OKLAHOMA REAL ESTATE COMMISSION

STANDARD CLAUSES

The information presented herein is not intended or offered as legal advice. These materials have been prepared for informational purposes only. No person should act or fail to act upon this information without seeking the advice of an attorney.

1. **Assignment of Escrow Account (No Proration) - Assumption Form Only:** In lieu of proration of insurance, taxes and interest as described in the Taxes, Assessments and Prorations Paragraph of the Contract, the Seller agrees to transfer the escrow account and assign the existing hazard insurance policy to Buyer at no additional expense to Buyer. At Closing, the escrow account shall be in an amount deemed sufficient by the lending institution, and, if not, Seller shall be responsible for the shortages in such account. In the event escrow account has an overage as shown by the lending institution, the Buyer shall reimburse Seller for said overage at time of Closing.

   In the event the existing hazard insurance policy cannot be assigned, Buyer and Seller agree to the following: Seller agrees to transfer all existing insurance escrow deposits to the Buyer and Buyer, at Buyer's expense, agrees to supply an appropriate hazard insurance policy at Closing.

2. **Flood Insurance:** The Buyer and Seller understand that the Property is located in a designated flood zone, which may require Flood Insurance as a condition of financing. If required to do so as a condition to financing this purchase, Buyer agrees to obtain any requisite flood insurance coverage.

3. **Real Estate Broker or Sales Associate Acquiring or Conveying Interest:** The Buyer/Seller acknowledges that the Seller/Buyer has disclosed he/she holds an Oklahoma Real Estate license, number _____.

4. **Disclosure Clause Member of Family Buying or Selling Property:** The Buyer/Seller hereby acknowledges that the Seller/Buyer is related to or associated with the real estate sales associate (Broker) in the following manner: _____ .

5. **Inspection of Septic and Water Supply:** Within _____ days after the date set forth in the paragraph entitled ***"Time Periods Specified in Contract"*** of this Contract, Buyer shall have the right to have septic system and well pump, inclusive of quality and purity of water, inspected by a local health authority. If Buyer has any objection to the conditions based on the report of the health authority, Buyer shall have the right to cancel and terminate this Contract by delivering notice in writing, including a copy of health authority report, to Seller, in care of the Listing Broker, not later than twenty-four (24) hours after expiration of the time specified in this paragraph, in which event earnest money shall be returned to Buyer and the abstract returned to the Seller. If Buyer fails to have health authority inspection made or to deliver such notice in the manner specified, Buyer agrees to accept the septic system and well on the Property in the condition which existed at the expiration of the above stated time period.

6. **Termite Treatment – Additional Costs:** Seller agrees to pay cost of termite treatment in the event that active termites or other wood destroying insects are found, in addition to the amount stated in the Repair Cap.

7. **Review by an Attorney:** The Buyer/Seller reserves the right to seek advice from an attorney regarding the terms of this Contract and to cancel and terminate this Contract by notice in writing, delivered to the Listing Broker, within_____ days of the date set forth in the paragraph entitled "Time Periods Specified in Contract" of the Contract. In the event the Contract is not canceled then all terms shall exist as described in the Contract.

8. **Court Approval of Probate Sale:** This Contract is expressly contingent upon the confirmation of this sale by the Probate Division of the District Court for _____County, Oklahoma. In the event that this Contract has not been confirmed by said Court within _____days of the date set forth in the paragraph entitled ***"Time Periods Specified in Contract"*** of this Contract by Seller or such longer period as the Parties shall agree upon in writing, then this Contract shall be automatically null and void. In such event the abstract shall be returned to Seller and the earnest money shall be returned to Buyer.

