Fax: ---------	**Fax:** 555-6666

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RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT JULY, 2007 EDITION PAGE 4 OF 4

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-21 REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

ID# 333 DATE June 11, 20xx

LISTING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666
Listing Agent Cynthia Sellers E-Mail csellers@hotyahoo.com Phone # 555-5555
SELLING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666
Selling Agent Terry Joe E-Mail terryjoe@hotyahoo.com Phone # 555-5555

1. BUYER: Sam and Cathy Short (Hereinafter called "**BUYER**") agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PREMISES" **COMMONLY KNOWN AS** 119 West 2nd Street City Ipswitch Homey County, ID, Zip 83000 legally described as: Lot 7, Block 3, Estates Subdivision, Homey County, Idaho
OR Legal Description Attached as addendum # None **(Addendum must accompany original offer.)**

2. $ 78,000.00 **PURCHASE PRICE:** Seventy eight thousand **DOLLARS,** payable upon the following **TERMS AND CONDITIONS** (not including closing costs) :

3. FINANCIAL TERMS: Note: A+C+D+E must add up to total purchase price.

$ 2,000.00 **(A). EARNEST MONEY:** BUYER hereby deposits Two thousand DOLLARS as Earnest Money evidenced by: ☐ cash ☒ personal check ☐ cashier's check ☐ note (due date): -------- ☐ other ---------- and a receipt is hereby acknowledged. Earnest Money to be deposited in trust account ☐ upon receipt, or ☒ upon acceptance by all parties and shall be held by: ☐ Listing Broker ☒ Selling Broker ☐ other ---------- for the benefit of the parties hereto. The responsible Broker shall be Terry Joe.

(B). ALL CASH OFFER: ☐ NO ☒ YES **If this is an all cash offer do not complete lines 32 through 61, fill blanks with "0" (ZERO.) IF CASH OFFER, BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCIAL CONTINGENCY.** BUYER agrees to provide SELLER within 3 business days from the date of acceptance of this agreement by all parties, evidence of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes, but is not limited to, a copy of a recent bank or financial statement or contract(s) for the sale of BUYER'S current residence or other property to be sold.

$ 0.00 **(C). NEW LOAN PROCEEDS**: This Agreement is contingent upon BUYER obtaining the following financing:
☐ **FIRST LOAN** of $ None not including mortgage insurance, through ☐ FHA, ☐ VA, ☐ CONVENTIONAL, ☐ IHFA, ☐ RURAL DEVELOPMENT, ☐ OTHER -------- with interest not to exceed ----- % for a period of ---- year(s) at: ☐ Fixed Rate ☐ Other ------- BUYER shall pay no more than --- point(s) plus origination fee if any. SELLER shall pay no more than ---- point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

☐ **SECOND LOAN** of $ None with interest not to exceed ----- % for a period of ---- year(s) at: ☐ Fixed Rate ☐ Other ----- BUYER shall pay no more than ---- point(s) plus origination fee if any. SELLER shall pay no more than ---- point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

LOAN APPLICATION:BUYER ☐ has applied ☐ shall apply for such loan(s) within ---- business day(s) of SELLER'S acceptance. Within ---- business days of final acceptance of all parties, BUYER agrees to furnish SELLER with **a written confirmation showing lender approval of credit report, income verification, debt ratios in a manner acceptable to the SELLER(S) and subject only to satisfactory appraisal and final lender underwriting.** If such written confirmation is not received by SELLER(S) within the strict time allotted, SELLER(S) may at their option cancel this agreement by notifying BUYER(S) in writing of such cancellation within ---- business day(s) after written confirmation was required. If SELLER does not cancel within the strict time period specified as set forth herein, SELLER shall be deemed to have accepted such written confirmation of lender approval and shall be deemed to have elected to proceed with the transaction. SELLER'S approval shall not be unreasonably withheld. **If an appraisal is required by lender, the property must appraise at not less than purchase price** or BUYER'S Earnest Money may be returned at BUYER'S request. *BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements to the SELLER*

FHA / VA: If applicable, it is expressly agreed that notwithstanding any other provisions of this contract, BUYER shall not be obligated to complete the purchase of the property described herein or to incur any penalty or forfeiture of Earnest Money deposits or otherwise unless BUYER has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement lender setting forth the appraised value of the property of not less than the sales price as stated in the contract. SELLER agrees to pay fees required by FHA or VA.

$ None **(D). ADDITIONAL FINANCIAL TERMS:**
☐ Additional financial terms are specified under the heading "OTHER TERMS AND/OR CONDITIONS" (Section 4).
☐ Additional financial terms are contained in a **FINANCING ADDENDUM** of same date, attached hereto, signed by both parties.

$ 76,000.00 **(E). APPROXIMATE FUNDS DUE FROM BUYERS AT CLOSING *(Not including closing costs)*: Cash at closing** to be paid by BUYER at closing in GOOD FUNDS, includes: **cash, electronic transfer funds, certified check or cashier's check. NOTE:** *If any of above loans being Assumed or taken "subject to", any net differences between the approximate balances and the actual balance of said loan(s) shall be adjusted at closing of escrow in:* ☐ Cash ☐ Other: -----.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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PROPERTY ADDRESS: 119 West 2nd Street, Ipswitch, Idaho **ID#:** 333

4. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations and/or contingencies which must be satisfied prior to closing All cash at closing with no contingencies

5. ITEMS INCLUDED & EXCLUDED IN THIS SALE: All existing fixtures and fittings that are attached to the property are **INCLUDED IN THE PURCH PRICE** (unless excluded below), and shall be transferred free of liens. These include, but are not limited to, all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein. BUYER should satisfy himself/herself that the condition of the included items is acceptable. It is agreed that any item included in this section is of nominal value less than $100.

(A). ADDITIONAL ITEMS SPECIFICALLY INCLUDED IN THIS SALE: All furniture in the house except for seller's clothing and personal items

(B). ITEMS SPECIFICALLY EXCLUDED IN THIS SALE: None

6. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out of purchase money at date of closing. No liens, encumbrances or defects which are to be discharged or assumed by BUYER or to which title is taken subject to, exist unless otherwise specified in this Agreement.

7. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the BUYER additional coverage.

(A). PRELIMINARY TITLE COMMITMENT: Prior to closing the transaction, ☒ SELLER or ☐ BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said premises. BUYER shall have _____ business day(s) from receipt of the preliminary commitment or not fewer than twenty-four (24) hours prior to closing, within which to object in writing to the condition of the title as set forth in the preliminary commitment. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title. It is agreed that if the title of said premises is not marketable, or cannot be made so within 10 business day(s) after notice containing a written statement of defect is delivered to SELLER, BUYER'S Earnest Money deposit will be returned to BUYER and SELLER shall pay for the cost of title insurance cancellation fee, escrow and legal fees, if any.

(B). TITLE COMPANY: The parties agree that Grand **Title Company located at** 404 Title Row, Ipswitch, Idaho **shall provide the title policy and preliminary report of commitment.**

(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the premises showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. **The risk assumed by the title company in the standard coverage policy is limited to matters of public record.** BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct Closing Agency in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. **This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.**

8. MECHANIC'S LIENS - GENERAL CONTRACTOR DISCLOSURE STATEMENT NOTICE: BUYER and SELLER are hereby notified that, subject to Idaho Code §45-525 *et seq.*, a "General Contractor" must provide a Disclosure Statement to a homeowner that describes certain rights afforded to the homeowner (e.g. lien waivers, general liability insurance, extended policies of title insurance, surety bonds, and sub-contractor information). The Disclosure Statement must be given to a homeowner prior to the General Contractor entering into any contract in an amount exceeding $2,000 with a homeowner for construction, alteration, repair, or other improvements to real property, or with a residential real property purchaser for the purchase and sale of newly constructed property. Such disclosure is the responsibility of the General Contractor and it is not the duty of your agent to obtain this information on your behalf. You are advised to consult with any General Contractor subject to Idaho Code §45-525 *et seq.* regarding the General Contractor Disclosure Statement.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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PROPERTY ADDRESS: 119 West 2nd Street, Ipswitch, Idaho **ID#:** 333

9. INSPECTION:

(A). BUYER chooses ☒ to have inspection ☐ not to have inspection. If BUYER chooses not to have inspection skip section 9C. BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at **BUYER'S expense**. BUYER shall, within 10 business day(s) of acceptance, complete these inspections and give to SELLER written notice of disapproved items. BUYER is strongly advised to exercise these rights and to make BUYER'S own selection of professionals with appropriate qualifications to conduct inspections of the entire property. Some inspections, investigations, tests, surveys and other studies may require additional days to complete. The parties agree that unless specifically set forth below, the above timeframe for investigations, tests, surveys and other studies shall govern. Additional inspections/timeframes:

None

(B). FHA INSPECTION REQUIREMENT, If applicable: "For Your Protection: Get a Home Inspection", HUD 92564-CN must be signed on or before execution of this agreement.

(C). SATISFACTION/REMOVAL OF INSPECTION CONTINGENCIES:

1). If BUYER **does not** within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

2). If BUYER **does** within the strict time period specified give to SELLER written notice of disapproved items, **BUYER shall provide to SELLER pertinent section(s) of written inspection reports**. SELLER shall have 3 business day(s) in which to **respond in writing.** The SELLER, at their option, may correct the items as specified by the BUYERS in their letter or may elect not to do so. If the SELLER agrees to correct the items asked for in the BUYERS letter, then both parties agree that they will continue with the transaction and proceed to closing. **This will remove the BUYER'S inspection contingency.**

3). If the SELLER elects not to correct the disapproved items, or does not respond in writing within the strict time period specified, then the BUYER(S) have the option of either continuing the transaction without the SELLER being responsible for correcting these deficiencies or giving the SELLER written notice within 3 business days that they will not continue with the transaction and will receive their Earnest Money back.

4). If BUYER **does not** give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct. SELLER shall make the property available for all Inspections. BUYER shall keep the property free and clear of liens; indemnify and hold SELLER harmless from all liability, claims, demands, damages and costs; and repair any damages arising from the inspections. No inspections may be made by any governmental building or zoning inspector or government employee without the prior consent of SELLER unless required by local law.

10. LEAD PAINT DISCLOSURE: The subject property ☐ is ☒ is not defined as "Target Housing" regarding lead-based paint or lead-based paint hazards. The term lead-based paint hazards is intended to identify lead-based paint and all residential lead-containing dusts and soils **regardless of the source of the lead**. If yes, BUYER hereby acknowledges the following: (a) BUYER has been provided an EPA approved lead-based paint hazard information pamphlet, "Protect Your Family From Lead in Your Home", (b) receipt of SELLER'S Disclosure of Information and Acknowledgment Form and have been provided with all records, test reports or other information, if any,related to the presence of lead-based paint hazards on said property, (c that this contract is contingent upon BUYERS right to have the property tested for lead-based paint hazards to be completed no later than None or the contingency will terminate, (d) that BUYER hereby ☒ waives ☐ does not waive this right, (e) that if test results show unacceptable amounts of lead-based paint on the premises, BUYER has the right to cancel the contract subject to the option of the SELLER (to be given in writing) to elect to remove the lead-based paint and correct the problem which must be accomplished before closing, (f) that if the contract is canceled under this clause, BUYER'S earnest money deposit will be returned to BUYER.

11. SQUARE FOOTAGE VERIFICATION: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE REAL PROPERTY OR IMPROVEMENTS IS APPROXIMATE. IF SQUARE FOOTAGE IS MATERIAL TO THE BUYER, IT MUST BE VERIFIED DURING THE INSPECTION PERIOD.

12. SELLER'S PROPERTY DISCLOSURE FORM: If required by Title 55, Chapter 25 Idaho Code SELLER shall within ten (10) days after execution of this Agreement provide to BUYER or BUYER'S agent ,"SELLER'S Property Disclosure Form" or other acceptable form. BUYER has received the "SELLER'S Property Disclosure Form" or other acceptable form prior to signing this Agreement: ☒ Yes ☐ No ☐ N/A

13. COVENANTS, CONDITIONS AND RESTRICTIONS (CC& R'S): BUYER is responsible to obtain and review a copy of the CC& R's (if applicable). BUYER has reviewed CC&Rs (if applicable) as part of BUYER'S inspection of the property ☐ Yes ☐ No

BUYER'S Initials ( )( ) Date **SELLER'S** Initials ( )( ) Date

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PROPERTY ADDRESS: 119 West 2nd Street, Ipswitch, Idaho **ID#:** 333

14. SUBDIVISION HOMEOWNER'S ASSOCIATION: BUYER is aware that membership in a Home Owner's Association may be required and BUYER agrees to abide by the Articles of Incorporation, By-Laws and rules and regulations of the Association. BUYER is further aware that the Property may be subject to assessments levied by the Association described in full in the Declaration of Covenants, Conditions and Restrictions, BUYER has reviewed Homeowner's Association Documents: ☐ Yes ☐ No ☒ N/A Association fees/dues are $ None per None ☐ BUYER ☐ SELLER ☒ N/A to pay Homeowner's Association **SET UP FEE of $** 0.00 **and/or property TRANSFER FEES of** $ 0.00 at closing.

15. COSTS PAID BY: Costs in addition to those listed below may be incurred by BUYER and SELLER unless otherwise agreed herein, or provided by law or required by lender, or otherwise stated herein. The below costs will be paid as indicated. Some costs are subject to loan program requirements. This section relates ONLY to the costs to be paid by the parties. None of the costs to be paid by the parties in this section create an inspection or performance obligation other than strictly for the payment of cost.

	BUYER	SELLER	Shared Equally	N/A		BUYER	SELLER	Shared Equally	N/A
Appraisal Fee				X	Title Ins. Standard Coverage Owner's Policy		X		
Appraisal Re-Inspection Fee				X	Title Ins. Extended Coverage **Lender's** Policy -- Mortgagee Policy				X
Closing Escrow Fee				X	Additional Title Coverage				X
Lender Document Preparation Fee				X	Fuel in Tank -- Amount to be Determined by Supplier			X	
Tax Service Fee				X	Well Inspection		X		
Flood Certification/Tracking Fee				X	Septic Inspections		X		
Lender Required Inspections				X	Septic Pumping		X		
Attorney Contract Preparation or Review Fee				X	Survey				X

SELLER agrees to pay up to $ 0.00 **of lender required repair costs only.**
BUYER or SELLER has the option to pay any lender required repair costs in excess of this amount.

16. OCCUPANCY: BUYER ☒ does ☐ does not intend to occupy property as BUYER'S primary residence.

17. FINAL WALK THROUGH: The SELLER grants BUYER and any representative of BUYER reasonable access to conduct a final walk through inspection of the premises approximately 2 calendar day(s) prior to close of escrow, NOT AS A CONTINGENCY OF THE SALE, but for purposes of satisfying BUYER that any repairs agreed to in writing by BUYER and SELLER have been completed and premises are in substantially the same condition as on acceptance date of this contract. SELLER shall make premises available for the final walk through and agrees to accept the responsibility and expense for making sure all the utilities are turned on for the walk through except for phone and cable. If BUYER does not conduct a final walk through, BUYER specifically releases the SELLER and Broker(s) of any liability.

18. RISK OF LOSS: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the premises be materially damaged by fire or other destructive cause prior to closing, this agreement shall be void at the option of the BUYER.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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19. CLOSING: On or before the closing date, BUYER and SELLER shall deposit with the closing agency all funds and instruments necessary to complete this transaction. **Closing means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to SELLER.** The closing shall be no later than (Date) August 1, 20xx.
The parties agree that the **CLOSING AGENCY** for this transaction shall be Alexander O'Brien
located at 303 Title Row, Ipswitch, Idaho 83000.
If a long-term escrow / collection is involved, then the long-term escrow holder shall be N/A.

20. POSSESSION: BUYER shall be entitled to possession ☒ upon closing or ☐ date ----- time ----- ☐ A.M. ☐ P.M.
Property taxes and water assessments (using the last available assessment as a basis), rents, interest and reserves, liens, encumbrances or obligations assumed and utilities shall be pro-rated as of Closing.

21. SALES PRICE INFORMATION: SELLER and BUYER hereby grant permission to the brokers and either party to this Agreement, to disclose sale data from this transaction, including selling price and property address to the local Association / Board of REALTORS®, multiple listing service, its members, its members' prospects, appraisers and other professional users of real estate sales data. The parties to this Agreement acknowledge that sales price information compiled as a result of this Agreement may be provided to the County Assessor Office by either party or by either party's Broker.

22. FACSIMILE TRANSMISSION: Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. BUSINESS DAYS: A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real property is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73-108. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

25. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

26. DEFAULT: **If BUYER defaults** in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right and/or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER'S Broker, provided that the amount to be paid to SELLER'S Broker shall not exceed the Broker's agreed to commission. SELLER and BUYER specifically acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER'S sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of brokerage fee, title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter.

If SELLER defaults, having approved said sale and fails to consummate the same as herein agreed, BUYER'S Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, appraisals, credit report fees, inspection fees, brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

27. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination of this contract, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing agency, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or closing agency shall not be required to take any action but may await any proceeding, or at Broker's or closing agency's option and sole discretion, may interplead all parties and deposit any monies or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.

28. COUNTERPARTS: This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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PROPERTY ADDRESS: 119 West 2nd Street, Ipswitch, Idaho **ID#:** 333

29. "NOT APPLICABLE DEFINED:" The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

30. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

31. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section 1:

☐ A. **The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).**

☒ B. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.**

☐ C. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).**

☐ D. **The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).**

Section 2:

☐ A. **The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).**

☒ B. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.**

☐ C. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).**

☐ D. **The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).**

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

32. ENTIRE AGREEMENT: This Agreement contains the entire Agreement of the parties respecting the matters herein set forth and supersedes all prior Agreements between the parties respecting such matters. No warranties, including, without limitation, any warranty of habitability, agreements or representations not expressly set forth herein shall be binding upon either party.

33. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

34. AUTHORITY OF SIGNATORY: If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.

35. ACCEPTANCE: BUYER'S offer is made subject to the acceptance of SELLER on or before (Date) June 15, 20xx at (Local Time in which property is located) 11:59 ☐ A.M. ☒ P.M. If SELLER does not accept this Agreement within the time specified, the entire Earnest Money shall be refunded to BUYER on demand.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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PROPERTY ADDRESS: 119 West 2nd Street, Ipswitch, Idaho **ID#:** 333

36. BUYER'S SIGNATURES:

☐ **SEE ATTACHED BUYER'S ADDENDUM(S):** None (Specify number of BUYER addendum(s) attached.)

