

RESIDENTIAL PURCHASE & SALE

TRANSACTION FILE CHECKLIST

1. **FOR REPRESENTING SELLER**

- a. Agency Disclosure Brochure (*signed by Client*)
- b. RE-16 Seller Representation Agreement OR use RE-12 when not representing Seller, but compensation is paid by Seller (customer vs client)

2. **FOR REPRESENTING BUYER**

- a. Agency Disclosure Brochure (*signed by Client*)
- b. 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)
- c. For Your Protection: get a Home Inspection (*signed by Client*)

3. Mutual Acceptance: RE-21 Purchase and Sale Agreement
4. Disclosure of Information on Lead-Based Paint (*if property was built prior to 1978*)
5. Preapproval Letter OR Proof of Funds
6. Earnest Money Deposit Receipt from Escrow
7. Title Report from Title/Escrow
8. Resale Certificate & CCRs (*if applicable*)
9. RE-10 Inspection Response (*if inspection contingency was used*)
10. RE-25/25A Seller's Property Condition Disclosure (*signed by the Buyer*)
11. Final Closing Statement signed by Buyer
12. Final Closing Statement signed by Seller

ADDITIONAL CONSIDERATIONS:

- Personal Sales: 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.
- New Construction: Ensure buyer is registered at the site with you as their agent. Consult with the Site Agent on offer procedure – every builder is different. Consult with a Managing Broker if you have any questions.
- Referrals: For referrals with other agents within Best Choice Realty, please use the Internal Split Form located at BestChoiceRealtyHomes.com/split. For referrals outside of the company, use a Referral Agreement and set up for signature for a Managing Broker to sign. Company W9 is located at BestChoiceRealtyHomes.com

CONTRACT TIPS & COMMON ERRORS:

- Label counter offers and addenda as 1, 2, 3, 4, etc.
- Ensure parties are properly identified (*Ex: Entity vs Individual*)
- Earnest Money typically 1%
- If addendum is shown and rejected, please cross out, and write "rejected"
- On RE-21, Ensure A+D+E+F add up to the total purchase price
- Check for area specific addenda, or forms (*Ex: Silver Valley requires EPA disclosure forms on mining*)

- With any tax exemption, protect your buyer write in “other terms” section that “seller agrees to take necessary steps to continue XXXX tax exemption”
- “As-Is” and “Non-refundable earnest money” clauses need to be written with the attorney approved Best Choice Realty language. Contact Managing Broker prior to use of this terminology.
- **IF OWNER FINANCING:** Escrow companies are accustomed to drafting agreements for your clients. Do not put owner financed portion in “new loan proceeds” of Purchase and Sale, put in “additional financial terms.” Be sure to send RE-17 disclosure, if representing Seller as well.
- **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.
- **IF RENTBACKS:** For delayed possession for the new Buyer, use RE-50. For buyer to occupy before closing – incredibly risky. We do not recommend.

VACANT LAND PURCHASE & SALE

TRANSACTION FILE CHECKLIST

1. **FOR REPRESENTING SELLER**

- a. Agency Disclosure Brochure (*signed by Client*)
- b. RE-16 Seller Representation Agreement OR use RE-12 when not representing Seller, but compensation is paid by Seller (customer vs client)

2. **FOR REPRESENTING BUYER**

- a. Agency Disclosure Brochure (*signed by Client*)
- b. 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)

3. Mutual Acceptance: RE-24 Purchase and Sale Agreement
4. Preapproval Letter OR Proof of Funds
5. Earnest Money Deposit Receipt from Escrow
6. Title Report from Title/Escrow
7. Final Closing Statement signed by Buyer
8. Final Closing Statement signed by Seller

ADDITIONAL CONSIDERATIONS:

- **Personal Sales:** 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.
- **Referrals:** For referrals with other agents within Best Choice Realty, please use the Internal Split Form located at BestChoiceRealtyHomes.com/split. For referrals outside of the company, use a Referral Agreement and set up for signature for a Managing Broker to sign. Company W9 is located at BestChoiceRealtyHomes.com

CONTRACT TIPS & COMMON ERRORS:

- Label counter offers and addenda as 1, 2, 3, 4, etc.
- Ensure parties are properly identified (*Ex: Entity vs Individual*)
- Earnest Money typically 1%
- If addendum is shown and rejected, please cross out, and write "rejected"
- Check for area specific addenda, or forms (*Ex: Silver Valley requires EPA disclosure forms on mining*)
- With any tax exemption, protect your buyer write in "other terms" section that "seller agrees to take necessary steps to continue XXXX tax exemption"
- "As-Is" and "Non-refundable earnest money" clauses need to be written with the attorney approved Best Choice Realty language. Contact Managing Broker prior to use of this terminology.
- **IF OWNER FINANCING:** Escrow companies are accustomed to drafting agreements for your clients. Do not put owner financed portion in "new loan proceeds" of Purchase and Sale, put in "additional financial terms." Be sure to send RE-17 disclosure, if representing Seller as well.

COMMERCIAL PURCHASE & SALE

TRANSACTION FILE CHECKLIST

1. **FOR REPRESENTING SELLER**
 - a. Agency Disclosure Brochure (*signed by Client*)
 - b. RE-16 Seller Representation Agreement
2. **FOR REPRESENTING BUYER**
 - a. Agency Disclosure Brochure (*signed by Client*)
 - b. RE-14 Buyer Representation Agreement
3. Mutual Acceptance: RE-23 Commercial/Investment Purchase and Sale Agreement
4. RE-17 Financing Addendum (*if financed*)
5. Disclosure of Information on Lead-Based Paint (*if property was built prior to 1978*)
6. Preapproval Letter OR Proof of Funds
7. Earnest Money Deposit Receipt from Escrow
8. RE-25/25A Seller's Property Condition Disclosure (*signed by the Buyer*)
9. RE-10 Inspection Response (*if inspection contingency was used*)
10. Title Report from Title/Escrow
11. Final Closing Statement signed by Buyer
12. Final Closing Statement signed by Seller

ADDITIONAL CONSIDERATIONS:

- Personal Sales: 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.
- Referrals: For referrals with other agents within Best Choice Realty, please use the Internal Split Form located at BestChoiceRealtyHomes.com/split. For referrals outside of the company, use a Referral Agreement and set up for signature for a Managing Broker to sign. Company W9 is located at BestChoiceRealtyHomes.com

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.
- 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 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. Contact Managing Broker prior to use of this terminology.

- **FOR BUSINESS OPPORTUNITIES:** Be sure to include the following in your process (1) Disclosure to the purchaser that there is no certainty or assertion of any future business value or income. (2) 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.