

RESIDENTIAL PURCHASE & SALE

Transaction File Checklist

1. Mutual Acceptance
 - a. RE-21 Purchase and Sale Agreement
2. Preapproval Letter OR Proof of Funds
3. Earnest Money Deposit Receipt from Title/Escrow
4. Title Report from Title/Escrow
5. Resale Certificate & CCRs *(if applicable)*
6. RE-10 Inspection Response *(if inspection contingency was used)*
7. RE-25/25A Seller's Property Condition Disclosure *(signed by the Buyer)*
8. IF OWNER FINANCING:
 - a. Escrow companies are accustomed to drafting up agreements for your clients. Do not put owner financed portion in "new loan proceeds" of Purchase and Sale, put in "additional financial terms."
 - b. Send RE-17 disclosure, if representing Seller
9. IF HOME SALE CONTINGENCY: If representing the Seller, you want to have a RE-27. Oftentimes Buyer's agents will not include in the offer (as it is in their benefit to do so) – in this case, send back with the counteroffer for the buyer to sign. Note that the Home Sale Contingency timeline starts on MUTUAL (not of contingent property going pending) so make sure your timelines are correct.
10. IF RENTBACKS:
 - a. For delayed possession for the new Buyer, use RE-50
 - b. For buyer to occupy before closing – incredibly risky. We do not recommend.
11. IF NEW CONSTRUCTION: When representing Buyer, you have the right use RE-21 and include the builder addenda.
12. **IF REPRESENTING SELLER**
 - a. RE-16 Seller Representation Agreement OR use RE-12 when not representing Seller, but compensation is paid by Seller (customer vs client)
 - b. Agency Disclosure Brochure "Blue Book" Receipted by Client
 - c. RE-25/25A Seller's Property Condition Disclosure

13. **IF REPRESENTING BUYER**

- a. RE-14 Buyer Representation Agreement (*select “limited dual/or assigned agency” to give the most freedom, and contract is mor enforceable when county names are inputted*) OR use RE15 when not representing Buyer, but compensation is paid by Buyer (customer vs. client)
- b. Agency Disclosure Brochure “Blue Book” Receipted by Client

***If you are the buyer or seller (or have ownership interest in the LLC or Corp) for a transaction, you must disclose to both parties in the purchase and sale that you are “a licensed real estate broker in the state of Idaho.”*

CONTRACT TIPS & COMMON ERRORS:

- Ensure parties are properly identified (*Ex: Entity vs Individual*)
- Earnest Money typically 1%
- On RE-21
 - Ensure A+D+E+F add up to the total purchase price
 - IN PARAGRAPH 4: If left as “standard” then all contingencies will be waived 5 days before closing. When representing Buyer, you can protect the earnest money longer by shortening to get as close to 0 as possible OR put in exceptions beneath such as home sale contingency or financing addendum which would extend the timeline.
- If addendum is shown and rejected, please cross out, and write “rejected”
- Label counter offers 1, 2, 3, 4, etc.
- Check for area specific addenda, or forms (*Ex: Silver Valley requires EPA disclosure forms on mining*)
- If Lead-Based Paint form is required, ensure it is completed on or before your PSA date.
- Never send the inspection report to Seller unless requested in writing from the Seller.
- With any tax exemption, protect your buyer write in “other terms” section that “seller agrees to take necessary steps to continue XXXX tax exemption”

COMMERCIAL PURCHASE & SALE

Transaction File Checklist

1. Mutual Acceptance
 - a. RE-23 Commercial/Investment Purchase and Sale Agreement
 - b. RE-17 Financing Addendum (*if financed*)
2. Preapproval Letter OR Proof of Funds
3. Earnest Money Deposit Receipt from Title/Escrow
4. RE-25/25A Seller's Property Condition Disclosure (*signed by the Buyer*)
5. RE-10 Inspection Response (*if inspection contingency was used*)
6. Title Report from Title/Escrow
7. **IF REPRESENTING SELLER**
 - a. RE-16 Seller Representation Agreement
 - b. Agency Disclosure Brochure "Blue Book" Receipted by Client
8. **IF REPRESENTING BUYER**
 - a. RE-14 Buyer Representation Agreement
 - b. Agency Disclosure Brochure "Blue Book" Receipted by Client