BUYER Signature _____ **BUYER (Print Name)** Sam Short

Date June 11, 20xx Time 9:00 ☒ A.M. ☐ P.M. Phone # 555-1111 Cell # ------

Address 7878 Paradise Road City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ---------

BUYER Signature _____ **BUYER (Print Name)** Cathy Short

Date June 11, 20xx Time 9:30 ☒ A.M. ☐ P.M. Phone # 555-1111 Cell # --------

Address 7878 Paradise Road City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ---------

37. SELLER'S SIGNATURES:

On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

☒ **SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER**

☐ **SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #** _____

SELLER Signature _____ **SELLER (Print Name)** John Long

Date June 13, 20xx Time 9:30 ☐ A.M. ☒ P.M. Phone # 555-8888 Cell # -------

Address 119 West 2nd Street City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ---------

SELLER Signature _____ **SELLER (Print Name)** Sue Long

Date June 13, 20xx Time 9:30 ☐ A.M. ☒ P.M. Phone # 555-8888 Cell # ---------

Address 119 West 2nd Street City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ----------

CONTRACTOR REGISTRATION # (if applicable) None

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RE-21 RESIDENTIAL PURCHASE AND SALE AGREEMENT PAGE 7 of 7 JULY, 2007 EDITION

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE- 13 COUNTER OFFER # 1 (1, 2, 3, etc.)

EQUAL HOUSING OPPORTUNITY

THIS COUNTER OFFER SUPERSEDES ALL PRIOR COUNTER OFFERS

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

This is a COUNTER OFFER to the Purchase and Sale Agreement Dated: June 11, 20xx

ADDRESS: 119 West 2nd Street, Ipswitch, ID 83000 ID# 333

BUYER: Sam and Cathy Short

SELLER: John and Sue Long

The parties accept all of the terms and conditions in the above-designated Purchase and Sale Agreement with the following changes:

☒ **This is a SELLER counter offer.** The SELLER reserves the right to withdraw this offer or accept any other offers prior to the receipt of a true copy of signed acceptance of this Counter Offer within the time frame specified herein.

☐ **This is a BUYER counter offer**. The undersigned BUYER reserves the right to withdraw this offer at any time prior to the receipt of a true copy of signed acceptance of this Counter Offer within the time frame specified herein.

Purchase price is $81,000.00.

All furniture in the house is excluded in this sale.

Closing date is July 1, 20xx.

Possession and proration date is July 5, 20xx.

To the extent the terms of this Counter Offer modify or conflict with any provisions of the Purchase and Sale Agreement including all prior Addendums, the terms in this Counter Offer shall control. All other terms of the Purchase and Sale Agreement including all prior Addendums not modified by this Counter Offer shall remain the same. **Buyer and Seller acknowledge the down payment and/or loan amount on Page 1 of Purchase & Sale Agreement may change if purchase price is changed as part of this Counter Offer.** Upon its execution by both parties, this agreement is made an integral part of the aforementioned Agreement.

If a signed acceptance is not delivered on or before (date:) June 14, 20xx at 11:59 ☒ A.M. ☐ P.M. this Counter Offer shall be deemed to have expired.

DELIVERY: Delivery shall be to the agent/broker working with the maker of the Counter Offer in person, by mail, facsimile or electronic transmission of any signed original document, and retransmission of any signed original document. Retransmission of any signed facsimile or electronic transmission shall be deemed to be the same as delivery of an original.

SELLER _____ Date June 13, 20xx Time 9:15 ☐ A.M. ☒ P.M.

SELLER _____ Date June 13, 20xx Time 9:15 ☐ A.M. ☒ P.M.

BUYER _____ Date June 14, 20xx Time 9:30 ☒ A.M. ☐ P.M.

BUYER _____ Date June 14, 20xx Time 9:30 ☒ A.M. ☐ P.M.

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Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

IV. TRANSACTION #YR-004 SMITH/JONES

On July 7, YR, you receive a written offer from Barbara Smith to purchase the Jones' property. The earnest money is $1,000.00 cash. The Jones accept Smith's offer on July 10, 20XX. All conditions are met and you, as the responsible broker, close the transaction in your office on July 18, 20XX. The buyer deposits with you a certified check for $14,943.57 to complete the sale. You need four (4) checks to close this transaction. All title insurance charges, re-conveyance, recorcing, and releasing fees will be combined on one (1) check to the title company totaling $227.00.

A. Ledger Card

LEDGER

Buyer _____ Seller _____

Property Location _____ Transaction Number _____

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance

B. Check Register

CHECK REGISTER

Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		Trust Account Maintenance			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		Check Printing Fees		$75.00		$225.00
06/09/XX		YR-002 King -- Depost EM			$1500.00	$1725.00
06/13/XX		YR-003 Short -- Deposit EM			$2000.00	$3725.00
06/23/XX	Steven King	YR-002 King Return EM Deal Fell	1100	$1500.00		$2225.00
07/03/XX	Grand Title Company	YR-003 Short - Cancellation Fee	1101	$100.00		$2125.00
07/03/XX	John & Sue Long	YR-003 Short - 1/2 Forfieted EM	1102	$950.00		$1175.00
07/03/XX	Terry Joe's Realty	YR-003 Short 1/2 Forfeited EM	1103	$950.00		$225.00

DEPOSIT SLIP

Deposited with
Rocky Mountain
Bank Note
Ipswitch, Idaho 83000

To THE CREDIT OF
TERRY JOE'S REALTY
REAL ESTATE TRUST
ACCOUNT
93 E. MAIN
IPSWITCH, ID 83000

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS

DATE		
CURRENCY		
COIN		
CHECKS (list separately)		
TOTAL FROM OTHER SIDE		
TOTAL		
Received By:		

123456789 0000 0000 0000

DEPOSIT SLIP

Deposited with
Rocky Mountain
Bank Note
Ipswitch, Idaho 83000

To THE CREDIT OF
TERRY JOE'S REALTY
REAL ESTATE TRUST
ACCOUNT
93 E. MAIN
IPSWITCH, ID 83000

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS

DATE		
CURRENCY		
COIN		
CHECKS (list separately)		
TOTAL FROM OTHER SIDE		
TOTAL		
Received By:		

123456789 0000 0000 0000

Terry Joe's Realty 1104
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000
For: _____ _____
123456789 0000 0000 0000

Terry Joe's Realty 1105
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000
For: _____ _____
123456789 0000 0000 0000

Terry Joe's Realty 1106
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000
For: _____ _____
123456789 0000 0000 0000

Terry Joe's Realty 1107
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000
For: _____ _____
123456789 0000 0000 0000

SELLER'S CLOSING STATEMENT

Terry Joe's Realty
93 E. Main
Ipswitch, ID 83000

Seller's Closing Statement

Seller: JACK AND JILL JONES
Buyer: BARBARA A. SMITH
Property Address: 1993 NORTH 21ST, IPSWITCH, ID 83000
Closing Date: JULY 18, 20XX
Proration Date: JULY 18, 20XX

	DEBITS	CREDITS
Purchase Price		$16000.00
Lot pay off to Joe Hansen	$7000.00	
Property tax proration (YR taxes $109.00)	$59.43	
Title insurance	$186.00	
Releasing fees	$3.00	
Reconveyance fee	$35.00	
Brokerage fee: Terry Joe's Realty	$1600.00	
Funds to Seller	$7116.57	
Totals	$16000.00	$16000.00

JACK JONES — July 11, 20XX
Seller — Date

JILL JONES — July 11, 20XX
Seller — Date

TERRY JOE — July 11, 20XX
Seller — Date

BUYER'S CLOSING STATEMENT

Terry Joe's Realty
93 E. Main
Ipswitch, ID 83000

Buyer's Closing Statement

Seller: BARBARA A. SMITH
Buyer: JACK AND JILL JONES
Property Address: 1993 NORTH 21ST, IPSWITCH, ID 83000
Closing Date: JULY 18, 20XX
Proration Date: JULY 18, 20XX

	DEBITS	CREDITS
Purchase Price	$16000.00	
Earnest money deposited with broker		$1000.00
Property tax proration (20XX taxes $109.00)		$59.43
Recording fees	$3.00	
Funds due from buyer to close		$14943.57
Totals	$16003.00	$16,003.00

BARBARA A. SMITH — July 11, 20XX
Seller — Date

Seller — Date

TERRY JOE — July 11, 20XX
Seller — Date

PROPERTY ADDRESS: 1993 North 21st Street Ipswitch

7. ADDITIONAL FEES: None

8. INCLUDED ITEMS. SELLER agrees to leave with the premises all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein.
Also included: None

9. EXCLUDED ITEMS. None

10. TITLE AND EXISTING ENCUMBRANCES. Title to the property is to be conveyed by Warranty Deed unless otherwise provided herein, and is to be marketable and insurable except for rights reserved in federal patents, federal, state or railroad deeds, building or use restrictions, building and/or zoning regulations and ordinances of any governmental entity, and rights of way and easements established or of record. The individual executing this Agreement warrant and represents that said individual either owns the property or has full power and right to enter into this Agreement and to sell and convey the property on behalf of the SELLER and that to the best of said individual's knowledge the property is in compliance with all applicable building and zoning regulations and with any applicable covenants and restrictions affecting the property except: None

The SELLER agrees to provide good and marketable title to the property at the time of closing. The property is currently encumbered by the following liens:
☐ 1st Mortgage ☐ 2nd Mortgage ☐ Home Equity Loan ☐ Other None
☒ The property is not encumbered by any mortgage, lien, or other security instrument.
Loan payments ☐ are ☐ are not current; loan ☐ is ☐ is not assumable. If loan is assumable, Buyer ☐ will ☐ will not be required to qualify and ☐ will ☐ will not release SELLER'S liability.
SELLER is aware that some loans have a recapture provision or prepayment penalty and SELLER may be required to pay additional funds to satisfy such **recapture or penalty.**

11. MULTIPLE LISTING SERVICE AUTHORIZATION. (Name of MLS) Overall Multiple Listing Service

_____ / _____ *(Initial)* By initialing this line, it is understood that Broker is a member of the above MLS. SELLER authorizes and directs Broker to offer to cooperate with and compensate other Brokers, and to submit a Property Data Sheet and any authorized changes to MLS as required in the Rules and Regulations of the above MLS. SELLER understands and agrees that any MLS information regarding the above property will be made available to Buyer's Agents and/or Dual Agents. SELLER acknowledges that any sales price information compiled as a result of this Agreement may be provided to the County Assessor's office. SELLER agrees that any such disclosure is permissible.

12. LOCKBOX AUTHORIZATION.

_____ / _____ *(Initial)* By initialing this line, SELLER directs that a lockbox containing a key which gives MLS Keyholders access to the property shall be placed on any building located on the property. SELLER authorizes MLS Keyholders to enter said property to inspect or show the same. SELLER agrees to hold Broker harmless from any liability or loss.

SELLER'S Initials (_____)(_____) _____ Date

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7. ADDITIONAL FEES: None

8. INCLUDED ITEMS. SELLER agrees to leave with the premises all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein.
Also included: None

9. EXCLUDED ITEMS. None

10. TITLE AND EXISTING ENCUMBRANCES. Title to the property is to be conveyed by Warranty Deed unless otherwise provided herein, and is to be marketable and insurable except for rights reserved in federal patents, federal, state or railroad deeds, building or use restrictions, building and/or zoning regulations and ordinances of any governmental entity, and rights of way and easements established or of record. The individual executing this Agreement warrant and represents that said individual either owns the property or has full power and right to enter into this Agreement and to sell and convey the property on behalf of the SELLER and that to the best of said individual's knowledge the property is in compliance with all applicable building and zoning regulations and with any applicable covenants and restrictions affecting the property except: None

The SELLER agrees to provide good and marketable title to the property at the time of closing. The property is currently encumbered by the following liens:

☐ 1st Mortgage ☐ 2nd Mortgage ☐ Home Equity Loan ☐ Other None

☒ The property is not encumbered by any mortgage, lien, or other security instrument.

Loan payments ☐ are ☐ are not current; loan ☐ is ☐ is not assumable. If loan is assumable, Buyer ☐ will ☐ will not be required to qualify and ☐ will ☐ will not release SELLER'S liability.

SELLER is aware that some loans have a recapture provision or prepayment penalty and SELLER may be required to pay additional funds to satisfy such **recapture or penalty.**

11. MULTIPLE LISTING SERVICE AUTHORIZATION. (Name of MLS) Overall Multiple Listing Service

_____ / _____ *(Initial)* By initialing this line, it is understood that Broker is a member of the above MLS. SELLER authorizes and directs Broker to offer to cooperate with and compensate other Brokers, and to submit a Property Data Sheet and any authorized changes to MLS as required in the Rules and Regulations of the above MLS. SELLER understands and agrees that any MLS information regarding the above property will be made available to Buyer's Agents and/or Dual Agents. SELLER acknowledges that any sales price information compiled as a result of this Agreement may be provided to the County Assessor's office. SELLER agrees that any such disclosure is permissible.

12. LOCKBOX AUTHORIZATION.

_____ / _____ *(Initial)* By initialing this line, SELLER directs that a lockbox containing a key which gives MLS Keyholders access to the property shall be placed on any building located on the property. SELLER authorizes MLS Keyholders to enter said property to inspect or show the same. SELLER agrees to hold Broker harmless from any liability or loss.

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 1993 North 21st Street Ipswitch

13. ADVERTISING AUTHORIZATION.

SELLER ☒ does ☐ does not agree to allow Broker to advertise said property in print media.
SELLER ☒ does ☐ does not agree to allow Broker to advertise said property in internet advertising media.
SELLER ☒ does ☐ does not agree to allow Broker to advertise said property in other advertising media.
SELLER ☒ does ☐ does not agree to allow Broker to place the Broker's sign on above property.

14. SELLER'S PROPERTY DISCLOSURE FORM. If required by Title 55, Chapter 25 Idaho Code, SELLER shall within ten (10) days after execution of a Purchase and Sale Agreement provide to Buyer "SELLER'S Property Disclosure Form" and Buyer shall have three (3) business days from receipt of the disclosure report to rescind the offer in a written signed and dated document delivered to the SELLER or the SELLER'S Agents. Buyer rescission must be based on a specific written objection to a disclosure made in the SELLER'S Property Disclosure Form.

15. LEAD BASED PAINT DISCLOSURE. SELLER has been advised of disclosure obligations regarding lead-based paint and lead-based paint hazards in the event property is a defined "Target Housing" under Federal Regulations. The term lead-based paint hazard is intended to identify lead-based paint and all residential lead-containing dusts and soils **regardless of the source of lead**. Said property ☐ **is** ☒ **is not** "Target Housing". If yes, SELLER agrees to sign and complete the Information Disclosure and Acknowledgment Form provided and deliver to my agent all records, test reports or other information related to the presence of lead-based paint or lead-based paint hazards, if any.

16. TRANSACTION RELATED SERVICES DISCLAIMER: SELLER understands that Broker is qualified to advise SELLER on general matters concerning real estate, but is not an expert in matters of law, tax, financing, surveying, structural conditions, property inspections, hazardous materials, or engineering. SELLER acknowledges that Broker advises SELLER to seek expert assistance for advice on such matters. The Broker or Broker's agents may, during the course of the transaction, identify individuals or entities who perform services including **BUT NOT LIMITED TO** the following; home inspections, service contracts, appraisals, environmental assessment inspection, code compliance inspection, title insurance, closing and escrow services, loans and refinancing services, construction and repair, legal and accounting services, and/or surveys. The SELLER understands that the identification of service providers is solely for SELLER'S convenience and that the Broker and their agents are not guaranteeing or assuring that the service provider will perform its duties in accordance with the SELLER'S expectations. SELLER has the right to make arrangements with any entity SELLER chooses to provide these services. SELLER hereby releases and holds harmless the Broker and Broker's agents from any claims by the SELLER that service providers breached their agreement, were negligent, misrepresented information, or otherwise failed to perform in accordance with the SELLER'S expectations. In the event the SELLER requests Broker to obtain any products or services from outside sources, **SELLER agrees to pay for them immediately when payment is due.** For example: surveys or engineering, environmental and/or soil tests, title reports, home or property inspections, appraisals, etc.

17. CONSENT TO LIMITED DUAL REPRESENTATION AND ASSIGNED AGENCY: The undersigned SELLERS(S) have received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned SELLER(S) understand that the brokerage involved in this transaction may be providing agency representation to both the SELLER(S) and the Buyer. The undersigned SELLER(S) each understands that, as an agent for both SELLER/client and Buyer/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms or factors motivating the Buyer/client to buy or the SELLER/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by Section 54-2085, Idaho Code. The undersigned SELLER(S) each understands that a limited dual agent does not have a duty of undivided loyalty to either client.

The undersigned SELLER(S) further acknowledge that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in Section 54-2087, Idaho Code. In an assigned agency situation, the designated broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship. SELLER ☒ **does** ☐ **does not** consent to allow Buyer's Agents and/or Limited Dual Agents to show property and to allow the Broker to share brokerage fees as determined by the Broker with Buyer's Agents and/or Limited Dual Agents.

SELLER'S Initials (_____)(_____) _____ Date

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18. SELLER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: SELLER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other Buyers and for SELLERS in the sale of the property. SELLER has been advised and understands that it may create a conflict of interest for Broker to introduce Buyers to SELLER Client's property because Broker could not satisfy all of its Client duties to both Buyer Client and SELLER Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, SELLER makes the following election: (Make one selection only)

_____ / _____
Initials
Limited Dual Agency and/or Assigned Agency

SELLER **does want** Broker to introduce any interested Client of Broker to Client SELLER'S property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at that time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the SELLER and Buyer in the introduction of Buyers to such SELLER Client's property and in the preparation of any contract of sale which may result. SELLER authorizes Broker to act in a **limited dual agency** capacity. Further, SELLER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, SELLER authorizes Broker to act in such capacity.

OR

_____ / _____
Initials
Single Agency

SELLER **does not want** Broker to introduce interested Buyer Clients to Client SELLER'S property and hereby releases Broker from any responsibility or duty under the agency agreement to do so. Broker shall be under no obligation or duty to introduce the Buyer to any Client SELLER'S property.

19. INFORMATION WARRANTY. SELLER warrants that all information provided by the SELLER herein and hereafter will be true and correct.

20. DEPOSIT. Brokers are authorized to receive a deposit from any prospective purchaser who offers to purchase or exchange the property and shall notify SELLER of the receipt of any such deposit. Acceptance of such deposit by a Broker shall not constitute SELLER'S acceptance of any such offer.

21. GENERAL PROVISIONS. In the event either party shall initiate any suit or action or appeal on any matter relating to this Agreement the defaulting party shall pay the prevailing party all damages and expenses resulting from the default, including all reasonable attorneys' fees and all court costs and other expenses incurred by the prevailing party. This Agreement is made in accordance with and shall be interpreted and governed by the laws of the State of Idaho. All rights and obligations of the parties hereunder shall be binding upon and inure to the benefit of their heirs, personal representatives, successors and assigns.

