



# CONTRACTS 1.0

NAVIGATING REAL ESTATE OFFERS AND CONTRACTS

## TREEF

TENNESSEE  
REAL ESTATE  
EDUCATION  
FOUNDATION

# CONTRACTS 1.0

---

## NAVIGATING REAL ESTATE OFFERS AND CONTRACTS

---

*Course Designed by:*

**John Giffen, CRB, CRS, CDEI, GRI, Broker**  
for the Tennessee Real Estate Education Foundation  
in cooperation with Tennessee REALTORS®



# Contracts 1.0: Navigating Real Estate Offers and Contracts

## Course Outline

---

### A Note for Instructors

### Course Introduction

### Contracts 1.0 Skill Assessment

#### Unit 1      **Contract Basics**

- What is a Contract?
- What Makes a Contract Legal?
- Who Can Sign a Contract?
- A Few Words on Multiple Offers
- Binding the Agreement

#### Unit 2      **Contract Timelines and Performance Dates**

- Definition of Days
- Time is of the Essence
- Loan Obligations
- Financing Contingency Waived
- Binding Agreement Date
- Preprinted Deadlines
- Notification and Termination of the Agreement
- Defaulting on the Contract
- CLASS EXERCISE #1 – *Performance Dates and Deadlines*

#### Unit 3      **Inspections and Repairs**

- Inspecting the Property
- A Note About Home Inspections in Tennessee
- Septic and Well Inspections
- Costs Associated with Inspections and Repairs
- Home Inspectors
- Inspection Contingency in the Purchase and Sale Agreement
- A Note About “As Is” Properties
- Lender Requirements
- CLASS EXERCISE #2 – *Inspections and Repairs*

#### Unit 4      **Special Stipulations**

- Overview of Special Stipulations
- Points to Remember
- CLASS EXERCISE #3 – *Special Stipulations*

**Unit 5      Pre-Printed Items in the Purchase and Sale Agreement**

- Key Points for Pre-Printed Items in the Purchase and Sale Agreement
- Important Pre-Printed Components in the RF401 Purchase and Sale Agreement

**Unit 6      Disclosures and Disclaimers**

- Disclosing the Condition of the Property
- Required Property Condition Disclosures and Disclaimers
- CLASS EXERCISE #4 – *Proper Disclosures*

**Unit 7      Completing the Offer**

- Before You Write an Offer
- Two Very Important Rules Concerning Offers
- CLASS EXERCISE #5 – *Writing the Offer*

**Appendix**

- Tennessee REALTORS® RF401 Purchase and Sale Agreement
- Tennessee REALTORS® Forms Resource Guide
- Optional CLASS EXERCISE

# Course Introduction and Learning Objectives

---

## Course Overview

This course will resolve common problems, misconceptions and misunderstandings related to the Tennessee REALTORS® Purchase and Sale Agreement (RF401) and provide guidance to its proper use as well as related Tennessee REALTORS® forms. Students will practice filling out a sample contract and will learn how to explain its various provisions to a buyer or seller.

## Learning Objectives

*Upon completion of the course, students will be able to:*

- Review of real estate contract fundamentals and good practices for REALTORS® in Tennessee.
- Explain the meaning and significance of the various **Timelines, Dates, Notices, and Actions** required by both parties as found in the Tennessee REALTORS® RF401 Purchase and Sale Agreement.
- Understanding the **Inspection and Repairs** section in the RF401 Tennessee REALTORS® Purchase and Sale Agreement.
- Correctly identify any required **Disclosures and Disclaimers** that must be included in or accompany the RF401 Purchase and Sale Agreement in various given situations.
- Explain to customers and clients what items should and should not be included under **Special Stipulations** in the RF401 Purchase and Sale Agreement (RF401).
- Recognize and advise consumers correctly as to the **Preprinted Items** in the Tennessee REALTORS® RF401 Purchase and Sale Agreement.
- Properly complete, through a skill exercise, the Tennessee REALTORS® RF401 Purchase and Sale Agreement on behalf of a prospective purchaser, and clearly explain the significance of each contract section.