***If you are the buyer or seller (or have ownership interest in the LLC or Corp) for a transaction, you must disclose to both parties in the purchase and sale that you are "a licensed real estate broker in the state of Washington."*

CONTRACT TIPS & COMMON ERRORS:

- Ensure parties are properly identified (*Ex: Entity vs Individual*)
- Not spelling out the price alphabetically and numerically (*Ex: \$100,000.00 one hundred thousand dollars*)
- Use a Legal Description provided by Title/Escrow - Legal description should not be handwritten or typed by Broker on MLS or CBA forms.
- Ensure you are working with a Title/Escrow company that has sufficient insurance backing.
- All Terms not filled in or using an incorrect form or notice
- Improper use of Addenda (*Ex: using a blank addendum instead of a Notice*)
- Overuse of a Blank Addendum – ensure language used on these is approved by an attorney before use.
- Timelines not adhered to properly (*Note: commercial timelines can be different than residential timelines*)
- Not advising clients to seek legal counsel about questions on paragraph 12 of the CBA purchase and sale regarding Seller Representations.
- Sellers to disclose everything. Buyers to assume the worst about seller and investigate everything
- Earnest money = 2-5%. Try to avoid promissory notes to show the seller the buyer's seriousness and intent
- Be careful with environmental indemnities. Timelines for environmental reviews could be 7-9 months out.
- "As-Is" and "Non-refundable earnest money" clauses need to be written with the attorney approved Best Choice Realty language.

BUSINESS OPPORTUNITY PURCHASE & SALE

Transaction File Checklist

1. Mutual Acceptance
 - a. CBA Business Opportunity Agreement
 - b. CBA FIN Finance Addendum or Proof of Funds
 - c. CBA AS Assignment and Assumption Agreement
2. Earnest Money Deposit Receipt from Escrow
3. Compensation Disbursement Authorization
4. Disclosure to the purchaser that there is no certainty or assertion of any future business value or income.
5. Written recommendation that each party retain an attorney and an accountant for the purpose of performing a due diligence review including evaluation of the income, expenses, and feasibility of the purchase of the business.
6. **IF REPRESENTING BUYER and/or DUAL AGENCY**
 - a. Buyer Representation Agreement
 - b. BCR Information & Disclosure Receipt or Proof of Delivery of Law of Agency

***If you are the buyer or seller (or have ownership interest in the LLC or Corp) for a transaction, you must disclose to both parties in the purchase and sale that you are "a licensed real estate broker in the state of Washington."*

CONTRACT TIPS & COMMON ERRORS:

- Ensure parties are properly identified (*Ex: Entity vs Individual*)
- Not spelling out the price alphabetically and numerically (*Ex: \$100,000.00 one hundred thousand dollars*)
- Use a Legal Description provided by Title/Escrow - Legal description should not be handwritten or typed by Broker on MLS or CBA forms.
- Ensure you are working with a Title/Escrow company that has sufficient insurance backing.
- All Terms not filled in or using an incorrect form or notice
- Improper use of Addenda (*Ex: using a blank addendum instead of a Notice*)
- Overuse of a Blank Addendum – ensure language used on these is approved by an attorney before use.
- Timelines not adhered to properly (*Note: commercial timelines can be different than residential timelines*)
- Not advising clients to seek legal counsel about questions on paragraph 12 of the CBA purchase and sale regarding Seller Representations.
- Sellers to disclose everything. Buyers to assume the worst about seller and investigate everything
- Earnest money = 2-5%. Try to avoid promissory notes to show the seller the buyer's seriousness and intent
- Be careful with environmental indemnities. Timelines for environmental reviews could be 7-9 months out.
- "As-Is" and "Non-refundable earnest money" clauses need to be written with the attorney approved Best Choice Realty language.