22. NON-DISCRIMINATION. SELLER and Broker acknowledge that it is illegal to discriminate in the showing, sale or leasing of the property on the basis of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. FACSIMILE TRANSMISSION. Facsimile or electronic transmission of any signed original document and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

25. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

26. OTHER TERMS AND CONDITIONS: None

SELLER'S Initials (_____)(_____) _____ Date

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PROPERTY ADDRESS: 1993 North 21st Street Ipswitch

CONTRACTOR REGISTRATION # (if applicable) None

Seller Signature:	**Accepted:** (Broker)
Seller Signature:	**By:** (Agent)
Date: June 15, 20xx	**Date:** June 15, 20xx
Address: 1993 North 21st Street	**Address:** 93 East Main
City: Ipswitch **State:** ID **Zip:** 83000	**City:** Ipswitch **State:** ID **Zip:** 83000
E-Mail: ---------	**E-Mail:** maday@hotyahoo.com
Phone(s): 555-2222	**Phone(s):** 555-5555
Fax: ----------	**Fax:** 555-6666

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Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

DATE: June 30, 20XX **AGENT:** Mildred Aday
Acting as Agent for the Broker

1. BUYER Barbara Smith

retains Terry Joe **Broker of** Terry Joe's Realty **as**

Exclusive Buyer Broker (hereinafter referred to as Broker), where the BUYER is represented by one agent only for time herein set forth and for the express purpose of Representing BUYER in the purchase, lease, or optioning of real property. Further, BUYER agrees, warrants and acknowledges that BUYER has not and shall not enter into any exclusive buyer representation agreement with another broker in the state of Idaho as a broker for BUYER during the effective term of this agreement, unless otherwise agreed to in writing by BUYER and above-listed Broker. BUYER agrees to indemnify and hold the above-listed Broker harmless from any claim brought by any other broker or real estate salesperson for compensation claimed or owed during the effective term of this agreement. By appointing Broker as BUYER'S exclusive agent, BUYER agrees to conduct all negotiations for property through Broker, and to refer to Broker all inquiries received in any form from real estate brokers, salespersons, prospective sellers, or any other source, during the time this Exclusive Buyer Representation Agreement is in effect. BUYER desires to purchase, lease, or option the following real estate: Type of property:

☐ Residential ☐ Residential Income ☐ Commercial ☒ Vacant Land ☐ Other _____

Applicable City(s) Ipswitch, Idaho; Applicable Zip Codes 83000

Applicable County(s) Homey

Other Description: (i.e., geographical area, price, etc.) .5 to 1 acre lot in subdivision

2. TERM OF AGREEMENT: This EXCLUSIVE BUYER REPRESENTATION AGREEMENT (herein after referred to as Agreement) is in force from date June 30, 20xx and will expire at 11:59 p.m. on date August 31, 20xx, or upon closing of escrow of such property purchased through this agreement.

3. BROKER REPRESENTATIONS AND SERVICES: The Broker and Broker's agent representing a BUYER are agents of the BUYER. Broker will use reasonable efforts as BUYER'S agent to locate property as described in Section One hereof from the information available in the Multiple Listing Service (MLS) and from other sources for unlisted property that the Broker may be aware of when applicable as set forth in Section One. The Broker's duty to locate property for the BUYER is limited to the properties that the Broker is aware of and does not include a duty to discover every unlisted property that may be privately advertised. Broker shall make submissions to BUYER describing and identifying properties that substantially meet the criteria set forth in Section One, for consideration of the BUYER and Broker agrees to negotiate acceptance of any offer to purchase or lease such property.

4. TRANSACTION RELATED SERVICES DISCLAIMER: BUYER understands that Broker is qualified to advise BUYER on general matters concerning real estate, but is not an expert in matters of law, tax, financing, surveying, structural conditions, property inspections, hazardous materials, or engineering. BUYER acknowledges that Broker advises BUYER to seek expert assistance for advice on such matters. Broker cannot warrant the condition of property to be acquired, or guarantee that all material facts are disclosed by the Seller. Broker will not investigate the condition of any property including without limitation the status of permits, zoning, location of property lines, square footage, possible loss of views and/or compliance of the property with applicable laws, codes or ordinances and BUYER must satisfy themself concerning these issues by obtaining the appropriate expert advice. The Broker or Broker's agent may, during the course of the transaction, identify individuals or entities who perform services including **BUT NOT LIMITED TO** the following; home inspections, service contracts, appraisals, environmental assessment inspections, code compliance inspections, title insurance, closing and escrow services, loans and refinancing services, construction and repairs, legal and accounting services, and/or surveys. The BUYER understands that the identification of service providers is solely for BUYER'S convenience and that the Broker and its agent are not guaranteeing or assuring that the service provider will perform its duties in accordance with the BUYER'S expectations. BUYER has the right to make arrangements with any entity BUYER chooses to provide these services. BUYER hereby releases and holds harmless the Broker and Broker's agent from any claims by the BUYER that service providers breached their agreement, were negligent, misrepresented information, or otherwise failed to perform in accordance with the BUYER'S expectations. In the event the BUYER requests Broker to obtain any products or services from outside sources, **BUYER agrees to pay for them immediately when payment is due.** For example: surveys or engineering, environmental and/or soil tests, title reports, home or property inspections, appraisals, etc.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Barbara Smith

5. FINANCIAL INFORMATION: BUYER agrees to provide Broker and/or Broker's agent with certain pertinent financial information necessary to prove ability to purchase desired property.

6. OTHER POTENTIAL BUYERS: BUYER understands that other potential buyers may consider, make offers on, or purchase through Broker the same or similar properties as BUYER is seeking to acquire. BUYER consents to Broker's representation of such other potential buyers before, during, and after the expiration of this Agreement and further releases Broker of any conflicting Agency duties.

7. LIMITS OF CONFIDENTIALITY OF OFFERS: BUYER understands that an offer submitted to a seller, and the terms thereof may not be held confidential by such seller or seller's representative unless such confidentiality is otherwise agreed to by the parties.

8. CONSENT TO LIMITED DUAL REPRESENTATION AND ASSIGNED AGENCY: The undersigned BUYER(S) have received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned BUYER(S) understand that the brokerage involved in this transaction may be providing agency representation to both the BUYER(S) and the Seller. The undersigned BUYER(S) each understands that, as an agent for both BUYER/client and Seller/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms or factors motivating the BUYER/client to buy or the Seller/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by Section 54-2085, Idaho Code. The undersigned BUYER(S) each understands that a limited dual agent does not have a duty of undivided loyalty to either client.

The undersigned BUYER(S) further acknowledge that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in Section 54-2087, Idaho Code. In an assigned agency situation, the designated broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship.

BUYER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: BUYER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other BUYERS and for Sellers in the sale of the property. BUYER has been advised and understands that it may create a conflict of interest for Broker to introduce BUYER to a Seller Client's property because Broker could not satisfy all of its Client duties to both BUYER Client and Seller Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, BUYER makes the following election.
(Make one election only)

_____/_____ Initials **Limited Dual Agency and/or Assigned Agency**

BUYER **DOES WANT** to be introduced to Seller client's property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at the time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the BUYER and Seller in the introduction of BUYER to such Seller client's property and in the preparation of any contract of sale which may result. BUYER authorizes Broker to act in a **limited dual agency** capacity. Further, BUYER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, BUYER authorizes Broker to act in such capacity.

OR

_____/_____ Initials **Single Agency**

BUYER **DOES NOT WANT** to be introduced to Seller client's property and hereby releases Broker from any responsibility or duty under the agency agreement. Broker shall be under no obligation or duty to introduce the BUYER to any Seller client's property.

9. NON-DISCRIMINATION: The parties agree not to discriminate against any prospective Seller or Lessor because of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Barbara Smith

10. SEVERABILITY CLAUSE: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11. SINGULAR AND PLURAL terms each include the other, when appropriate.

12. DEFAULT / ATTORNEY'S FEES: In the event of default by BUYER under this Agreement, Broker shall be entitled to the Fee that Broker would have received had no default occurred, in addition to other available legal remedies. In the event of any suit or other proceeding arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and all costs incurred relative to such suit or proceeding. Venue of any action arising out of this Agreement shall be in the court of the county in which Broker's office is located.

13. COMPENSATION OF BROKER: In consideration of the services to be performed by the Broker, BUYER agrees that broker may be compensated in any of the following ways: Check all that apply.

☒ A. **If the property is subject to a listing agreement with the Broker's Company or a cooperating Broker** through the Multiple Listing Service (MLS) or otherwise, the fee will be the amount equal to the compensation offered by the aforementioned Brokers but not less than 2 % of the selling price. BUYER agrees to pay to the Broker any difference between the amount received from the aforementioned Brokers and the stated minimum.

☐ B. **If the property is not subject to a Listing Agreement,** such as a For Sale By Owner or a Custom Build Job, the BUYER agrees that the Broker will be paid a fee of not less than ☐ 0 % of selling price or ☐ $ 0 . The Broker shall first seek to obtain this fee through the transaction paid by the Seller. If the fee cannot be obtained through the Seller, the BUYER will be responsible for such fee stated above.

☐ C. **Retainer Fee.** BUYER will pay Broker a non-refundable retainer fee of $ 0 due and payable upon signing of this Agreement. Retainer fee ☐ shall ☐ shall not be credited against any compensation set forth in paragraph A or B.

☐ D. **Hourly rate.** BUYER will pay Broker at the rate of $ 0 per hour for the time spent by Broker pursuant to this Agreement to be paid when billed whether or not BUYER acquires or leases property. The fee ☐ shall ☐ shall not be credited against any compensation as set forth in paragraph A, B, or C.

This compensation shall apply to transactions made for which BUYER enters into a contract during the original term of this Agreement or during any extension of such original or extended term, and shall also apply to transactions for which BUYER enters into a contract within 60 days after this Agreement expires or is terminated, if the property acquired by the BUYER was submitted in writing to the BUYER by Broker pursuant to Section One hereof during the original term or extension of the term of this Agreement. Unless otherwise indicated herein the Broker's fee shall be paid in cash at closing.

In the event BUYER purchases any property without using the representation of the Broker named above within the time this agreement remains in force, above stated BUYER shall be liable to Broker for a cancellation fee equal to 2 % of the contract or purchase price of the property acquired or $ 0 .

14. OTHER TERMS AND CONDITIONS: None

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Barbara Smith

15. AUTHORITY OF SIGNATORY: If BUYER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER.

16. TIME IS OF THE ESSENCE IN THIS AGREEMENT: The terms hereof constitute the entire agreement and supersede all prior agreements, negotiations and discussions between parties. This agreement may be modified only by a written agreement signed by each of the parties.

Buyer Signature:	**Accepted:** **(Broker)**
Buyer Signature:	**By:** **(Agent)**
Date: June 30, 20xx	**Date:** June 30, 20xx
Address: 93 Arapaho Way, Apt. 5	**Address:** 93 East Main
City: Ipswitch **State:** ID **Zip:** 83000	**City:** Ipswitch **State:** ID **Zip:** 83000
E-Mail: ----------	**E-Mail:** maday@hotyahoo.com
Phone(s): 555-3333	**Phone(s):** 555-5555
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RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT JULY, 2007 EDITION PAGE 4 OF 4

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-24 VACANT LAND REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

ID# 444 DATE July 7, 20xx

LISTING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666

Listing Agent Mildred Aday E-Mail maday@hotyahoo.com Phone # 555-5555

SELLING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666

Selling Agent Mildred Aday E-Mail maday@hotyahoo.com Phone # 555-5555

1. BUYER: Barbara Smith (Hereinafter called "**BUYER**") agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PREMISES"

COMMONLY KNOWN AS 1993 North 21st Street

City Ipswitch County Homey ID, Zip 83000

Legally described as: Lot 15, Block 1, New Town Addition, Homey County, Idaho

OR Legal Description Attached as addendum # None **(Addendum must accompany original offer.)**

2. $ 16,000.00 **PURCHASE PRICE:** Sixteen thousand **DOLLARS,** payable upon the following **TERMS AND CONDITIONS** (not including closing costs) :

3. FINANCIAL TERMS: Note: A+C+D+E must add up to total purchase price.

$ 1,000.00 **A. EARNEST MONEY:** BUYER hereby deposits One thousand DOLLARS as Earnest Money evidenced by: [X] cash [ ] personal check [ ] cashier's check [ ] note (due date): ---------- [ ] other ---------- and a receipt is hereby acknowledged. Earnest Money to be deposited in trust account [ ] upon receipt, [X] upon acceptance by all parties and shall be held by: [ ] Listing Broker [ ] Selling Broker [ ] other ------- ---------- for the benefit of the parties hereto. The responsible Broker shall be Terry Joe .

B. ALL CASH OFFER: [ ] NO [X] YES **If this is an all cash offer do not complete sections C and D, fill blanks with N/A** (Not Applicable). **IF CASH OFFER BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCIAL CONTINGENCY.** BUYER agrees to provide SELLER within 3 business days from the date of acceptance of this agreement by all parties, evidence of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes, but is not limited to a copy of a recent bank or financial statement or contract(s) for the sale of BUYER'S current residence or other property to be sold.

$ 0.00 **C. NEW LOAN PROCEEDS:** This Agreement is contingent upon BUYER obtaining the following financing:

[ ] **FIRST LOAN** of $ 0 not including mortgage insurance, through [ ] FHA, [ ] VA, [ ] CONVENTIONAL, [ ] IHFA, [ ] RURAL DEVELOPMENT, [ ] OTHER ------- with interest not to exceed --- % for a period of --- year(s) at: [ ] Fixed Rate [ ] Other ----- BUYER shall pay no more than --- point(s) plus origination fee if any. SELLER shall pay no more than --- point(s). Any reduction in points shall first accrue to the benefit of the [ ] BUYER [ ] SELLER [ ] Divided Equally [ ] N/A.

[ ] **SECOND LOAN** of $ 0 with interest not to exceed --- % for a period of --- year(s) at: [ ] Fixed Rate [ ] Other --- BUYER shall pay no more than --- point(s) plus origination fee if any. SELLER shall pay no more than --- point(s). Any reduction in points shall first accrue to the benefit of the [ ] BUYER [ ] SELLER [ ] Divided Equally [ ] N/A.

LOAN APPLICATION: BUYER [ ] has applied [ ] shall apply for such loan(s) within --- business day(s) of SELLER'S acceptance. Within --- business days of final acceptance of all parties, BUYER agrees to furnish SELLER with **a written confirmation showing lender approval of credit report, income verification, debt ratios in a manner acceptable to the SELLER(S) and subject only to satisfactory appraisal and final lender underwriting.** If such written confirmation is not received by SELLER(S) within the strict time allotted, SELLER(S) may at their option cancel this agreement by notifying BUYER(S) in writing of such cancellation within --- business day(s) after written confirmation was required. If SELLER does not cancel within the strict time period specified as set forth herein, SELLER shall be deemed to have accepted such written confirmation of lender approval and shall be deemed to have elected to proceed with the transaction. SELLER'S approval shall not be unreasonably withheld. If an appraisal is required by lender, **the property must appraise at not less than purchase price** or BUYER'S Earnest Money may be returned at BUYER'S request. *BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements to the SELLER.*

FHA / VA: If applicable, it is expressly agreed that notwithstanding any other provisions of this contract, BUYER shall not be obligated to complete the purchase of the property described herein or to incur any penalty or forfeiture of Earnest Money deposits or otherwise unless BUYER has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement lender setting forth the appraised value of the property of not less than the sales price as stated in the contract. SELLER agrees to pay fees required by FHA or VA.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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$ None **D. ADDITIONAL FINANCIAL TERMS:**

☐ Additional financial terms are specified under the heading "OTHER TERMS AND/OR CONDITIONS" (Section 4).

☐ Additional financial terms are contained in a **FINANCING ADDENDUM** of same date, attached hereto, signed by both parties.

$ 15,000.00 **E. APPROXIMATE FUNDS DUE AT CLOSING:** Cash at closing, not including closing costs, to be paid by BUYER at closing, In GOOD FUNDS, which includes: **cash, electronic transfer funds, certified check or cashier's check.** Any net difference between the approximate balances of the loan(s) shown above, which are to be assumed or taken subject to, and the actual balances of said loan(s) at closing of escrow shall be adjusted in ☒ **Cash** ☐ **Other**: -----.

4. OTHER TERMS AND/OR CONDITIONS: Seller to point out property boundaries for buyer prior to closing. This offer is not contingent upon buyer obtaining building permit for this lot. Irrigation taxes will not be prorated.

5. "NOT APPLICABLE DEFINED:" The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

6. INSPECTION: ***BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:***

A. SIZE: Square footage and lot size. (Any numerical statements regarding these items are APPROXIMATION ONLY, and have not been and will not be verified and should not be relied upon by BUYER.

B. LINES AND BOUNDARIES: Property lines and boundaries, septic, and leach lines (Fences, walls, hedges, and other natural or constructed barriers or markers do not necessarily identify true property boundaries. Property lines may be verified by surveys.)

C. ZONING AND LAND USE: Inquiries, investigations, studies or any other means concerning past, present or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the property, BUYER's intended use of the property, future development, zoning, building, size, governmental permits and inspections. Both parties are advised that Broker does not guarantee the status of permits, zoning or code compliance. The parties are to satisfy themselves concerning these issues.

D. UTILITIES AND SERVICE: Availability, costs, and restrictions of utilities and services, including but not limited to, sewage, sanitation, water, electricity, gas, telephone, cable TV and drainage.

E. UTILITIES, IMPROVEMENTS & OTHER RIGHTS: SELLER represents that the property does have the following utilities, improvements, services and other rights available (describe availability): Power and telephone to lot line

F. HAZARDOUS MATERIALS: The real estate broker(s) or their agents in this transaction have no expertise with respect to toxic waste, hazardous materials or undesirable substances. BUYERS who are concerned about the presence of such materials should have the property inspected by qualified experts. BUYER acknowledges that he/she has not relied upon any representations by either the Broker or the SELLER with respect to the condition of the property that are not contained in this Agreement or in any disclosure statements.

G. TAX LIABILITY: The BUYER and SELLER acknowledge that they have not received or relied upon any statements or representations by the Broker with respect to the effect of this transaction upon BUYER's or SELLER's tax liability.

BUYER chooses ☐ to have inspection; ☒ not to have inspection. If BUYER chooses not to have inspection skip the remainder of section 6. BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at **BUYER'S expense**. BUYER shall, within ---- business day(s) of acceptance, complete these inspections and give to SELLER written notice of disapproved items. BUYER is strongly advised to exercise these rights and to make BUYER'S own selection of professionals with appropriate qualifications to conduct inspections of the entire property. **BUYER'S acceptance of the condition of the property is a contingency of this Agreement.**

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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SATISFACTION/REMOVAL OF INSPECTION CONTINGENCIES:

1. If BUYER **does not** within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

2. If BUYER **does** within the strict time period specified give to SELLER written notice of disapproved items, **BUYER shall provide to SELLER pertinent section(s) of written inspection reports**. SELLER shall have ___ business day(s) in which to **respond in writing.** The SELLER, at their option, may correct the items as specified by the BUYERS in their letter or may elect not to do so. If the SELLER agrees to correct the items asked for in the BUYERS letter, then both parties agree that they will continue with the transaction and proceed to closing. **This will remove the BUYERS inspection contingency.**

3.If the SELLER elects not to correct the disapproved items, then the BUYER(S) have the option of either continuing the transaction without the SELLER being responsible for correcting these deficiencies or giving the SELLER written notice within ___ business days that they will not continue with the transaction and will receive their Earnest Money back.

4. If SELLER **does not** respond within the strict time period specified, BUYER shall have the right to cancel this agreement in writing.