## CONTRACTS 1.0 SKILL ASSESSMENT

*Choose the best answer to the following questions:*

- 1. When should you review and explain the Tennessee REALTORS® Purchase and Sale Agreement (RF401) with buyers?**
  - a. After the offer is submitted
  - b. Before they make an offer
  - c. When the offer is accepted
- 2. When should you review and explain the Tennessee REALTORS® Purchase and Sale Agreement (RF401) to sellers?**
  - a. Before they receive an offer
  - b. When they receive an offer
  - c. After they accept an offer
- 3. Which of the following statements is TRUE?**
  - a. It's most important to be familiar with the Tennessee REALTORS® Purchase and Sale Agreement (RF401) form because you can address every issue by altering the boilerplate language.
  - b. Most Tennessee REALTOR® forms are rarely used.
  - c. It's important to be familiar with the function of all Tennessee REALTORS® forms so you understand how they work together to address different issues.
- 4. Which of the following is NOT an example of ambiguous language?**
  - a. Seller to provide Buyer with \$500 credit
  - b. Seller will provide Buyer with \$500 credit at closing towards Buyer's closing costs
  - c. Portion of closing costs to be paid by Seller
  - d. Buyer to take possession as determined prior to closing
- 5. Which of the following is the most acceptable method of delivering an offer?**
  - a. In person
  - b. By fax
  - c. By email
  - d. All of the above equally acceptable, with proper documentation

- 6. Which of the following statements is TRUE?**
- a. The Buyer always gets to select the Title Company
  - b. The Seller always gets to select the Title Company
  - c. In situations where the sale is being funded by a federally insured loan, the Buyer gets to choose the Title Company if the Buyer is paying for the title insurance policy
  - d. In situations where the property is being funded by a federally insured loan, the Seller gets to choose the Title Company if the Buyer is paying for the title insurance policy
- 7. Which of the following inspections is NOT legally permissible and not permitted under the Inspection Section?**
- a. Home inspection performed by a licensed home inspector
  - b. Home inspection performed by a licensed contractor
  - c. Home inspection performed by Buyer
- 8. One primary function of the Tennessee REALTORS® Purchase and Sale Agreement (RF401) is to**
- a. Reduce risk and liability for REALTORS® and brokers
  - b. Confuse REALTORS® and brokers
  - c. Address every possible situation that might arise during a transaction
- 9. The Tennessee REALTORS® Counter Offer Form (F8) states, “all terms and conditions proposed in previous counter offers, if any, are not included in this counter offer unless restated herein.”**
- a. True
  - b. False
- 10. Per the Tennessee REALTORS® Purchase and Sale Agreement (RF401), when a Buyer is terminating the contract due to Home Inspection OR financial contingency, both Buyer and Seller must sign the Trust Money Disbursement and Release form?**
- a. True
  - b. False
- 11. When Trust Money is either not received by the Holder or not honored for any reason, the holder does not have to notify Buyer and Seller of the Buyer’s failure to deposit the money agreed to in the RF401 Purchase and Sale Agreement.**
- a. True
  - b. False

## UNIT 1 – CONTRACT BASICS

### What is a Contract?

A contract is a **legally binding agreement** between two or more people. This means that there are **promises** to pay money, transfer property or to do or not do something exchanged between the parties.

### What Makes a Contract Legal?

#### 1. It Must Have a Legal Purpose

Parties cannot execute a contract to do an illegal act. The purpose of the contract must conform to the law. A contract between parties that involves fraud upon another would be void.

#### 2. Legally Competent Parties

The parties to a contract must all be legally competent to enter into an agreement. This includes being of legal age and of sound body and mind at the time of entering in to a contract. In Tennessee, the legal age for signing contracts is 18 years old.

#### 3. Agreement by Offer and Acceptance

In real estate this is illustrated by an offer to purchase a property by a buyer and the acceptance of that offer by the owner/seller.

#### 4. Consideration

Consideration is anything of legal value offered and exchanged in the contract. This could be money, services or other valuable goods.

#### 5. Consent

This element requires the parties to the contract have consented willingly and knowingly to the terms of the contract. There cannot be fraud, misrepresentation, or undue duress on any party to the contract.

### Who Can Sign a Contract?

**All owners of real estate** should sign the contract of sale. If a husband puts his name only on a Purchase and Sale Agreement when both he and his wife own the property, then the buyer cannot force the wife to transfer the property in the absence of her written agreement.

