

Addendum "G" to Capital Application:

G. Necessary Real Estate Purchase Contract Terms

A provider must ensure the following contingencies are in **all** real estate contracts for purchase:

1. Sale is contingent upon approval by DDSN.
2. House/Property as described must appraise at or above the sale price by a state-certified or state-licensed appraiser.
3. Purchaser, at its own expense, shall have the right to have the house/building inspected by a home/building inspector of the Purchaser's choosing. The cost of any repairs found to be necessary by said inspection will be paid for by the Seller at his option. Should the Seller fail to or refuse to pay for such repairs, the Purchaser has the option to (1) declare this contract null and void and have the earnest deposit refunded in full; (2) negotiate with Seller for the payment of repairs or a reduction in sale price; or (3) accept the property in its present condition.
4. If the property is non-residential: Sale is contingent upon receipt of a clean or acceptable Phase I environmental study, to be paid for by Purchaser. *Note: a listing of environmental companies who perform this type of analysis is available from DDSN.*
5. If the property is residential and has a fuel oil tank: Sale is contingent upon receipt of a clean or acceptable soil test by an environmental specialist for the area surrounding an underground storage tank. Additionally, if the tank is no longer in use, it is to be either (a) removed or (b) drained and filled with sand or concrete. A second soil test must be clean after removal or drained/filled.

Additional comments:

1. **Earnest money** should not exceed \$1,000 per residential facility; for non-residential facilities, it should not exceed what would be considered common local practice.
2. **Closing dates** for homes should be set **no sooner than one (1) month after** appraisal and building inspection are obtained, and contract is fully signed. Every contract should have an **extension agreement** of at least **15 days**.
3. **Possession** of a residential facility should be no later than 24 hours after closing. A Seller cannot continue to occupy home later than this timeframe; all efforts must be made by Purchaser to aid in this requirement.

If you have any questions, please contact Vicki Wilkes at 898-9804 or vwilkes@ddsn.sc.gov.