9. **"As Is" Clause - Specified Items (Where space under "Additional Provisions" Paragraph of Contract form permits):** Seller has disclosed to Buyer the existence of certain defects or problems (the "Defects") relating to the Property as listed below:

   Notwithstanding any other provision of this Contract, neither Seller, Seller's agents, Broker(s) and their sales associates shall bear any expense or have any liability for the Defects or any damage or cost resulting there from

STANDARD CLAUSES (continued)

10. **"As Is" – No Inspection:** Buyer acknowledges that Seller, Seller's agents, Broker(s) and their sales associates are making no representation or warranty concerning the past or present condition of the Property or any improvements, components, fixtures, equipment or appliances in or on the Property. **In lieu of the provisions of the Contract which have been stricken,** Buyer is purchasing the Property in its present condition subject to any latent and patent, known or unknown defects. Buyer acknowledges that the absence of any such representation or warranty, the condition of the Property and the risks assumed by Buyer relating to latent and patent, known or unknown defects have been taken into account by Buyer in determining the purchase price Buyer is willing to pay for the Property.

11. **Tax-Deferred Exchange 1031:** In conformance with Section 1031 of the Internal Revenue Code, it may be the intention of the Seller or Buyer or both to effect a tax-deferred exchange. Either the Seller or Buyer or both may assign his/her rights in the contract to a Qualified Intermediary for the purpose of effecting a tax-deferred exchange. The Parties agree to cooperate and execute the necessary documents to allow either or both Parties to effect such exchange at no additional cost or liability to the other Party. However, any warranties that may be expressed in this contract shall remain and be enforceable between the Parties executing this document.

12. **Contract Conditioned on Buyer Securing a Bridge Loan or Second Mortgage:** This Contract is conditioned upon the Buyer being able to obtain acceptable financing in the amount of $ _____, within _____days of the date set forth in the paragraph entitled ***"Time Periods Specified in Contract"*** of the Contract. It is understood that Buyer will apply for financing within forty-eight (48) hours of the date set forth in paragraph ***"Time Periods Specified in Contract"*** of the Contract and will proceed diligently to obtain financing.

13. **Assumption/Release of Liability and Restoration of Entitlement for Seller:** The Buyer represents to be a veteran with VA loan entitlement sufficient to assume the existing VA loan on the Property and agrees to substitute such entitlement for those of the Seller and to cooperate fully with the Seller and the Veteran's Administration to obtain a release of VA loan liability and restoration of VA loan entitlement for the Seller. The Buyer agrees to promptly provide all information, complete all forms and perform any other acts which may be necessary to accomplish said release and restoration. This commitment shall survive the Closing of this transaction and is the responsibility of the Buyer, Seller and the Veteran's Administration.

14. **Special Conditions of Buyer:** Buyer shall have _____days from the date set forth in the paragraph entitled ***"Time Periods Specified in Contract"*** subject to the following special condition(s): _____.

    Should the result not be satisfactory to Buyer, Buyer may terminate this Contract by notifying the Seller, in writing, in care of the Listing Broker, within twenty-four (24) hours of the time periods specified in this paragraph. If Buyer does not notify Seller prior to said time, then this Contract shall remain in full force and effect.

15. **Mortgage Rate Lock-in:** Buyer will secure a commitment of interest rate and discount points, within _____ days of the date set forth in the paragraph entitled ***"Time Periods Specified in Contract"*** of this Contract, which commitment shall be guaranteed to be available at Closing by the lender ("locked in") for a period of _____ days for a fee of _____% of the loan amount (if applicable), paid by the Buyer.

    If "lock in" rate is not obtained by Buyer or the "lock in" fee is not paid by Buyer, and a commitment of interest rate and discount points is not secured by Buyer, then Buyer agrees that Buyer will close at the prevailing market rates ("float") at the time of Closing or be subject to the breach and failure to close provisions of Paragraph _____.

16. **Seller Reservation of Oil and Gas Mineral Interest:** In lieu of the provisions of Paragraph 1 of this Contract identifying real property to be conveyed, the Seller specifically reserves all oil and gas interest and other mineral interest associated with oil and gas extraction that the Seller may own as of the date of this Contract.