If a party to the agreement cannot sign one or both of the parties can assign a **Power of Attorney** to someone who can sign in their absence. (*NOTE: Powers of Attorney should be NOTARIZED and a copy should be made available from your client to you and your broker for your file(s).*)

#### **KEY POINT TO REMEMBER: Statute of Frauds**

Contracts for the sale of real estate must be in writing and signed by all parties to be enforceable in the state of Tennessee. This is due to the “statute of frauds,” which in Tennessee holds that, **in order to be enforceable, the promise or agreement, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith.** Tennessee courts have generally held that an oral contract for the sale of real estate is not enforceable, even though the parties may have “partially” performed the contract.



## Offer and Acceptance

An offer to purchase real estate can be fairly simple and quick or complex and lengthy. Either way, both the listing agent and the buyer's agent must manage the process in a legal and ethical manner.

Once an offer is made it can be accepted, rejected or countered. Remember, a counter offer constitutes the rejection of the offer and it must be in writing. Also, a party cannot extend a counter offer, have it rejected, and then attempt to accept the original offer. If a party rejects an offer outright, it needs to be noted in writing and signed/dated and returned to the offeror.

### TREC Rule on Offers (1260-2-.08)

"A broker or affiliate broker promptly **shall tender every written offer to purchase or sell obtained on a property until a contract is signed by all parties.** Upon obtaining a proper acceptance of an offer to purchase, or any counteroffer, a broker or affiliate broker promptly **shall deliver true executed copies of same, signed by the seller, to both the purchaser and the seller.** Brokers and affiliate brokers shall make certain that all of the terms and conditions of the real estate transaction are included in the contract to purchase. **In the event an offer is rejected, the broker or affiliate broker shall request the seller to note the rejection on the offer and return the same to the offeror or the offeror's agent."**

## A Few Words On Multiple Offers

### *Key Points on Multiple Offers*

- Standard of Practice of the REALTOR® Code of Ethics states that **the existence of offers should only be disclosed with the seller's consent.**
- The **seller alone determines** whether one or more of the prospective buyers will be informed that there are multiple offers.
- Sellers who elect to disclose multiple offers risk that a buyer will walk away from a possible "bidding war."
- Alternatively, **sellers may elect to leverage the existence** of multiple offers to get the best price and terms.

## Binding the Agreement

The Purchase and Sale Agreement becomes binding once the receipt of acceptance has been made and the receiving broker/agent signs the binding agreement information. This can be done on the original Purchase and Sale Agreement or on the final Counter Offer form.

### *An Example of the Binding Process of the Purchase and Sale Agreement*

1. The **Buyer makes an offer.** (Selling Agent submits the offer to the Listing Agent.)
2. The **Seller counters the offer.** (The Listing Agent submits the Counter Offer to the Selling Agent.)
3. The **Buyer accepts the counter offer.** (The Selling Agent submits the accepted Counter Offer to the Listing Agent.)
4. The **Listing Agent binds the offer.** The last party to receive the acceptance of the offer/counter offer is the one who binds the agreement.

## UNIT 2 – CONTRACT TIMELINES AND PERFORMANCE DATES

**Failure to meet a contractual deadline may result in a breach of contract, forfeiture of Trust money, unenforceable performance and, in some cases, liability for civil damages.** When a preprinted deadline needs to be changed, you should first check to see if the issue is addressed by another Tennessee REALTORS® form. If not, the EXACT verbiage should be copied with only the number of days for performance changed. By altering the verbiage within the attorney approved Purchase and Sale Agreement (RF401), you could end up making the party's performance unenforceable.

**The Tennessee REALTORS® Purchase and Sale Agreement (RF401) contains several performance requirements with time limits associated with them. Can you name some of them?**

---



---



---



---

### Definition of Days

- All days are in the Tennessee REALTORS® Purchase and Sale Agreement (RF401) are *calendar days NOT business days*.
- The "start" / "commencement" date is the day following the Binding Agreement Date.
- **IMPORTANT:** The ONLY "drop dead" performance dates in this Agreement are the **Closing Date, Day of Possession, Completion of Repair Deadline** and **Offer Expiration Date**. These performance dates are actual CALENDAR DAYS which means if the date falls on a Saturday, Sunday or holiday, then it will occur on that day rather than rolling to the next business day.
- Be very careful when selecting these dates and CONSULT YOUR CALENDAR first. Holidays are defined by federal law (5 U.S.C. § 6103.) These are: New Year's Day (January 1), Martin Luther King, Jr. Day (3<sup>rd</sup> Monday in January), Washington's Birthday (3<sup>rd</sup> Monday in February), Memorial Day (last Monday in May), Independence Day (July 4<sup>th</sup>), Labor Day (1<sup>st</sup> Monday in September), Columbus Day (2<sup>nd</sup> Monday in October), Veteran's Day (November 11<sup>th</sup>), Thanksgiving Day (4<sup>th</sup> Thursday in November) and Christmas Day (December 25<sup>th</sup>)