5. If BUYER **does not** give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

SELLER shall make the property available for all Inspections. BUYER shall keep the property free and clear of liens; indemnify and hold SELLER harmless from all liability, claims, demands, damages and costs; and repair any damages arising from the inspections. **No inspections may be made by any governmental building or zoning inspector or government employee without the prior consent of SELLER, unless required by local law.**

7. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out of purchase money at date of closing. No liens, encumbrances or defects, which are to be discharged or assumed by BUYER or to which title is taken subject to, exist unless otherwise specified in this Agreement.

8. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the buyer additional coverage.

(A). PRELIMINARY TITLE COMMITMENT: Prior to closing the transaction, ☒ SELLER or ☐ BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said premises. BUYER shall have 3 business day(s) from receipt of the preliminary commitment or not fewer than twenty-four (24) hours prior to closing, within which to object in writing to the condition of the title as set forth in the preliminary commitment. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title. It is agreed that if the title of said premises is not marketable, or cannot be made so within 3 business day(s) after notice containing a written statement of defect is delivered to SELLER, BUYER'S Earnest Money deposit will be returned to BUYER and SELLER shall pay for the cost of title insurance cancellation fee, escrow and legal fees, if any.

(B). TITLE COMPANY: The parties agree that Best **Title Company located at** 202 Title Row, Ipswitch, Idaho **shall provide the title policy and preliminary report of commitment.**

(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the premises showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. **The risk assumed by the title company in the standard coverage policy is limited to matters of public record.** BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct Closing Agency in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. **This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.**

9 . COVENANTS, CONDITIONS AND RESTRICTIONS (CC& R'S): BUYER is responsible to obtain and review a copy of the CC& R's (if applicable). BUYER has reviewed CC& R's. ☐ Yes ☒ No

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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10. SUBDIVISION HOMEOWNER'S ASSOCIATION: BUYER is aware that membership in a Home Owner's Association may be required and BUYER agrees to abide by the Articles of Incorporation, By-Laws and rules and regulations of the Association. BUYER is further aware that the Property may be subject to assessments levied by the Association described in full in the Declaration of Covenants, Conditions and Restrictions, BUYER has reviewed Homeowner's Association Documents: ☐ Yes ☐ No ☒ N/A Association fees/dues are $ 0.00 per ------ ☐ BUYER ☐ SELLER ☐ N/A to pay Homeowner's Association **SET UP and/or property TRANSFER FEES** of $ 0.00 at closing.

11. INTERSTATE LAND SALES FULL DISCLOSURE ACT. This Vacant Land Real Estate Purchase and Sale Agreement is NOT intended to be used for situations in which Seller owns and is selling one hundred (100) or more lots. Properties containing one hundred (100) or more lots for sale may be subject to the reporting and disclosure requirements of the Interstate Land Sales Full Disclosure Act ("Act"), 15 USC §1701 *et seq.* If you have questions regarding this Act, contact your attorney before signing. Any contract or agreement for the sale or lease of a lot subject to the Act may be revoked at the option of the purchaser or lessee until midnight of the seventh day following the signing of such contract or agreement or until such later time as may be required pursuant to applicable law. Any contract or agreement for the sale or lease of a lot for which a property report is required by the Act and the property report has not been given to the purchaser or lessee in advance of his or her signing such contract or agreement, such contract or agreement may be revoked at the option of the purchaser or lessee within two (2) years from the date of such signing.

12. FARM/CROPS/TIMBER RIGHTS: SELLER, or any tenant of SELLER, shall be allowed to harvest, sell or assign any annual crops which have been planted on the Property prior to the date of this Contract, even though said harvest time may occur subsequent to the date of the settlement of this contract, unless otherwise agreed by attached addendum. If the crop consists of timber, then neither SELLER nor any tenant of SELLERs shall have any right to harvest the timber unless the right to remove same shall be established by an attached addendum. Notwithstanding the provisions hereof, any tenant who shall be leasing the Property shall be allowed to complete the harvest of any annual crops that have been planted prior to the date of Contract Acceptance as previously agreed between SELLER and Tenant. **ANY AND ALL SUCH TENANT AGREEMENTS ARE TO BE ATTACHED.**

13. NOXIOUS WEEDS: BUYER of the property in the State of Idaho should be aware that some properties contain noxious weeds. The laws of the State of Idaho require owners of property within this state to control, and to the extent possible, eradicate noxious weeds. For more information concerning noxious weeds and your obligations as an owner of property, contact your local county extension office.

14. MINERAL RIGHTS: Any and all mineral rights which are already included with the property will be included in the sale of this property unless otherwise stipulated.

15. WATER RIGHTS: Description of water rights, water systems, wells, springs, water, ditches, ditch rights, etc., if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein:

16. RISK OF LOSS: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the premises be materially damaged by fire or other destructive cause prior to closing, this Agreement shall be **voidable** at the option of BUYER.

17. BUSINESS DAYS: A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real property is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73-108. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

18. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

19. FACSIMILE TRANSMISSION: Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

20. COUNTERPARTS: This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

21. ENTIRE AGREEMENT: This Agreement contains the entire Agreement of the parties respecting the matters herein set forth and supersedes all prior Agreements between the parties respecting such matters. No warranties, including, without limitation, any warranty of habitability, agreements or representations not expressly set forth herein shall be binding upon either party.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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22. SALES PRICE INFORMATION: SELLER and BUYER hereby grant permission to the brokers and either party to this Agreement to disclose sale data from this transaction, including selling price and property address to the local Association / Board of REALTORS®, multiple listing service, its members, its members' prospects, appraisers and other professional users of real estate sales data. The parties to this Agreement acknowledge that sales price information compiled as a result of this Agreement may be provided to the County Assessor's Office by either party or by either party's Broker.

23. ADDITIONAL CONTINGENCIES AND COSTS: The closing of this transaction is contingent upon written satisfaction or waiver of the following contingencies. Costs in addition to those listed below may be incurred by BUYER and SELLER unless otherwise agreed herein, or provided by law or required by lender, or otherwise stated herein. The below costs will be paid as indicated and by no later than time of closing. Some costs are subject to loan program requirements. In addition, the parties shall satisfy all contingencies set forth in this section by close of business (Date): _____ unless otherwise agreed to by the parties in writing.

COSTS	BUYER	SELLER	Shared Equally	Not Applicable	CONTINGENCIES	BUYER	SELLER	Shared Equally	Not Applicable
Appraisal Fee				X	Environmental Inspection (Phase 1)				X
Long Term Escrow Fees				X	Environmental Inspection (Phase 2)				X
Closing Escrow Fee			X		Environmental Inspection (Phase 3)				X
Survey				X	PERC Test				X
Flood Certification/Tracking Fee				X	Zoning Variance				X
Title Ins. Standard Coverage Owner's Policy		X			Soil(s) Test(s)				X
Title Ins. Extended Coverage **Lender's** Policy -- Mortgagee Policy				X	Hazardous Waste Report(s)				X
Additional Title Coverage				X					
Water Rights Transfer Fee				X					
Attorney Contract Preparation or Review Fee				X					

24. DEFAULT: **If BUYER defaults** in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER's Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER's Broker, provided that the amount to be paid to SELLER's Broker shall not exceed the Broker's agreed-to commission. SELLER and BUYER specifically acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER's sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER's Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of brokerage fee, title insurance, escrow fees, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter.

If SELLER defaults, having approved said sale and fails to consummate the same as herein agreed, BUYER's Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, credit report fees, inspection fees, brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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25. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination of this contract, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing agency, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or closing agency shall not be required to take any action but may await any proceeding, or at Broker's or closing agency's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.

26. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

27. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

28. CLOSING: On or before the closing date, BUYER and SELLER shall deposit with the closing agency all funds and instruments necessary to complete this transaction. **Closing means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to SELLER.** The closing shall be no later than (Date) July 18, 20xx. The parties agree that the **CLOSING AGENCY** for this transaction shall be Terry Joe's Realty located at 93 East Main, Ipswitch, Idaho If a long-term escrow / collection is involved, then the long-term escrow holder shall be N/A.

29. POSSESSION: BUYER shall be entitled to possession ☒ upon closing or ☐ date ------ at ------ ☐ am/☐ pm. Property taxes and water assessments (using the last available assessment as a basis), rents, interest and reserves, liens, encumbrances or obligations assumed and utilities shall be pro-rated as of closing date.

30. SPECIAL CONSIDERATIONS AND CONTINGENCIES: This Agreement is made subject to the following special considerations and/or contingencies which must be satisfied prior to closing: None

31. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in Section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYERS(s) and SELLER(s).

Section 1:
- ☐ A. The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).
- ☒ B. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNE AGENT.
- ☐ C. The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).
- ☐ D. The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).

Section 2:
- ☐ A. The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).
- ☒ B. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.
- ☐ C. The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).
- ☐ D. The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

32. ACCEPTANCE: BUYER'S offer is made subject to the acceptance of SELLER on or before (Date) July 11, 20xx at (Time) 11:59 ☐ A.M. ☒ P.M. If SELLER does not accept this Agreement within the time specified, the entire Earnest Money shall be refunded to BUYER on demand

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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PROPERTY ADDRESS: 1993 North 21st Street Ipswitch **ID#:** 444

33. BUYER'S SIGNATURES:

☐ **SEE ATTACHED BUYER'S ADDENDUM(S):** --- (Specify number of BUYER addendum(s) attached.)

BUYER Signature _____ **BUYER (Print Name)** Barbara Smith

Date July 7, 20xx Time 2:30 ☐ A.M. ☒ P.M. Phone # 555-4444 Cell # ---------

Address 93 Arapaho Way, Apt. 5 City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ---------

BUYER Signature _____ **BUYER (Print Name)** ---------

Date -------- Time ------ ☐ A.M. ☐ P.M. Phone # -------- Cell # --------

Address ---------- City ---------- State -- Zip ----

E-Mail Address ---------- Fax # ----------

34. SELLER'S SIGNATURES:

On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

☐ **SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER**

☐ **SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #** ---

SELLER Signature _____ **SELLER (Print Name)** Jack Jones

Date July 10, 20xx Time 7:00 ☐ A.M. ☒ P.M. Phone # 555-3333 Cell # ---------

Address 1993 North 21st Street City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ----------

SELLER Signature _____ **SELLER (Print Name)** Jill Jones

Date July 10, 20xx Time 7:00 ☐ A.M. ☒ P.M. Phone # 555-3333 Cell # ---------

Address 1993 North 21st Street City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ----------

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Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

V. TRANSACTION #YR-005 - HILL/ADAMS

On July 16, 20XX, Olga and Zander Hill make an offer and tender a check for $5000.00 as earnest money. The offer is accepted by the sellers, Bill and Mary Adams, on July 18, 20XX. The purchase agreement shows that the purchase price of $225,000.00 is to be paid with $95,000.00 cash at closing and the balance by the seller carrying a contract of sale at 8% interest for 30 years with monthly payments of $918.73, beginning September 1, 20XX. The closing will take place on July 29, 20XX. Closing is to be completed by the closing agent at ABC Title Company. ABC Title Company requests that all funds be deposited with the title company for closing no less than three (3) day prior to the closing date.

A. Legder Card

LEDGER

Buyer _____ Seller _____

Property Location _____ Transaction Number _____

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance

B. Check Register

CHECK REGISTER						
Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		Trust Account Maintenance			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		Check Printing Fees		$75.00		$225.00
06/09/XX		YR-002 King -- Depost EM			$1500.00	$1725.00
06/13/XX		YR-003 Short -- Deposit EM			$2000.00	$3725.00
06/23/XX	Steven King	YR-002 King Return EM Deal Fell	1100	$1500.00		$2225.00
07/03/XX	Grand Title Company	YR-003 Short - Cancellation Fee	1101	$100.00		$2125.00
07/03/XX	John & Sue Long	YR-003 Short - 1/2 Forfieted EM	1102	$950.00		$1175.00
07/03/XX	Terry Joe's Realty	YR-003 Short 1/2 Forfeited EM	1103	$950.00		$225.00
07/07/XX		YR-004 Smith -- Deposit EM			$1000.00	$1225.00
07/18/XX		YR-004 Smith -- Deposit Closing Funds			$14943.57	$16168.57
07/18/XX	Best Deal Title	YR-004 Smith -- Title Insurance Fee	1104	$227.00		$15941.57
07/18/XX	Joe Hansen	YR-004 Smith -- Pay off lot	1105	$7000.00		$8941.57
07/18/XX	Jack & Jill Jones	YR-004 Smith-Seller proceeds	1106	$7,116.57		$1,825.00
07/18/YR	Terry Joe's Realty	YR-004 Smith-Brokerage fee	1107	$1,600.00		$225.00

C. Deposit Slip

DEPOSIT SLIP		
Deposited with Rocky Mountain Bank Note Ipswitch, Idaho 83000 To THE CREDIT OF TERRY JOE'S REALTY REAL ESTATE TRUST ACCOUNT 93 E. MAIN IPSWITCH, ID 83000		ALL ITEMS ARE CREDITED SUB-JECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS
DATE		
CURRENCY		
COIN		
CHECKS (list separately)		
TOTAL FROM OTHER SIDE		
TOTAL		
Received By:		

123456789 0000 0000 0000

D. Trust Account Check (1)

Terry Joe's Realty 1108
Real Estate Trust Account 99-678/1234
93 E. Main
Ipswitch, Idaho 83000

_____, 20XX__

Pay to the order of _____ $ _____

_____Dollars

ROCKY MOUNTAIN BANK NOTE NON NEGOTIABLE
IPSWITCH, IDAHO 83000

For: _____ _____

123456789 0000 0000 0000

E. Bank Statement Date August 1

ROCKY MOUNTAIN BANK			
BANK STATEMENT			
Previous Balance: $2,225.00 Current Balance: $5,225.00		Date: August 1, 20XX	
DATE	DEPOSIT	CHECKS Number	Amount
07/07/XX	$1000.00		
07/13/XX		1101	$100.00
07/13/XX		1102	$950.00
07/13/XX		1103	$950.00
07/18/XX	$5000.00		
07/18/XX	$14943.57		
07/24/XX		1104	$227.00
07/24/XX		1105	$7000.00
07/24/XX		1106	$7116.57
07/24/XX		1107	$1600.00

F. Check Register

CHECK REGISTER						
Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		*Trust Account Maintenance*			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		*Check Printing Fees*		$75.00		$225.00
06/09/XX		YR-002 King -- Depost EM			$1500.00	$1725.00
06/13/XX		YR-003 Short -- Deposit EM			$2000.00	$3725.00
06/23/XX	Steven King	YR-002 King Return EM Deal Fell	1100	$1500.00		$2225.00
07/03/XX	Grand Title Company	YR-003 Short - Cancellation Fee	1101	$100.00		$2125.00
07/03/XX	John & Sue Long	YR-003 Short - 1/2 Forfieted EM	1102	$950.00		$1175.00
07/03/XX	Terry Joe's Realty	YR-003 Short 1/2 Forfeited EM	1103	$950.00		$225.00
07/07/XX		YR-004 Smith -- Deposit EM			$1000.00	$1225.00
07/18/XX		YR-004 Smith -- Deposit Closing Funds			$14943.57	$16168.57
07/18/XX	Best Deal Title	YR-004 Smith -- Title Insurance Fee	1104	$227.00		$15941.57
07/18/XX	Joe Hansen	YR-004 Smith -- Pay off lot	1105	$7000.00		$8941.57
07/18/XX	Jack & Jill Jones	YR-004 Smith -- Seller proceeds	1106	$7116.57		$1825.00
07/18/XX	Terry Joe's Realty	YR-004 Smith -- Brokerage Fee	1107	$1600.00		$225.00
07/18/XX		YR-005 Hill -- Deposit EM			$5000.00	$5225.00
07/26/YR	ABC Title Company	YR-005 Hill--Funds to close	1108	$5,000.00		$225.00

Monthly 3-Way Reconciliation Form

❼ Trust Ledger Liability

(Open ledgers with or without a balance)

Transaction #	Buyer	Seller	Balance

REALTOR®

RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

DATE: June 30, 20xx **AGENT:** Terry Joe
Acting as Agent for the Broker

1. BUYER Zander and Olga Hill

retains Terry Joe **Broker of** Terry Joe's Realty **as**

Exclusive Buyer Broker (hereinafter referred to as Broker), where the BUYER is represented by one agent only for time herein set forth and for the express purpose of Representing BUYER in the purchase, lease, or optioning of real property. Further, BUYER agrees, warrants and acknowledges that BUYER has not and shall not enter into any exclusive buyer representation agreement with another broker in the state of Idaho as a broker for BUYER during the effective term of this agreement, unless otherwise agreed to in writing by BUYER and above-listed Broker. BUYER agrees to indemnify and hold the above-listed Broker harmless from any claim brought by any other broker or real estate salesperson for compensation claimed or owed during the effective term of this agreement. By appointing Broker as BUYER'S exclusive agent, BUYER agrees to conduct all negotiations for property through Broker, and to refer to Broker all inquiries received in any form from real estate brokers, salespersons, prospective sellers, or any other source, during the time this Exclusive Buyer Representation Agreement is in effect. BUYER desires to purchase, lease, or option the following real estate: Type of property:

☒ Residential ☐ Residential Income ☐ Commercial ☐ Vacant Land ☐ Other -------

Applicable City(s) Ipswitch, Idaho; Applicable Zip Codes 83000

Applicable County(s) Homey

Other Description: (i.e., geographical area, price, etc.) 2+ bedroom in farm setting

2. TERM OF AGREEMENT: This EXCLUSIVE BUYER REPRESENTATION AGREEMENT (herein after referred to as Agreement) is in force from date June 30, 20xx and will expire at 11:59 p.m. on date October 30, 20xx, or upon closing of escrow of such property purchased through this agreement.

3. BROKER REPRESENTATIONS AND SERVICES: The Broker and Broker's agent representing a BUYER are agents of the BUYER. Broker will use reasonable efforts as BUYER'S agent to locate property as described in Section One hereof from the information available in the Multiple Listing Service (MLS) and from other sources for unlisted property that the Broker may be aware of when applicable as set forth in Section One. The Broker's duty to locate property for the BUYER is limited to the properties that the Broker is aware of and does not include a duty to discover every unlisted property that may be privately advertised. Broker shall make submissions to BUYER describing and identifying properties that substantially meet the criteria set forth in Section One, for consideration of the BUYER and Broker agrees to negotiate acceptance of any offer to purchase or lease such property.

4. TRANSACTION RELATED SERVICES DISCLAIMER: BUYER understands that Broker is qualified to advise BUYER on general matters concerning real estate, but is not an expert in matters of law, tax, financing, surveying, structural conditions, property inspections, hazardous materials, or engineering. BUYER acknowledges that Broker advises BUYER to seek expert assistance for advice on such matters. Broker cannot warrant the condition of property to be acquired, or guarantee that all material facts are disclosed by the Seller. Broker will not investigate the condition of any property including without limitation the status of permits, zoning, location of property lines, square footage, possible loss of views and/or compliance of the property with applicable laws, codes or ordinances and BUYER must satisfy themself concerning these issues by obtaining the appropriate expert advice. The Broker or Broker's agent may, during the course of the transaction, identify individuals or entities who perform services including **BUT NOT LIMITED TO** the following; home inspections, service contracts, appraisals, environmental assessment inspections, code compliance inspections, title insurance, closing and escrow services, loans and refinancing services, construction and repairs, legal and accounting services, and/or surveys. The BUYER understands that the identification of service providers is solely for BUYER'S convenience and that the Broker and its agent are not guaranteeing or assuring that the service provider will perform its duties in accordance with the BUYER'S expectations. BUYER has the right to make arrangements with any entity BUYER chooses to provide these services. BUYER hereby releases and holds harmless the Broker and Broker's agent from any claims by the BUYER that service providers breached their agreement, were negligent, misrepresented information, or otherwise failed to perform in accordance with the BUYER'S expectations. In the event the BUYER requests Broker to obtain any products or services from outside sources, **BUYER agrees to pay for them immediately when payment is due.** For example: surveys or engineering, environmental and/or soil tests, title reports, home or property inspections, appraisals, etc.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Zander and Olga Hill

5. FINANCIAL INFORMATION: BUYER agrees to provide Broker and/or Broker's agent with certain pertinent financial information necessary to prove ability to purchase desired property.

6. OTHER POTENTIAL BUYERS: BUYER understands that other potential buyers may consider, make offers on, or purchase through Broker the same or similar properties as BUYER is seeking to acquire. BUYER consents to Broker's representation of such other potential buyers before, during, and after the expiration of this Agreement and further releases Broker of any conflicting Agency duties.

7. LIMITS OF CONFIDENTIALITY OF OFFERS: BUYER understands that an offer submitted to a seller, and the terms thereof may not be held confidential by such seller or seller's representative unless such confidentiality is otherwise agreed to by the parties.

8. CONSENT TO LIMITED DUAL REPRESENTATION AND ASSIGNED AGENCY: The undersigned BUYER(S) have received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned BUYER(S) understand that the brokerage involved in this transaction may be providing agency representation to both the BUYER(S) and the Seller. The undersigned BUYER(S) each understands that, as an agent for both BUYER/client and Seller/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms or factors motivating the BUYER/client to buy or the Seller/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by Section 54-2085, Idaho Code. The undersigned BUYER(S) each understands that a limited dual agent does not have a duty of undivided loyalty to either client.

The undersigned BUYER(S) further acknowledge that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in Section 54-2087, Idaho Code. In an assigned agency situation, the designated broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship.

BUYER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: BUYER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other BUYERS and for Sellers in the sale of the property. BUYER has been advised and understands that it may create a conflict of interest for Broker to introduce BUYER to a Seller Client's property because Broker could not satisfy all of its Client duties to both BUYER Client and Seller Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, BUYER makes the following election.
(Make one election only)

_____/_____
Initials
Limited Dual Agency and/or Assigned Agency

BUYER **DOES WANT** to be introduced to Seller client's property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at the time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the BUYER and Seller in the introduction of BUYER to such Seller client's property and in the preparation of any contract of sale which may result. BUYER authorizes Broker to act in a **limited dual agency** capacity. Further, BUYER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, BUYER authorizes Broker to act in such capacity.

OR

_____/_____
Initials
Single Agency

BUYER **DOES NOT WANT** to be introduced to Seller client's property and hereby releases Broker from any responsibility or duty under the agency agreement. Broker shall be under no obligation or duty to introduce the BUYER to any Seller client's property.

9. NON-DISCRIMINATION: The parties agree not to discriminate against any prospective Seller or Lessor because of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Zander and Olga Hill

10. SEVERABILITY CLAUSE: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11. SINGULAR AND PLURAL terms each include the other, when appropriate.

12. DEFAULT / ATTORNEY'S FEES: In the event of default by BUYER under this Agreement, Broker shall be entitled to the Fee that Broker would have received had no default occurred, in addition to other available legal remedies. In the event of any suit or other proceeding arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and all costs incurred relative to such suit or proceeding. Venue of any action arising out of this Agreement shall be in the court of the county in which Broker's office is located.

13. COMPENSATION OF BROKER: In consideration of the services to be performed by the Broker, BUYER agrees that broker may be compensated in any of the following ways: Check all that apply.

☒ A. **If the property is subject to a listing agreement with the Broker's Company or a cooperating Broker** through the Multiple Listing Service (MLS) or otherwise, the fee will be the amount equal to the compensation offered by the aforementioned Brokers but not less than 3 % of the selling price. BUYER agrees to pay to the Broker any difference between the amount received from the aforementioned Brokers and the stated minimum.

☒ B. **If the property is not subject to a Listing Agreement,** such as a For Sale By Owner or a Custom Build Job, the BUYER agrees that the Broker will be paid a fee of not less than ☒ 3 % of selling price or ☐ $ ----- . The Broker shall first seek to obtain this fee through the transaction paid by the Seller. If the fee cannot be obtained through the Seller, the BUYER will be responsible for such fee stated above.

☐ C. **Retainer Fee.** BUYER will pay Broker a non-refundable retainer fee of $ 0.00 due and payable upon signing of this Agreement. Retainer fee ☐ shall ☐ shall not be credited against any compensation set forth in paragraph A or B.

☐ D. **Hourly rate.** BUYER will pay Broker at the rate of $ 0.00 per hour for the time spent by Broker pursuant to this Agreement to be paid when billed whether or not BUYER acquires or leases property. The fee ☐ shall ☐ shall not be credited against any compensation as set forth in paragraph A, B, or C.

This compensation shall apply to transactions made for which BUYER enters into a contract during the original term of this Agreement or during any extension of such original or extended term, and shall also apply to transactions for which BUYER enters into a contract within 60 days after this Agreement expires or is terminated, if the property acquired by the BUYER was submitted in writing to the BUYER by Broker pursuant to Section One hereof during the original term or extension of the term of this Agreement. Unless otherwise indicated herein the Broker's fee shall be paid in cash at closing.

In the event BUYER purchases any property without using the representation of the Broker named above within the time this agreement remains in force, above stated BUYER shall be liable to Broker for a cancellation fee equal to 3 % of the contract or purchase price of the property acquired or $ 0.00 .

14. OTHER TERMS AND CONDITIONS: None

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Zander and Olga Hill

15. AUTHORITY OF SIGNATORY: If BUYER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER.

16. TIME IS OF THE ESSENCE IN THIS AGREEMENT: The terms hereof constitute the entire agreement and supersede all prior agreements, negotiations and discussions between parties. This agreement may be modified only by a written agreement signed by each of the parties.

Buyer Signature:	**Accepted:** (Broker)
Buyer Signature:	**By:** (Agent)
Date: July 16, 20xx	**Date:** July 16, 20xx
Address: 85 Main Street, Apt. 327	**Address:** 93 East Main Street
City: Ipswitch **State:** ID **Zip:** 83000	**City:** Ipswitch **State:** ID **Zip:** 83000
E-Mail: ----------	**E-Mail:** terryjoe@hotyahoo.com
Phone(s): 555-1234	**Phone(s):** 555-5555
Fax: ----------	**Fax:** 555-6666

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RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT JULY, 2007 EDITION PAGE 4 OF 4

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-21 REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

ID# 555 DATE July 16, 20xx

LISTING AGENCY Love the Farm Realty Office Phone # 555-4321 Fax # 555-0000
Listing Agent Connie Doright E-Mail doright@hotyahoo.com Phone # 555-4321
SELLING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666
Selling Agent Terry Joe E-Mail terryjoe@hotyahoo.com Phone # 555-5555

1. BUYER: Zander and Olga Hill (Hereinafter called "**BUYER**") agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PREMISES" **COMMONLY KNOWN AS** 8500 Rural Lane (Adams Farm) City Ipswitch Homey County, ID, Zip 83000 legally described as: SW 1/4 of SW 1/4 of Section 8, T13N, R6E Boise PM Idaho
OR Legal Description Attached as addendum # None **(Addendum must accompany original offer.)**

2. $ 225,000.00 **PURCHASE PRICE:** Two hundred twenty five thousand **DOLLARS,** payable upon the following **TERMS AND CONDITIONS** (not including closing costs) :

3. FINANCIAL TERMS: Note: A+C+D+E must add up to total purchase price.

$ 5,000.00 **(A). EARNEST MONEY:** BUYER hereby deposits Five thousand DOLLARS as Earnest Money evidenced by: ☐ cash ☒ personal check ☐ cashier's check ☐ note (due date): ----- ☐ other ----- and a receipt is hereby acknowledged. Earnest Money to be deposited in trust account ☐ upon receipt, or ☒ upon acceptance by all parties and shall be held by: ☐ Listing Broker ☒ Selling Broker ☐ other ----- for the benefit of the parties hereto. The responsible Broker shall be Terry Joe.

(B). ALL CASH OFFER: ☒ NO ☐ YES **If this is an all cash offer do not complete lines 32 through 61, fill blanks with "0" (ZERO.) IF CASH OFFER, BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCIAL CONTINGENCY.** BUYER agrees to provide SELLER within --- business days from the date of acceptance of this agreement by all parties, evidence of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes, but is not limited to, a copy of a recent bank or financial statement or contract(s) for the sale of BUYER'S current residence or other property to be sold.

$ 0.00 **(C). NEW LOAN PROCEEDS**: This Agreement is contingent upon BUYER obtaining the following financing:
☐ **FIRST LOAN** of $ 0.00 not including mortgage insurance, through ☐ FHA, ☐ VA, ☐ CONVENTIONAL, ☐ IHFA, ☐ RURAL DEVELOPMENT, ☐ OTHER ---- with interest not to exceed ---- % for a period of --- year(s) at: ☐ Fixed Rate ☐ Other ---- BUYER shall pay no more than -- point(s) plus origination fee if any. SELLER shall pay no more than --- point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

☐ **SECOND LOAN** of $ 0.00 with interest not to exceed ---- % for a period of --- year(s) at: ☐ Fixed Rate ☐ Other ---- BUYER shall pay no more than --- point(s) plus origination fee if any. SELLER shall pay no more than --- point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

LOAN APPLICATION:BUYER ☐ has applied ☐ shall apply for such loan(s) within --- business day(s) of SELLER'S acceptance. Within --- business days of final acceptance of all parties, BUYER agrees to furnish SELLER with **a written confirmation showing lender approval of credit report, income verification, debt ratios in a manner acceptable to the SELLER(S) and subject only to satisfactory appraisal and final lender underwriting.** If such written confirmation is not received by SELLER(S) within the strict time allotted, SELLER(S) may at their option cancel this agreement by notifying BUYER(S) in writing of such cancellation within --- business day(s) after written confirmation was required. If SELLER does not cancel within the strict time period specified as set forth herein, SELLER shall be deemed to have accepted such written confirmation of lender approval and shall be deemed to have elected to proceed with the transaction. SELLER'S approval shall not be unreasonably withheld. **If an appraisal is required by lender, the property must appraise at not less than purchase price** or BUYER'S Earnest Money may be returned at BUYER'S request. *BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements to the SELLER*

FHA / VA: If applicable, it is expressly agreed that notwithstanding any other provisions of this contract, BUYER shall not be obligated to complete the purchase of the property described herein or to incur any penalty or forfeiture of Earnest Money deposits or otherwise unless BUYER has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement lender setting forth the appraised value of the property of not less than the sales price as stated in the contract. SELLER agrees to pay fees required by FHA or VA.

$ 125,000.00 **(D). ADDITIONAL FINANCIAL TERMS:**
☒ Additional financial terms are specified under the heading "OTHER TERMS AND/OR CONDITIONS" (Section 4).
☐ Additional financial terms are contained in a **FINANCING ADDENDUM** of same date, attached hereto, signed by both parties.

$ 95,000.00 **(E). APPROXIMATE FUNDS DUE FROM BUYERS AT CLOSING *(Not including closing costs)*: Cash at closing** to be paid by BUYER at closing in GOOD FUNDS, includes: **cash, electronic transfer funds, certified check or cashier's check. NOTE:** *If any of above loans being Assumed or taken "subject to", any net differences between the approximate balances and the actual balance of said loan(s) shall be adjusted at closing of escrow in:* ☒ Cash ☐ Other: ---.

BUYER'S Initials ( )( ) Date **SELLER'S** Initials ( )( ) Date

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PROPERTY ADDRESS: 8500 Rural Lane (Adams Farm), Ipswitch, ID 83000 **ID#:** 555

4. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations and/or contingencies which must be satisfied prior to closing Seller agrees to carry back $125,000 at 8% interest for 30 years with monthly payments of $917.21 beginning September 1, 20xx.

5. ITEMS INCLUDED & EXCLUDED IN THIS SALE: All existing fixtures and fittings that are attached to the property are **INCLUDED IN THE PURCH PRICE** (unless excluded below), and shall be transferred free of liens. These include, but are not limited to, all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein. BUYER should satisfy himself/herself that the condition of the included items is acceptable. It is agreed that any item included in this section is of nominal value less than $100.

(A). ADDITIONAL ITEMS SPECIFICALLY INCLUDED IN THIS SALE: None

(B). ITEMS SPECIFICALLY EXCLUDED IN THIS SALE: None

6. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out of purchase money at date of closing. No liens, encumbrances or defects which are to be discharged or assumed by BUYER or to which title is taken subject to, exist unless otherwise specified in this Agreement.

7. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the BUYER additional coverage.

(A). PRELIMINARY TITLE COMMITMENT: Prior to closing the transaction, ☒ SELLER or ☐ BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said premises. BUYER shall have 5 business day(s) from receipt of the preliminary commitment or not fewer than twenty-four (24) hours prior to closing, within which to object in writing to the condition of the title as set forth in the preliminary commitment. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title. It is agreed that if the title of said premises is not marketable, or cannot be made so within 5 business day(s) after notice containing a written statement of defect is delivered to SELLER, BUYER'S Earnest Money deposit will be returned to BUYER and SELLER shall pay for the cost of title insurance cancellation fee, escrow and legal fees, if any.

(B). TITLE COMPANY: The parties agree that ABC **Title Company located at** 505 Title Row, Ipswitch, Idaho **shall provide the title policy and preliminary report of commitment.**

(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the premises showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. **The risk assumed by the title company in the standard coverage policy is limited to matters of public record.** BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct Closing Agency in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. **This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.**

8. MECHANIC'S LIENS - GENERAL CONTRACTOR DISCLOSURE STATEMENT NOTICE: BUYER and SELLER are hereby notified that, subject to Idaho Code §45-525 *et seq.*, a "General Contractor" must provide a Disclosure Statement to a homeowner that describes certain rights afforded to the homeowner (e.g. lien waivers, general liability insurance, extended policies of title insurance, surety bonds, and sub-contractor information). The Disclosure Statement must be given to a homeowner prior to the General Contractor entering into any contract in an amount exceeding $2,000 with a homeowner for construction, alteration, repair, or other improvements to real property, or with a residential real property purchaser for the purchase and sale of newly constructed property. Such disclosure is the responsibility of the General Contractor and it is not the duty of your agent to obtain this information on your behalf. You are advised to consult with any General Contractor subject to Idaho Code §45-525 *et seq.* regarding the General Contractor Disclosure Statement.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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PROPERTY ADDRESS: 8500 Rural Lane (Adams Farm), Ipswitch, ID 83000 **ID#:** 555

9. INSPECTION:

(A). BUYER chooses ☐ to have inspection ☒ not to have inspection. If BUYER chooses not to have inspection skip section 9C. BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at **BUYER'S expense**. BUYER shall, within _____ business day(s) of acceptance, complete these inspections and give to SELLER written notice of disapproved items. BUYER is strongly advised to exercise these rights and to make BUYER'S own selection of professionals with appropriate qualifications to conduct inspections of the entire property. Some inspections, investigations, tests, surveys and other studies may require additional days to complete. The parties agree that unless specifically set forth below, the above timeframe for investigations, tests, surveys and other studies shall govern. Additional inspections/timeframes:

None

(B). FHA INSPECTION REQUIREMENT, If applicable: "For Your Protection: Get a Home Inspection", HUD 92564-CN must be signed on or before execution of this agreement.

(C). SATISFACTION/REMOVAL OF INSPECTION CONTINGENCIES:

1). If BUYER **does not** within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

2). If BUYER **does** within the strict time period specified give to SELLER written notice of disapproved items, **BUYER shall provide to SELLER pertinent section(s) of written inspection reports**. SELLER shall have ---business day(s) in which to **respond in writing.** The SELLER, at their option, may correct the items as specified by the BUYERS in their letter or may elect not to do so. If the SELLER agrees to correct the items asked for in the BUYERS letter, then both parties agree that they will continue with the transaction and proceed to closing. **This will remove the BUYER'S inspection contingency.**

3). If the SELLER elects not to correct the disapproved items, or does not respond in writing within the strict time period specified, then the BUYER(S) have the option of either continuing the transaction without the SELLER being responsible for correcting these deficiencies or giving the SELLER written notice within ---business days that they will not continue with the transaction and will receive their Earnest Money back.

4). If BUYER **does not** give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct. SELLER shall make the property available for all Inspections. BUYER shall keep the property free and clear of liens; indemnify and hold SELLER harmless from all liability, claims, demands, damages and costs; and repair any damages arising from the inspections. No inspections may be made by any governmental building or zoning inspector or government employee without the prior consent of SELLER unless required by local law.

10. LEAD PAINT DISCLOSURE: The subject property ☒ is ☐ is not defined as "Target Housing" regarding lead-based paint or lead-based paint hazards. The term lead-based paint hazards is intended to identify lead-based paint and all residential lead-containing dusts and soils **regardless of the source of the lead**. If yes, BUYER hereby acknowledges the following: (a) BUYER has been provided an EPA approved lead-based paint hazard information pamphlet, "Protect Your Family From Lead in Your Home", (b) receipt of SELLER'S Disclosure of Information and Acknowledgment Form and have been provided with all records, test reports or other information, if any,related to the presence of lead-based paint hazards on said property, (c that this contract is contingent upon BUYERS right to have the property tested for lead-based paint hazards to be completed no later than ~~July 25, 20xx~~ or the contingency will terminate, (d) that BUYER hereby ☐ waives ☒ does not waive this right, (e) that if test results show unacceptable amounts of lead-based paint on the premises, BUYER has the right to cancel the contract subject to the option of the SELLER (to be given in writing) to elect to remove the lead-based paint and correct the problem which must be accomplished before closing, (f) that if the contract is canceled under this clause, BUYER'S earnest money deposit will be returned to BUYER.

11. SQUARE FOOTAGE VERIFICATION: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE REAL PROPERTY OR IMPROVEMENTS IS APPROXIMATE. IF SQUARE FOOTAGE IS MATERIAL TO THE BUYER, IT MUST BE VERIFIED DURING THE INSPECTION PERIOD.

12. SELLER'S PROPERTY DISCLOSURE FORM: If required by Title 55, Chapter 25 Idaho Code SELLER shall within ten (10) days after execution of this Agreement provide to BUYER or BUYER'S agent ,"SELLER'S Property Disclosure Form" or other acceptable form. BUYER has received the "SELLER'S Property Disclosure Form" or other acceptable form prior to signing this Agreement: ☒ Yes ☐ No ☐ N/A

13. COVENANTS, CONDITIONS AND RESTRICTIONS (CC& R'S): BUYER is responsible to obtain and review a copy of the CC& R's (if applicable). BUYER has reviewed CC&Rs (if applicable) as part of BUYER'S inspection of the property ☐ Yes ☐ No

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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14. SUBDIVISION HOMEOWNER'S ASSOCIATION: BUYER is aware that membership in a Home Owner's Association may be required and BUYER agrees to abide by the Articles of Incorporation, By-Laws and rules and regulations of the Association. BUYER is further aware that the Property may be subject to assessments levied by the Association described in full in the Declaration of Covenants, Conditions and Restrictions, BUYER has reviewed Homeowner's Association Documents: ☐ Yes ☐ No ☒ N/A Association fees/dues are $ 0.00 per ---- ☐ BUYER ☐ SELLER ☒ N/A to pay Homeowner's Association **SET UP FEE of $** 0.00 **and/or property TRANSFER FEES of $** 0.00 at closing.

15. COSTS PAID BY: Costs in addition to those listed below may be incurred by BUYER and SELLER unless otherwise agreed herein, or provided by law or required by lender, or otherwise stated herein. The below costs will be paid as indicated. Some costs are subject to loan program requirements. This section relates ONLY to the costs to be paid by the parties. None of the costs to be paid by the parties in this section create an inspection or performance obligation other than strictly for the payment of cost.

	BUYER	SELLER	Shared Equally	N/A		BUYER	SELLER	Shared Equally	N/A
Appraisal Fee				X	Title Ins. Standard Coverage Owner's Policy		X		
Appraisal Re-Inspection Fee				X	Title Ins. Extended Coverage **Lender's** Policy -- Mortgagee Policy				X
Closing Escrow Fee			X		Additional Title Coverage				X
Lender Document Preparation Fee			X		Fuel in Tank -- Amount to be Determined by Supplier				X
Tax Service Fee				X	Well Inspection		X		
Flood Certification/Tracking Fee			X		Septic Inspections		X		
Lender Required Inspections				X	Septic Pumping		X		
Attorney Contract Preparation or Review Fee			X		Survey				X
Long Term Escrow			X						

SELLER agrees to pay up to $ 0.00 **of lender required repair costs only.**
BUYER or SELLER has the option to pay any lender required repair costs in excess of this amount.

16. OCCUPANCY: BUYER ☒ does ☐ does not intend to occupy property as BUYER'S primary residence.

17. FINAL WALK THROUGH: The SELLER grants BUYER and any representative of BUYER reasonable access to conduct a final walk through inspection of the premises approximately 3 calendar day(s) prior to close of escrow, NOT AS A CONTINGENCY OF THE SALE, but for purposes of satisfying BUYER that any repairs agreed to in writing by BUYER and SELLER have been completed and premises are in substantially the same condition as on acceptance date of this contract. SELLER shall make premises available for the final walk through and agrees to accept the responsibility and expense for making sure all the utilities are turned on for the walk through except for phone and cable. If BUYER does not conduct a final walk through, BUYER specifically releases the SELLER and Broker(s) of any liability.

18. RISK OF LOSS: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the premises be materially damaged by fire or other destructive cause prior to closing, this agreement shall be void at the option of the BUYER.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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19. CLOSING: On or before the closing date, BUYER and SELLER shall deposit with the closing agency all funds and instruments necessary to complete this transaction. **Closing means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to SELLER.** The closing shall be no later than (Date) July 31, 20xx.
The parties agree that the **CLOSING AGENCY** for this transaction shall be ABC Title Company
located at 505 Title Row, Ipswitch, Idaho 83000.
If a long-term escrow / collection is involved, then the long-term escrow holder shall be ABC Title Company.

20. POSSESSION: BUYER shall be entitled to possession ☒ upon closing or ☐ date ----- time ----- ☐ A.M. ☐ P.M.
Property taxes and water assessments (using the last available assessment as a basis), rents, interest and reserves, liens, encumbrances or obligations assumed and utilities shall be pro-rated as of Closing.

21. SALES PRICE INFORMATION: SELLER and BUYER hereby grant permission to the brokers and either party to this Agreement, to disclose sale data from this transaction, including selling price and property address to the local Association / Board of REALTORS®, multiple listing service, its members, its members' prospects, appraisers and other professional users of real estate sales data. The parties to this Agreement acknowledge that sales price information compiled as a result of this Agreement may be provided to the County Assessor Office by either party or by either party's Broker.

22. FACSIMILE TRANSMISSION: Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. BUSINESS DAYS: A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real property is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73-108. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

25. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

26. DEFAULT: **If BUYER defaults** in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right and/or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER'S Broker, provided that the amount to be paid to SELLER'S Broker shall not exceed the Broker's agreed to commission. SELLER and BUYER specifically acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER'S sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of brokerage fee, title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter.

If SELLER defaults, having approved said sale and fails to consummate the same as herein agreed, BUYER'S Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, appraisals, credit report fees, inspection fees, brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

27. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination of this contract, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing agency, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or closing agency shall not be required to take any action but may await any proceeding, or at Broker's or closing agency's option and sole discretion, may interplead all parties and deposit any monies or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.

28. COUNTERPARTS: This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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29. "NOT APPLICABLE DEFINED:" The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

30. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

31. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section 1:

- [x] A. **The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).**
- [ ] B. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.**
- [ ] C. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).**
- [ ] D. **The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).**

Section 2:

- [x] A. **The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).**
- [ ] B. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.**
- [ ] C. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).**
- [ ] D. **The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).**

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

32. ENTIRE AGREEMENT: This Agreement contains the entire Agreement of the parties respecting the matters herein set forth and supersedes all prior Agreements between the parties respecting such matters. No warranties, including, without limitation, any warranty of habitability, agreements or representations not expressly set forth herein shall be binding upon either party.

33. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

34. AUTHORITY OF SIGNATORY: If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.

35. ACCEPTANCE: BUYER'S offer is made subject to the acceptance of SELLER on or before (Date) July 19, 20xx at (Local Time in which property is located) 10:00 [ ] A.M. [x] P.M. If SELLER does not accept this Agreement within the time specified, the entire Earnest Money shall be refunded to BUYER on demand.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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36. BUYER'S SIGNATURES:

☒ **SEE ATTACHED BUYER'S ADDENDUM(S):** 1 (Specify number of BUYER addendum(s) attached.)

BUYER Signature _____ **BUYER (Print Name)** Zander Hill

Date July 16, 20xx Time 9:00 ☒ A.M. ☐ P.M. Phone # 555-1234 Cell # -----

Address 85 Main Street, Apt. 37 City Ipswitch State ID Zip 83000

E-Mail Address -------- Fax # ----------

BUYER Signature _____ **BUYER (Print Name)** Olga Hill

Date July 16, 20xx Time 9:00 ☒ A.M. ☐ P.M. Phone # 555-1234 Cell # ------

Address 85 Main Street, Apt. 37 City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ----------

---

37. SELLER'S SIGNATURES:

On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

☐ **SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER**

☐ **SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #** ----

SELLER Signature _____ **SELLER (Print Name)** Bill Adams

Date July 18, 20xx Time 1:30 ☐ A.M. ☒ P.M. Phone # 555-1212 Cell # -----

Address 8500 Rural Lane (Adams Farm) City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ----------

SELLER Signature _____ **SELLER (Print Name)** Mary Adams

Date July 18, 20XX Time 1:30 ☐ A.M. ☒ P.M. Phone # 555-1212 Cell # --------

Address 8500 Rural Lane (Adams Farm) City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ---------

CONTRACTOR REGISTRATION # (if applicable) None

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Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-11 ADDENDUM # 1 (1,2,3, etc.)

EQUAL HOUSING OPPORTUNITY

Date: July 17, 20xx

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

This is an **ADDENDUM** to the ☒ Purchase and Sale Agreement ☐ Other xxxxx
("Addendum" means that the information below is added material for the agreement {such as lists or descriptions} and/or means the form is being used to change, correct or revise the agreement {such as modification, addition or deletion of a term}).

AGREEMENT DATED: July 16, 20xx **ID #** 555

ADDRESS: 8500 Rural Lane (Adams Farm), Ipswitch, Idaho 83000

BUYER(S): Zander and Olga Hill

SELLER(S): Bill and Mary Adams

The undersigned parties hereby agree as follows:

1. Buyer to provide seller with a loss payee on fire insurance policy.
2. Buyer and seller agree that Jeff Thompson, attorney, will prepare all legal documents and agree to split his costs 50/50.
3. Buyer is currently renting farm from seller. Farm rent to be prorated to date of closing.
4. Buyer agrees to pay current year property taxes and irrigation tax and maintenance fee.
5. Buyer agrees to deposit all funds necessary to close with ABC Title Company three (3) days prior to closing.

To the extent the terms of this ADDENDUM modify or conflict with any provisions of the Purchase and Sale Agreement including all prior Addendums or Counter Offers, these terms shall control. **All other terms of the Purchase and Sale Agreement including all prior Addendums or Counter Offers not modified by this ADDENDUM shall remain the same.** Upon its execution by both parties, this agreement is made an integral part of the aforementioned Agreement.

BUYER: _____ **Date:** July 17, 20xx

BUYER: _____ **Date:** July 17, 20xx

SELLER: _____ **Date:** July 18, 20xx

SELLER: _____ **Date:** July 18, 20xx

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RE-11 ADDENDUM JULY, 2007 EDITION PAGE 1 OF 1

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Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

VI. TRANSACTION #YR-006 -- FONG/NICE

On August 13, 20XX, a sales associate with your office obtains a written offer from Nat and Pat Fong to purchase the Nice's property. the earnest money is a $500.00 check. On August 14, 20XX, the original purchase and sale agreement is countered by the Nices', but rejected by the Fongs. Aon August 15, 20XX, the earnest money check is returned to the Fongs.

A. Ledger Card

LEDGER

Buyer _____ Seller _____

Property Location _____ Transaction Number _____

Date	Who, What, Where	Check Number	Deposit Amount	Check Amount	Balance

B. Check Register

CHECK REGISTER						
Date	Check Issued To	Explanation	Check Number	Check Amount	Deposit Amount	Balance
05/14/XX		*Trust Account Maintenance*			$200.00	$200.00
05/15/XX		YR-001 Newhome Deposit EM			$100.00	$300.00
06/01/XX		*Check Printing Fees*		$75.00		$225.00
06/09/XX		YR-002 King -- Depost EM			$1500.00	$1725.00
06/13/XX		YR-003 Short -- Deposit EM			$2000.00	$3725.00
06/23/XX	Steven King	YR-002 King Return EM Deal Fell	1100	$1500.00		$2225.00
07/03/XX	Grand Title Company	YR-003 Short - Cancellation Fee	1101	$100.00		$2125.00
07/03/XX	John & Sue Long	YR-003 Short - 1/2 Forfieted EM	1102	$950.00		$1175.00
07/03/XX	Terry Joe's Realty	YR-003 Short 1/2 Forfeited EM	1103	$950.00		$225.00
07/07/XX		YR-004 Smith -- Deposit EM			$1000.00	$1225.00
07/18/XX		YR-004 Smith -- Deposit Closing Funds			$14943.57	$16168.57
07/18/XX	Best Deal Title	YR-004 Smith -- Title Insurance Fee	1104	$227.00		$15941.57
07/18/XX	Joe Hansen	YR-004 Smith -- Pay off lot	1105	$7000.00		$8941.57
07/18/XX	Jack & Jill Jones	YR-004 Smith -- Seller proceeds	1106	$7116.57		$1825.00
07/18/XX	Terry Joe's Realty	YR-004 Smith -- Brokerage Fee	1107	$1600.00		$225.00
07/18/XX		YR-005 Hill -- Deposit EM			$5000.00	$5225.00
07/26/XX	ABC Title Company	YR-005 Hill--Funds to Close	1108	$5000.00		$225.00

C. Deposit Slip

DEPOSIT SLIP

Deposited with

Rocky Mountain
Bank Note
Ipswitch, Idaho 83000

To THE CREDIT OF
TERRY JOE'S REALTY
REAL ESTATE TRUST
ACCOUNT
93 E. MAIN
IPSWITCH, ID 83000

ALL ITEMS ARE CREDITED SUBJECT TO FINAL COLLECTION AND RECIEPT OF PROCEEDS IN CASH OR SOLVENT CREDITS

DATE		
CURRENCY		
COIN		
CHECKS (list separately)		
TOTAL FROM OTHER SIDE		
TOTAL		
Received By:		

123456789 0000 0000 0000

REALTOR®

RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

DATE: July 31, 20xx **AGENT:** Terry Joe
Acting as Agent for the Broker

1. BUYER Nat and Pat Fong

retains Terry Joe **Broker of** Terry Joe's Realty **as**

Exclusive Buyer Broker (hereinafter referred to as Broker), where the BUYER is represented by one agent only for time herein set forth and for the express purpose of Representing BUYER in the purchase, lease, or optioning of real property. Further, BUYER agrees, warrants and acknowledges that BUYER has not and shall not enter into any exclusive buyer representation agreement with another broker in the state of Idaho as a broker for BUYER during the effective term of this agreement, unless otherwise agreed to in writing by BUYER and above-listed Broker. BUYER agrees to indemnify and hold the above-listed Broker harmless from any claim brought by any other broker or real estate salesperson for compensation claimed or owed during the effective term of this agreement. By appointing Broker as BUYER'S exclusive agent, BUYER agrees to conduct all negotiations for property through Broker, and to refer to Broker all inquiries received in any form from real estate brokers, salespersons, prospective sellers, or any other source, during the time this Exclusive Buyer Representation Agreement is in effect. BUYER desires to purchase, lease, or option the following real estate: Type of property:

☒ Residential ☐ Residential Income ☐ Commercial ☐ Vacant Land ☐ Other ------

Applicable City(s) Ipswitch, Idaho; Applicable Zip Codes 83000

Applicable County(s) Homey

Other Description: (i.e., geographical area, price, etc.) 3 bedroom, small lot

2. TERM OF AGREEMENT: This EXCLUSIVE BUYER REPRESENTATION AGREEMENT (herein after referred to as Agreement) is in force from date July 31, 20xx and will expire at 11:59 p.m. on date November 30, 20xx, or upon closing of escrow of such property purchased through this agreement.

3. BROKER REPRESENTATIONS AND SERVICES: The Broker and Broker's agent representing a BUYER are agents of the BUYER. Broker will use reasonable efforts as BUYER'S agent to locate property as described in Section One hereof from the information available in the Multiple Listing Service (MLS) and from other sources for unlisted property that the Broker may be aware of when applicable as set forth in Section One. The Broker's duty to locate property for the BUYER is limited to the properties that the Broker is aware of and does not include a duty to discover every unlisted property that may be privately advertised. Broker shall make submissions to BUYER describing and identifying properties that substantially meet the criteria set forth in Section One, for consideration of the BUYER and Broker agrees to negotiate acceptance of any offer to purchase or lease such property.

4. TRANSACTION RELATED SERVICES DISCLAIMER: BUYER understands that Broker is qualified to advise BUYER on general matters concerning real estate, but is not an expert in matters of law, tax, financing, surveying, structural conditions, property inspections, hazardous materials, or engineering. BUYER acknowledges that Broker advises BUYER to seek expert assistance for advice on such matters. Broker cannot warrant the condition of property to be acquired, or guarantee that all material facts are disclosed by the Seller. Broker will not investigate the condition of any property including without limitation the status of permits, zoning, location of property lines, square footage, possible loss of views and/or compliance of the property with applicable laws, codes or ordinances and BUYER must satisfy themself concerning these issues by obtaining the appropriate expert advice. The Broker or Broker's agent may, during the course of the transaction, identify individuals or entities who perform services including **BUT NOT LIMITED TO** the following; home inspections, service contracts, appraisals, environmental assessment inspections, code compliance inspections, title insurance, closing and escrow services, loans and refinancing services, construction and repairs, legal and accounting services, and/or surveys. The BUYER understands that the identification of service providers is solely for BUYER'S convenience and that the Broker and its agent are not guaranteeing or assuring that the service provider will perform its duties in accordance with the BUYER'S expectations. BUYER has the right to make arrangements with any entity BUYER chooses to provide these services. BUYER hereby releases and holds harmless the Broker and Broker's agent from any claims by the BUYER that service providers breached their agreement, were negligent, misrepresented information, or otherwise failed to perform in accordance with the BUYER'S expectations. In the event the BUYER requests Broker to obtain any products or services from outside sources, **BUYER agrees to pay for them immediately when payment is due.** For example: surveys or engineering, environmental and/or soil tests, title reports, home or property inspections, appraisals, etc.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Nat and Pat Fong

5. FINANCIAL INFORMATION: BUYER agrees to provide Broker and/or Broker's agent with certain pertinent financial information necessary to prove ability to purchase desired property.

6. OTHER POTENTIAL BUYERS: BUYER understands that other potential buyers may consider, make offers on, or purchase through Broker the same or similar properties as BUYER is seeking to acquire. BUYER consents to Broker's representation of such other potential buyers before, during, and after the expiration of this Agreement and further releases Broker of any conflicting Agency duties.

7. LIMITS OF CONFIDENTIALITY OF OFFERS: BUYER understands that an offer submitted to a seller, and the terms thereof may not be held confidential by such seller or seller's representative unless such confidentiality is otherwise agreed to by the parties.

8. CONSENT TO LIMITED DUAL REPRESENTATION AND ASSIGNED AGENCY: The undersigned BUYER(S) have received, read and understand the Agency Disclosure Brochure (prepared by the Idaho Real Estate Commission). The undersigned BUYER(S) understand that the brokerage involved in this transaction may be providing agency representation to both the BUYER(S) and the Seller. The undersigned BUYER(S) each understands that, as an agent for both BUYER/client and Seller/client, a brokerage will be a limited dual agent of each client and cannot advocate on behalf of one client over another, and cannot legally disclose to either client certain confidential client information concerning price negotiations, terms or factors motivating the BUYER/client to buy or the Seller/client to sell without specific written permission of the client to whom the information pertains. The specific duties, obligations and limitations of a limited dual agent are contained in the Agency Disclosure Brochure as required by Section 54-2085, Idaho Code. The undersigned BUYER(S) each understands that a limited dual agent does not have a duty of undivided loyalty to either client.

The undersigned BUYER(S) further acknowledge that, to the extent the brokerage firm offers assigned agency as a type of agency representation, individual sales associates may be assigned to represent each client to act solely on behalf of the client consistent with applicable duties set forth in Section 54-2087, Idaho Code. In an assigned agency situation, the designated broker (the broker who supervises the sales associates) will remain a limited dual agent of the client and shall have the duty to supervise the assigned agents in the fulfillment of their duties to their respective clients, to refrain from advocating on behalf of any one client over another, and to refrain from disclosing or using, without permission, confidential information of any other client with whom the brokerage has an agency relationship.

BUYER NOTIFICATION AND CONSENT TO RELEASE FROM CONFLICTING AGENCY DUTIES: BUYER acknowledges that Broker as named above has disclosed the fact that at times Broker acts as agent(s) for other BUYERS and for Sellers in the sale of the property. BUYER has been advised and understands that it may create a conflict of interest for Broker to introduce BUYER to a Seller Client's property because Broker could not satisfy all of its Client duties to both BUYER Client and Seller Client in connection with such a showing or any transaction which resulted.

Based on the understandings acknowledged, BUYER makes the following election.
(Make one election only)

_____/_____
Initials
Limited Dual Agency and/or Assigned Agency

BUYER **DOES WANT** to be introduced to Seller client's property and hereby agrees to relieve Broker of conflicting agency duties, including the duty to disclose confidential information known to the Broker at the time and the duty of loyalty to either party. Relieved of all conflicting agency duties, Broker will act in an unbiased manner to assist the BUYER and Seller in the introduction of BUYER to such Seller client's property and in the preparation of any contract of sale which may result. BUYER authorizes Broker to act in a **limited dual agency** capacity. Further, BUYER agrees that Broker may offer, but is not obligated to offer, **assigned agency** representation, and if offered by the Broker, BUYER authorizes Broker to act in such capacity.

OR

_____/_____
Initials
Single Agency

BUYER **DOES NOT WANT** to be introduced to Seller client's property and hereby releases Broker from any responsibility or duty under the agency agreement. Broker shall be under no obligation or duty to introduce the BUYER to any Seller client's property.

9. NON-DISCRIMINATION: The parties agree not to discriminate against any prospective Seller or Lessor because of race, religion, creed, color, sex, marital status, national origin, familial, or handicapped status of such person.

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Nat and Pat Fong

10. SEVERABILITY CLAUSE: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11. SINGULAR AND PLURAL terms each include the other, when appropriate.

12. DEFAULT / ATTORNEY'S FEES: In the event of default by BUYER under this Agreement, Broker shall be entitled to the Fee that Broker would have received had no default occurred, in addition to other available legal remedies. In the event of any suit or other proceeding arising out of this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees and all costs incurred relative to such suit or proceeding. Venue of any action arising out of this Agreement shall be in the court of the county in which Broker's office is located.

13. COMPENSATION OF BROKER: In consideration of the services to be performed by the Broker, BUYER agrees that broker may be compensated in any of the following ways: Check all that apply.

☒ A. **If the property is subject to a listing agreement with the Broker's Company or a cooperating Broker** through the Multiple Listing Service (MLS) or otherwise, the fee will be the amount equal to the compensation offered by the aforementioned Brokers but not less than 2.5 % of the selling price. BUYER agrees to pay to the Broker any difference between the amount received from the aforementioned Brokers and the stated minimum.

☒ B. **If the property is not subject to a Listing Agreement,** such as a For Sale By Owner or a Custom Build Job, the BUYER agrees that the Broker will be paid a fee of not less than ☒ 6 % of selling price or ☐ $ ----- . The Broker shall first seek to obtain this fee through the transaction paid by the Seller. If the fee cannot be obtained through the Seller, the BUYER will be responsible for such fee stated above.

☐ C. **Retainer Fee.** BUYER will pay Broker a non-refundable retainer fee of $ 0.00 due and payable upon signing of this Agreement. Retainer fee ☐ shall ☐ shall not be credited against any compensation set forth in paragraph A or B.

☐ D. **Hourly rate.** BUYER will pay Broker at the rate of $ 0.00 per hour for the time spent by Broker pursuant to this Agreement to be paid when billed whether or not BUYER acquires or leases property. The fee ☐ shall ☐ shall not be credited against any compensation as set forth in paragraph A, B, or C.

This compensation shall apply to transactions made for which BUYER enters into a contract during the original term of this Agreement or during any extension of such original or extended term, and shall also apply to transactions for which BUYER enters into a contract within 60 days after this Agreement expires or is terminated, if the property acquired by the BUYER was submitted in writing to the BUYER by Broker pursuant to Section One hereof during the original term or extension of the term of this Agreement. Unless otherwise indicated herein the Broker's fee shall be paid in cash at closing.

In the event BUYER purchases any property without using the representation of the Broker named above within the time this agreement remains in force, above stated BUYER shall be liable to Broker for a cancellation fee equal to 0 % of the contract or purchase price of the property acquired or $ 0.00 .

14. OTHER TERMS AND CONDITIONS: None

BUYER'S Initials (_____) (_____) Date: _____

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BUYER'S NAME(S) Nat and Pat Fong

15. AUTHORITY OF SIGNATORY: If BUYER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER.

16. TIME IS OF THE ESSENCE IN THIS AGREEMENT: The terms hereof constitute the entire agreement and supersede all prior agreements, negotiations and discussions between parties. This agreement may be modified only by a written agreement signed by each of the parties.

Buyer Signature:	**Accepted:** (Broker)
Buyer Signature:	**By:** (Agent)
Date: July 31, 20xx	**Date:** July 31, 20xx
Address: 2610 North 24th Street	**Address:** 93 East Main Street
City: Ipswitch **State:** ID **Zip:** 83000	**City:** Ipswitch **State:** ID **Zip:** 83000
E-Mail: ----------	**E-Mail:** terryjoe@hotyahoo.com
Phone(s): 555-7890	**Phone(s):** 555-5555
Fax: ---------	**Fax:** 555-6666

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RE-14 EXCLUSIVE BUYER REPRESENTATION AGREEMENT JULY, 2007 EDITION PAGE 4 OF 4

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

REALTOR®

RE-21 REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

EQUAL HOUSING OPPORTUNITY

ID# 666 DATE August 13, 20XX

LISTING AGENCY List Them High Realty Office Phone # 555-0000 Fax # 555-0505
Listing Agent Benjamin Bishop E-Mail ---------- Phone # 555-0000
SELLING AGENCY Terry Joe's Realty Office Phone # 555-5555 Fax # 555-6666
Selling Agent Terry Joe E-Mail terryjoe@hotyahoo.com Phone # 555-5555

1. BUYER: Nat and Pat Fong (Hereinafter called "**BUYER**") agrees to purchase, and the undersigned SELLER agrees to sell the following described real estate hereinafter referred to as "PREMISES" **COMMONLY KNOWN AS** 1812 Lolong Drive City Ipswitch Homey County, ID, Zip 83000 legally described as: Lot 16, Block 1, Hometown Subdivision, Homey County, Idaho
OR Legal Description Attached as addendum # None **(Addendum must accompany original offer.)**

2. $ 58,500.00 **PURCHASE PRICE:** Fifty eight thousand five hundred **DOLLARS,** payable upon the following **TERMS AND CONDITIONS** (not including closing costs) :

3. FINANCIAL TERMS: Note: A+C+D+E must add up to total purchase price.

$ 500.00 **(A). EARNEST MONEY:** BUYER hereby deposits Five hundred DOLLARS as Earnest Money evidenced by: ☐ cash ☒ personal check ☐ cashier's check ☐ note (due date): ------ ☐ other ---------- and a receipt is hereby acknowledged. Earnest Money to be deposited in trust account ☐ upon receipt, or ☒ upon acceptance by all parties and shall be held by: ☐ Listing Broker ☒ Selling Broker ☐ other ------ for the benefit of the parties hereto. The responsible Broker shall be Terry Joe.

(B). ALL CASH OFFER: ☒ NO ☐ YES **If this is an all cash offer do not complete lines 32 through 61, fill blanks with "0" (ZERO.) IF CASH OFFER, BUYER'S OBLIGATION TO CLOSE SHALL NOT BE SUBJECT TO ANY FINANCIAL CONTINGENCY.** BUYER agrees to provide SELLER within ---------- business days from the date of acceptance of this agreement by all parties, evidence of sufficient funds and/or proceeds necessary to close transaction. Acceptable documentation includes, but is not limited to, a copy of a recent bank or financial statement or contract(s) for the sale of BUYER'S current residence or other property to be sold.

$ 55,000.00 **(C). NEW LOAN PROCEEDS**: This Agreement is contingent upon BUYER obtaining the following financing:
☒ **FIRST LOAN** of $ 55,000.00 not including mortgage insurance, through ☒ FHA, ☐ VA, ☐ CONVENTIONAL, ☐ IHFA, ☐ RURAL DEVELOPMENT, ☐ OTHER None with interest not to exceed 7.41 % for a period of 30 year(s) at: ☒ Fixed Rate ☐ Other None BUYER shall pay no more than --- point(s) plus origination fee if any. SELLER shall pay no more than 1.5 point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☒ SELLER ☐ Divided Equally ☐ N/A.

☐ **SECOND LOAN** of $ None with interest not to exceed ----- % for a period of ---- year(s) at: ☐ Fixed Rate ☐ Other ---- BUYER shall pay no more than ---- point(s) plus origination fee if any. SELLER shall pay no more than ---- point(s). Any reduction in points shall first accrue to the benefit of the ☐ BUYER ☐ SELLER ☐ Divided Equally ☐ N/A.

LOAN APPLICATION:BUYER ☐ has applied ☒ shall apply for such loan(s) within 5 business day(s) of SELLER'S acceptance. Within 10 business days of final acceptance of all parties, BUYER agrees to furnish SELLER with **a written confirmation showing lender approval of credit report, income verification, debt ratios in a manner acceptable to the SELLER(S) and subject only to satisfactory appraisal and final lender underwriting.** If such written confirmation is not received by SELLER(S) within the strict time allotted, SELLER(S) may at their option cancel this agreement by notifying BUYER(S) in writing of such cancellation within 3 business day(s) after written confirmation was required. If SELLER does not cancel within the strict time period specified as set forth herein, SELLER shall be deemed to have accepted such written confirmation of lender approval and shall be deemed to have elected to proceed with the transaction. SELLER'S approval shall not be unreasonably withheld. **If an appraisal is required by lender, the property must appraise at not less than purchase price** or BUYER'S Earnest Money may be returned at BUYER'S request. *BUYER may also apply for a loan with different conditions and costs and close transaction provided all other terms and conditions of this Agreement are fulfilled, and the new loan does not increase the costs or requirements to the SELLER*

FHA / VA: If applicable, it is expressly agreed that notwithstanding any other provisions of this contract, BUYER shall not be obligated to complete the purchase of the property described herein or to incur any penalty or forfeiture of Earnest Money deposits or otherwise unless BUYER has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Veterans Administration or a Direct Endorsement lender setting forth the appraised value of the property of not less than the sales price as stated in the contract. SELLER agrees to pay fees required by FHA or VA.

$ _____ **(D). ADDITIONAL FINANCIAL TERMS:**
☐ Additional financial terms are specified under the heading "OTHER TERMS AND/OR CONDITIONS" (Section 4).
☐ Additional financial terms are contained in a **FINANCING ADDENDUM** of same date, attached hereto, signed by both parties.

$ 3,000.00 **(E). APPROXIMATE FUNDS DUE FROM BUYERS AT CLOSING *(Not including closing costs)*: Cash at closing** to be paid by BUYER at closing in GOOD FUNDS, includes: **cash, electronic transfer funds, certified check or cashier's check. NOTE:** *If any of above loans being Assumed or taken "subject to", any net differences between the approximate balances and the actual balance of said loan(s) shall be adjusted at closing of escrow in:* ☒ Cash ☐ Other: _____.

BUYER'S Initials (_____)(_____) Date_____ **SELLER'S** Initials (_____)(_____) Date_____

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PROPERTY ADDRESS: 1812 Lolong Drive, Ipswitch, Idaho **ID#:** 666

4. OTHER TERMS AND/OR CONDITIONS: This Agreement is made subject to the following special terms, considerations and/or contingencies which must be satisfied prior to closing Appraisal fee and credit report fee are hereby authorized by both buyer and seller to be taken out of earnest money deposited with broker. This offer is contingent on the sale and closing of Buyer's property located at 189 Maverick, Ipswitch, ID 83000 by December 15, 20xx.

5. ITEMS INCLUDED & EXCLUDED IN THIS SALE: All existing fixtures and fittings that are attached to the property are **INCLUDED IN THE PURCH PRICE** (unless excluded below), and shall be transferred free of liens. These include, but are not limited to, all seller-owned attached floor coverings, attached television antennae, satellite dish, attached plumbing, bathroom and lighting fixtures, window screens, screen doors, storm doors, storm windows, window coverings, garage door opener(s) and transmitter(s), exterior trees, plants or shrubbery, water heating apparatus and fixtures, attached fireplace equipment, awnings, ventilating, cooling and heating systems, all ranges, ovens, built-in dishwashers, fuel tanks and irrigation fixtures and equipment, all water systems, wells, springs, water, water rights, ditches and ditch rights, if any, that are appurtenant thereto that are now on or used in connection with the premises and shall be included in the sale unless otherwise provided herein. BUYER should satisfy himself/herself that the condition of the included items is acceptable. It is agreed that any item included in this section is of nominal value less than $100.

(A). ADDITIONAL ITEMS SPECIFICALLY INCLUDED IN THIS SALE: All window coverings, range, wood stove, swingset, 1942 Ford Sedan

(B). ITEMS SPECIFICALLY EXCLUDED IN THIS SALE: ----------

6. TITLE CONVEYANCE: Title of SELLER is to be conveyed by warranty deed, unless otherwise provided, and is to be marketable and insurable except for rights reserved in federal patents, state or railroad deeds, building or use restrictions, building and zoning regulations and ordinances of any governmental unit, and rights of way and easements established or of record. Liens, encumbrances or defects to be discharged by SELLER may be paid out of purchase money at date of closing. No liens, encumbrances or defects which are to be discharged or assumed by BUYER or to which title is taken subject to, exist unless otherwise specified in this Agreement.

7. TITLE INSURANCE: There may be types of title insurance coverages available other than those listed below and parties to this agreement are advised to talk to a title company about any other coverages available that will give the BUYER additional coverage.

(A). PRELIMINARY TITLE COMMITMENT: Prior to closing the transaction, ☒ SELLER or ☐ BUYER shall furnish to BUYER a preliminary commitment of a title insurance policy showing the condition of the title to said premises. BUYER shall have 3 business day(s) from receipt of the preliminary commitment or not fewer than twenty-four (24) hours prior to closing, within which to object in writing to the condition of the title as set forth in the preliminary commitment. If BUYER does not so object, BUYER shall be deemed to have accepted the conditions of the title. It is agreed that if the title of said premises is not marketable, or cannot be made so within 3 business day(s) after notice containing a written statement of defect is delivered to SELLER, BUYER'S Earnest Money deposit will be returned to BUYER and SELLER shall pay for the cost of title insurance cancellation fee, escrow and legal fees, if any.

(B). TITLE COMPANY: The parties agree that Good **Title Company located at** 101 Title Row, Ipswitch, Idaho **shall provide the title policy and preliminary report of commitment.**

(C). STANDARD COVERAGE OWNER'S POLICY: SELLER shall within a reasonable time after closing furnish to BUYER a title insurance policy in the amount of the purchase price of the premises showing marketable and insurable title subject to the liens, encumbrances and defects elsewhere set out in this Agreement to be discharged or assumed by BUYER unless otherwise provided herein. **The risk assumed by the title company in the standard coverage policy is limited to matters of public record.** BUYER shall receive a ILTA/ALTA Owner's Policy of Title Insurance. A title company, at BUYER's request, can provide information about the availability, desirability, coverage and cost of various title insurance coverages and endorsements. If BUYER desires title coverage other than that required by this paragraph, BUYER shall instruct Closing Agency in writing and pay any increase in cost unless otherwise provided herein.

(D). EXTENDED COVERAGE LENDER'S POLICY (Mortgagee policy): The lender may require that BUYER (Borrower) furnish an Extended Coverage Lender's Policy. This extended coverage lender's policy considers matters of public record and additionally insures against certain matters not shown in the public record. **This extended coverage lender's policy is solely for the benefit of the lender and only protects the lender.**

8. MECHANIC'S LIENS - GENERAL CONTRACTOR DISCLOSURE STATEMENT NOTICE: BUYER and SELLER are hereby notified that, subject to Idaho Code §45-525 *et seq.*, a "General Contractor" must provide a Disclosure Statement to a homeowner that describes certain rights afforded to the homeowner (e.g. lien waivers, general liability insurance, extended policies of title insurance, surety bonds, and sub-contractor information). The Disclosure Statement must be given to a homeowner prior to the General Contractor entering into any contract in an amount exceeding $2,000 with a homeowner for construction, alteration, repair, or other improvements to real property, or with a residential real property purchaser for the purchase and sale of newly constructed property. Such disclosure is the responsibility of the General Contractor and it is not the duty of your agent to obtain this information on your behalf. You are advised to consult with any General Contractor subject to Idaho Code §45-525 *et seq.* regarding the General Contractor Disclosure Statement.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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PROPERTY ADDRESS: 1812 Lolong Drive, Ipswitch, Idaho **ID#:** 666

9. INSPECTION:

(A). BUYER chooses ☒ to have inspection ☐ not to have inspection. If BUYER chooses not to have inspection skip section 9C. BUYER shall have the right to conduct inspections, investigations, tests, surveys and other studies at **BUYER'S expense**. BUYER shall, within 5 business day(s) of acceptance, complete these inspections and give to SELLER written notice of disapproved items. BUYER is strongly advised to exercise these rights and to make BUYER'S own selection of professionals with appropriate qualifications to conduct inspections of the entire property. Some inspections, investigations, tests, surveys and other studies may require additional days to complete. The parties agree that unless specifically set forth below, the above timeframe for investigations, tests, surveys and other studies shall govern. Additional inspections/timeframes:

None

(B). FHA INSPECTION REQUIREMENT, If applicable: "For Your Protection: Get a Home Inspection", HUD 92564-CN must be signed on or before execution of this agreement.

(C). SATISFACTION/REMOVAL OF INSPECTION CONTINGENCIES:

1). If BUYER **does not** within the strict time period specified give to SELLER written notice of disapproved items, BUYER shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures; (b) elected to proceed with the transaction and (c) assumed all liability, responsibility and expense for repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct.

2). If BUYER **does** within the strict time period specified give to SELLER written notice of disapproved items, **BUYER shall provide to SELLER pertinent section(s) of written inspection reports**. SELLER shall have 3 business day(s) in which to **respond in writing.** The SELLER, at their option, may correct the items as specified by the BUYERS in their letter or may elect not to do so. If the SELLER agrees to correct the items asked for in the BUYERS letter, then both parties agree that they will continue with the transaction and proceed to closing. **This will remove the BUYER'S inspection contingency.**

3). If the SELLER elects not to correct the disapproved items, or does not respond in writing within the strict time period specified, then the BUYER(S) have the option of either continuing the transaction without the SELLER being responsible for correcting these deficiencies or giving the SELLER written notice within 3 business days that they will not continue with the transaction and will receive their Earnest Money back.

4). If BUYER **does not** give such written notice of cancellation within the strict time periods specified, BUYER shall conclusively be deemed to have elected to proceed with the transaction without repairs or corrections other than for items which SELLER has otherwise agreed in writing to repair or correct. SELLER shall make the property available for all Inspections. BUYER shall keep the property free and clear of liens; indemnify and hold SELLER harmless from all liability, claims, demands, damages and costs; and repair any damages arising from the inspections. No inspections may be made by any governmental building or zoning inspector or government employee without the prior consent of SELLER unless required by local law.

10. LEAD PAINT DISCLOSURE: The subject property ☒ is ☐ is not defined as "Target Housing" regarding lead-based paint or lead-based paint hazards. The term lead-based paint hazards is intended to identify lead-based paint and all residential lead-containing dusts and soils **regardless of the source of the lead**. If yes, BUYER hereby acknowledges the following: (a) BUYER has been provided an EPA approved lead-based paint hazard information pamphlet, "Protect Your Family From Lead in Your Home", (b) receipt of SELLER'S Disclosure of Information and Acknowledgment Form and have been provided with all records, test reports or other information, if any,related to the presence of lead-based paint hazards on said property, (c that this contract is contingent upon BUYERS right to have the property tested for lead-based paint hazards to be completed no later than Aug. 31, 20xx or the contingency will terminate, (d) that BUYER hereby ☐ waives ☒ does not waive this right, (e) that if test results show unacceptable amounts of lead-based paint on the premises, BUYER has the right to cancel the contract subject to the option of the SELLER (to be given in writing) to elect to remove the lead-based paint and correct the problem which must be accomplished before closing, (f) that if the contract is canceled under this clause, BUYER'S earnest money deposit will be returned to BUYER.

11. SQUARE FOOTAGE VERIFICATION: BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE REAL PROPERTY OR IMPROVEMENTS IS APPROXIMATE. IF SQUARE FOOTAGE IS MATERIAL TO THE BUYER, IT MUST BE VERIFIED DURING THE INSPECTION PERIOD.

12. SELLER'S PROPERTY DISCLOSURE FORM: If required by Title 55, Chapter 25 Idaho Code SELLER shall within ten (10) days after execution of this Agreement provide to BUYER or BUYER'S agent ,"SELLER'S Property Disclosure Form" or other acceptable form. BUYER has received the "SELLER'S Property Disclosure Form" or other acceptable form prior to signing this Agreement: ☒ Yes ☐ No ☐ N/A

13. COVENANTS, CONDITIONS AND RESTRICTIONS (CC& R'S): BUYER is responsible to obtain and review a copy of the CC& R's (if applicable). BUYER has reviewed CC&Rs (if applicable) as part of BUYER'S inspection of the property ☐ Yes ☐ No

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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PROPERTY ADDRESS: 1812 Lolong Drive, Ipswitch, Idaho **ID#:** 666

14. SUBDIVISION HOMEOWNER'S ASSOCIATION: BUYER is aware that membership in a Home Owner's Association may be required and BUYER agrees to abide by the Articles of Incorporation, By-Laws and rules and regulations of the Association. BUYER is further aware that the Property may be subject to assessments levied by the Association described in full in the Declaration of Covenants, Conditions and Restrictions, BUYER has reviewed Homeowner's Association Documents: ☐ Yes ☐ No ☒ N/A Association fees/dues are $ 0.00 per -------- ☐ BUYER ☐ SELLER ☒ N/A to pay Homeowner's Association **SET UP FEE of $** 0.00 **and/or property TRANSFER FEES of** $ 0.00 at closing.

15. COSTS PAID BY: Costs in addition to those listed below may be incurred by BUYER and SELLER unless otherwise agreed herein, or provided by law or required by lender, or otherwise stated herein. The below costs will be paid as indicated. Some costs are subject to loan program requirements. This section relates ONLY to the costs to be paid by the parties. None of the costs to be paid by the parties in this section create an inspection or performance obligation other than strictly for the payment of cost.

	BUYER	SELLER	Shared Equally	N/A		BUYER	SELLER	Shared Equally	N/A
Appraisal Fee	X				Title Ins. Standard Coverage Owner's Policy		X		
Appraisal Re-Inspection Fee			X		Title Ins. Extended Coverage **Lender's** Policy -- Mortgagee Policy	X			
Closing Escrow Fee			X		Additional Title Coverage				X
Lender Document Preparation Fee				X	Fuel in Tank -- Amount to be Determined by Supplier				X
Tax Service Fee		X			Well Inspection				X
Flood Certification/Tracking Fee		X			Septic Inspections				X
Lender Required Inspections		X			Septic Pumping				X
Attorney Contract Preparation or Review Fee				X	Survey				X

SELLER agrees to pay up to $ 500.00 **of lender required repair costs only.**
BUYER or SELLER has the option to pay any lender required repair costs in excess of this amount.

16. OCCUPANCY: BUYER ☒ does ☐ does not intend to occupy property as BUYER'S primary residence.

17. FINAL WALK THROUGH: The SELLER grants BUYER and any representative of BUYER reasonable access to conduct a final walk through inspection of the premises approximately 2 calendar day(s) prior to close of escrow, NOT AS A CONTINGENCY OF THE SALE, but for purposes of satisfying BUYER that any repairs agreed to in writing by BUYER and SELLER have been completed and premises are in substantially the same condition as on acceptance date of this contract. SELLER shall make premises available for the final walk through and agrees to accept the responsibility and expense for making sure all the utilities are turned on for the walk through except for phone and cable. If BUYER does not conduct a final walk through, BUYER specifically releases the SELLER and Broker(s) of any liability.

18. RISK OF LOSS: Prior to closing of this sale, all risk of loss shall remain with SELLER. In addition, should the premises be materially damaged by fire or other destructive cause prior to closing, this agreement shall be void at the option of the BUYER.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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19. CLOSING: On or before the closing date, BUYER and SELLER shall deposit with the closing agency all funds and instruments necessary to complete this transaction. **Closing means the date on which all documents are either recorded or accepted by an escrow agent and the sale proceeds are available to SELLER.** The closing shall be no later than (Date) December 15, 20xx.
The parties agree that the **CLOSING AGENCY** for this transaction shall be Good Title Company
located at 101 Title Row, Ipswitch, ID 83000.
If a long-term escrow / collection is involved, then the long-term escrow holder shall be N/A.

20. POSSESSION: BUYER shall be entitled to possession [X] upon closing or [ ] date ----- time ----- [ ] A.M. [ ] P.M.
Property taxes and water assessments (using the last available assessment as a basis), rents, interest and reserves, liens, encumbrances or obligations assumed and utilities shall be pro-rated as of Closing Date.

21. SALES PRICE INFORMATION: SELLER and BUYER hereby grant permission to the brokers and either party to this Agreement, to disclose sale data from this transaction, including selling price and property address to the local Association / Board of REALTORS®, multiple listing service, its members, its members' prospects, appraisers and other professional users of real estate sales data. The parties to this Agreement acknowledge that sales price information compiled as a result of this Agreement may be provided to the County Assessor Office by either party or by either party's Broker.

22. FACSIMILE TRANSMISSION: Facsimile or electronic transmission of any signed original document, and retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of either party or the Closing Agency, the parties will confirm facsimile and electronic transmitted signatures by signing an original document.

23. SINGULAR AND PLURAL terms each include the other, when appropriate.

24. BUSINESS DAYS: A business day is herein defined as Monday through Friday, 8:00 A.M. to 5:00 P.M. in the local time zone where the subject real property is physically located. A business day shall not include any Saturday or Sunday, nor shall a business day include any legal holiday recognized by the state of Idaho as found in Idaho Code §73-108. The time in which any act required under this agreement is to be performed shall be computed by excluding the date of execution and including the last day. The first day shall be the day after the date of execution. If the last day is a legal holiday, then the time for performance shall be the next subsequent business day.

25. ATTORNEY'S FEES: If either party initiates or defends any arbitration or legal action or proceedings which are in any way connected with this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, including such costs and fees on appeal.

26. DEFAULT: **If BUYER defaults** in the performance of this Agreement, SELLER has the option of: (1) accepting the Earnest Money as liquidated damages or (2) pursuing any other lawful right and/or remedy to which SELLER may be entitled. If SELLER elects to proceed under (1), SELLER shall make demand upon the holder of the Earnest Money, upon which demand said holder shall pay from the Earnest Money the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees; and said holder shall pay any balance of the Earnest Money, one-half to SELLER and one-half to SELLER'S Broker, provided that the amount to be paid to SELLER'S Broker shall not exceed the Broker's agreed to commission. SELLER and BUYER specifically acknowledge and agree that if SELLER elects to accept the Earnest Money as liquidated damages, such shall be SELLER'S sole and exclusive remedy, and such shall not be considered a penalty or forfeiture. If SELLER elects to proceed under (2), the holder of the Earnest Money shall be entitled to pay the costs incurred by SELLER'S Broker on behalf of SELLER and BUYER related to the transaction, including, without limitation, the costs of brokerage fee, title insurance, escrow fees, appraisal, credit report fees, inspection fees and attorney's fees, with any balance of the Earnest Money to be held pending resolution of the matter.

If SELLER defaults, having approved said sale and fails to consummate the same as herein agreed, BUYER'S Earnest Money deposit shall be returned to him/her and SELLER shall pay for the costs of title insurance, escrow fees, appraisals, credit report fees, inspection fees, brokerage fees and attorney's fees, if any. This shall not be considered as a waiver by BUYER of any other lawful right or remedy to which BUYER may be entitled.

27. EARNEST MONEY DISPUTE / INTERPLEADER: Notwithstanding any termination of this contract, BUYER and SELLER agree that in the event of any controversy regarding the Earnest Money and things of value held by Broker or closing agency, unless mutual written instructions are received by the holder of the Earnest Money and things of value, Broker or closing agency shall not be required to take any action but may await any proceeding, or at Broker's or closing agency's option and sole discretion, may interplead all parties and deposit any monies or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney's fees.

28. COUNTERPARTS: This Agreement may be executed in counterparts. Executing an agreement in counterparts shall mean the signature of two identical copies of the same agreement. Each identical copy of an agreement signed in counterparts is deemed to be an original, and all identical copies shall together constitute one and the same instrument.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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29. "NOT APPLICABLE DEFINED:" The letters "n/a," "N/A," "n.a.," and "N.A." as used herein are abbreviations of the term "not applicable." Where this agreement uses the term "not applicable" or an abbreviation thereof, it shall be evidence that the parties have contemplated certain facts or conditions and have determined that such facts or conditions do not apply to the agreement or transaction herein.

30. SEVERABILITY: In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

31. REPRESENTATION CONFIRMATION: Check one (1) box in Section 1 and one (1) box in section 2 below to confirm that in this transaction, the brokerage(s) involved had the following relationship(s) with the BUYER(S) and SELLER(S).

Section 1:

- [x] A. **The brokerage working with the BUYER(S) is acting as an AGENT for the BUYER(S).**
- [ ] B. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S), without an ASSIGNED AGENT.**
- [ ] C. **The brokerage working with the BUYER(S) is acting as a LIMITED DUAL AGENT for the BUYER(S) and has an ASSIGNED AGENT acting solely on behalf of the BUYER(S).**
- [ ] D. **The brokerage working with the BUYER(S) is acting as a NONAGENT for the BUYER(S).**

Section 2:

- [x] A. **The brokerage working with the SELLER(S) is acting as an AGENT for the SELLER(S).**
- [ ] B. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S), without an ASSIGNED AGENT.**
- [ ] C. **The brokerage working with the SELLER(S) is acting as a LIMITED DUAL AGENT for the SELLER(S) and has an ASSIGNED AGENT acting solely on behalf of the SELLER(S).**
- [ ] D. **The brokerage working with the SELLER(S) is acting as a NONAGENT for the SELLER(S).**

Each party signing this document confirms that he has received, read and understood the Agency Disclosure Brochure adopted or approved by the Idaho real estate commission and has consented to the relationship confirmed above. In addition, each party confirms that the brokerage's agency office policy was made available for inspection and review. EACH PARTY UNDERSTANDS THAT HE IS A "CUSTOMER" AND IS NOT REPRESENTED BY A BROKERAGE UNLESS THERE IS A SIGNED WRITTEN AGREEMENT FOR AGENCY REPRESENTATION.

32. ENTIRE AGREEMENT: This Agreement contains the entire Agreement of the parties respecting the matters herein set forth and supersedes all prior Agreements between the parties respecting such matters. No warranties, including, without limitation, any warranty of habitability, agreements or representations not expressly set forth herein shall be binding upon either party.

33. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

34. AUTHORITY OF SIGNATORY: If BUYER or SELLER is a corporation, partnership, trust, estate, or other entity, the person executing this agreement on its behalf warrants his or her authority to do so and to bind BUYER or SELLER.

35. ACCEPTANCE: BUYER'S offer is made subject to the acceptance of SELLER on or before (Date) August 14, 20xx at (Local Time in which property is located) 6:00 [ ] A.M. [x] P.M. If SELLER does not accept this Agreement within the time specified, the entire Earnest Money shall be refunded to BUYER on demand.

BUYER'S Initials (_____)(_____) Date _____ **SELLER'S** Initials (_____)(_____) Date _____

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36. BUYER'S SIGNATURES:

☐ **SEE ATTACHED BUYER'S ADDENDUM(S):** ---- (Specify number of BUYER addendum(s) attached.)

BUYER Signature _____ **BUYER (Print Name)** Nat Fong

Date August 13, 20xx Time 3:00 ☐ A.M. ☒ P.M. Phone # 555-0000 Cell # 555-0505

Address 2610 North 24th Street City Ipswitch State ID Zip 83000

E-Mail Address -------- Fax # ---------

BUYER Signature _____ **BUYER (Print Name)** Pat Fong

Date August 13, 20xx Time 3:00 ☐ A.M. ☒ P.M. Phone # 555-0000 Cell # 555-0505

Address 2610 North 24th Street City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ----------

---

37. SELLER'S SIGNATURES:

On this date, I/We hereby approve and accept the transaction set forth in the above Agreement and agree to carry out all the terms thereof on the part of the SELLER.

☒ **SIGNATURE(S) SUBJECT TO ATTACHED COUNTER OFFER**

☐ **SIGNATURE(S) SUBJECT TO ATTACHED ADDENDUM(S) #** _____

SELLER Signature _____ **SELLER (Print Name)** James Nice

Date August 14, 20xx Time 4:00 ☐ A.M. ☒ P.M. Phone # 555-1010 Cell # --------

Address 1812 Lolong Drive City Ipswitch State ID Zip 83000

E-Mail Address ---------- Fax # ----------

SELLER Signature _____ **SELLER (Print Name)** Joanna Nice

Date August 14, 20xx Time 4:00 ☐ A.M. ☒ P.M. Phone # 555-1010 Cell # ---------

Address 1812 Lolong Drive City Ipswitch State ID Zip 83000

E-Mail Address --------- Fax # ---------

CONTRACTOR REGISTRATION # (if applicable) None

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RE-21 RESIDENTIAL PURCHASE AND SALE AGREEMENT PAGE 7 of 7 JULY, 2007 EDITION

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

RE- 13 COUNTER OFFER # 1 (1, 2, 3, etc.)

REALTOR®

EQUAL HOUSING OPPORTUNITY

THIS COUNTER OFFER SUPERSEDES ALL PRIOR COUNTER OFFERS

THIS IS A LEGALLY BINDING CONTRACT. READ THE ENTIRE DOCUMENT INCLUDING ANY ATTACHMENTS. IF YOU HAVE ANY QUESTIONS, **CONSULT YOUR ATTORNEY AND/OR ACCOUNTANT** BEFORE SIGNING.

This is a COUNTER OFFER to the Purchase and Sale Agreement Dated: August 13, 20XX

ADDRESS: 1812 Lolong Drive, Ipswitch, Idaho ID# 666

BUYER: Nat and Pat Fong

SELLER: James and Joanna Nice

The parties accept all of the terms and conditions in the above-designated Purchase and Sale Agreement with the following changes:

☒ **This is a SELLER counter offer.** The SELLER reserves the right to withdraw this offer or accept any other offers prior to the receipt of a true copy of signed acceptance of this Counter Offer within the time frame specified herein.

☐ **This is a BUYER counter offer**. The undersigned BUYER reserves the right to withdraw this offer at any time prior to the receipt of a true copy of signed acceptance of this Counter Offer within the time frame specified herein.

1. Purchase price to be $63,500.00
2. Seller to pay a maximum of 1 discount point.
3. Swing set and 1942 Ford sedan are not included in purchase price.
4. Possession to be one (1) month after closing.

To the extent the terms of this Counter Offer modify or conflict with any provisions of the Purchase and Sale Agreement including all prior Addendums, the terms in this Counter Offer shall control. All other terms of the Purchase and Sale Agreement including all prior Addendums not modified by this Counter Offer shall remain the same. **Buyer and Seller acknowledge the down payment and/or loan amount on Page 1 of Purchase & Sale Agreement may change if purchase price is changed as part of this Counter Offer.** Upon its execution by both parties, this agreement is made an integral part of the aforementioned Agreement.

If a signed acceptance is not delivered on or before (date:) August 15, 20XX at 11:59 ☒ A.M. ☐ P.M. this Counter Offer shall be deemed to have expired.

DELIVERY: Delivery shall be to the agent/broker working with the maker of the Counter Offer in person, by mail, facsimile or electronic transmission of any signed original document, and retransmission of any signed original document. Retransmission of any signed facsimile or electronic transmission shall be deemed to be the same as delivery of an original.

SELLER _____ Date _____ Time _____ ☐ A.M. ☐ P.M.

SELLER _____ Date _____ Time _____ ☐ A.M. ☐ P.M.

BUYER _____ Date August 14, 20XX Time 8:00 ☒ A.M. ☐ P.M.

BUYER _____ Date August 14, 20XX Time 8:00 ☒ A.M. ☐ P.M.

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RE-13 COUNTER OFFER, JULY, 2007 EDITION Page 1 of 1

Company: Idaho Real Estate Commission S/N: PCF5-EVALUATE
Provided by: Jeanne Jackson-Heim Printed using Software from Professional Computer Forms Co. v. 6/07

15. Becoming a Leader

1. Understanding Yourself

2. Character of a Leader

   (1) Integrity

   (2) Trust

      (1) Loyalty
      (h) Respect

   (3) Power

3. Leadership Skills

   (1) Accountability and Personal Responsibility

   (2) Decisiveness

   (3) Team Building

   (4) Delegation

4. Social Awareness

5. Leadership Versus Management

16. Developing as a Manager

1. Styles of Management

   (1) Dictatorial Style

   (2) Autocratic Style

   (3) Participative Style

   (4) Laissez-Faire Style

2. Human Behavior

   (1) “Confronting” Behavior

(1) Praise acceptable behavior
(i) Address unacceptable behavior

(2) A Manager's Behavior

(1) Labeling
(j) Good days and bad days
(k) Prejudice

3. Preparing to Cope

(1) Stress Management

(2) Time Management

4. Professional Growth

(1) Education

(2) Licensing Requirements

17. Being a Communicator

1. Essentials of Communication

(1) The Sender

(2) The Receiver

(3) The Atmosphere

(4) The Message

(5) The Response

2. Communications Breakdowns

(1) Consider the source

(2) Need to be right

(3) Parallel talk

(4) Power of perceptions

(5) Selective hearing

(6) Reading between the lines

(7) Games people play

3. Communicating Effectively

(1) Nonverbal Communications

(2) Oral Communications

(1) Using open-ended questions to clarify messages
(l) Using statements to clarify messages

(3) Public Speaking

(1) Sender
(m) Receiver
(n) Atmosphere
(o) Message

4. Writing Effectively

(1) Capture Readers

(2) Business Letters

(3) Memos

(4) Effective Editing