Lines 397-405: "the term day(s) used throughout this Agreement shall be deemed to be calendar day(s) ending at 11:59 p.m. local time unless otherwise specified in this Agreement. Local time shall be determined by the location of the Property. **In the event a performance deadline**, other than the Closing Date, Date of Possession, Completion of Repair Deadline (Repair/Replacement Amendment), and Offer Expiration date, occurs on a Saturday, Sunday or legal holiday, the performance deadline shall be extended to the next following business day. Holidays as used herein are those days' deemed federal holidays pursuant to 5 U.S.C. 6103. In calculating any time period under this Agreement, the commencement date shall be the day following the initial date (e.g. Binding Agreement Date)." (Slight paraphrasing for spacing purposes only.)

## Time is of the Essence

- A contract clause that emphasizes punctual performance is an essential requirement of the contract. Thus, if any party to the contract does not perform within the specified time period (the drop-dead date), that party is in default, provided the non-defaulting party has made a valid notice of demand of performance.
- If no demand is made, then the clause may be waived. The clause may also be waived by the subsequent acts of the parties such as accepting tardy payments or signing escrow instructions that allow for extensions of time in which to perform. However, if the contract terminates by its language, consult with an attorney if the parties want to “revive” a dead contract or execute a new one.

## Loan Obligations

- The loan obligations paragraph in the Tennessee REALTORS® RF401 Purchase and Sale Agreement is one that sometimes is overlooked by the parties in the contract.
- This paragraph contains performance time frames related to the loan the buyer would be receiving in order to purchase the property.
- The buyer is required to make application for a loan and pay for a credit report.
- In addition, the buyer has obligations to obtain homeowners insurance, pay for an appraisal, cooperate with the lender on any requests for documentation, and confirm that the purchase is not contingent on the lease or sale of any property. The buyer must also communicate this to the seller in writing. The **Notification Form (RF656)** is designed to do this. Many agents still do not use the Notification Form and fail to have their buyer clients/customers give the proper notice to the seller of these deadlines. This places their client/customer in default that can result in lawsuits.
- And, they must work in good faith to ensure these obligations are satisfied.

## Financing Contingency Waived

- The box on line 136 of the Tennessee REALTORS® RF401 Purchase and Sale Agreement should only be checked if the buyer is not purchasing the property conditioned upon his ability to secure a loan. A loan may be obtained, but the Agreement is not contingent upon the loan. This is typically known as an “ALL CASH” transaction.
- The buyer cannot use “failure to obtain financing/loan” to get the Trust Money/Earnest Money refunded. **There are NO financial contingencies.** Per the Agreement, the buyer has only five (5) days to provide proof they have the funds to close the transaction. The buyer should obtain Certified/notarized documentation confirming they have the money from the funds source in order to satisfy this performance requirement.

## Binding Agreement Date

**The Tennessee REALTORS® Purchase and Sale Agreement (RF401) defines when the Binding Agreement Date will be:**

*"This instrument shall become a "Binding Agreement" on the date ("Binding Agreement Date") the last offeror, or licensee of last offeror, receives notice of offeree's acceptance. Notice of acceptance of the final offer was received on day of \_\_, at (time) by (name)." The date should be filled in by the last offeror (the person to receive the acceptance of the final counter offer or their agent. This will allow the agent to add the date on which it was actually received. All timelines will start on the next day for purposes of calculating days."*

- The Binding Agreement Date is an **EXTREMELY CRITICAL DATE**. It is very important that this is completed because **it marks the time and date the contract went into effect**.
- This time and date "starts the clock" on the time deadlines in the Purchase and Sale Agreement. (e.g. Inspection deadlines, etc. ) Note that it is referred to throughout the contract.

**The agent who receives the finally executed contract from the agent representing the last signor of the contract is the one who completes this section.** If this is not done, it creates havoc for trying to establish deadlines. It could even mean that a court could void the contract. **FILL THIS IN!**

## Preprinted Deadlines

- **Preprinted deadlines are just as important as those you write in the Agreement!**
- If it's in the contract, it must be done by the date specified.
- **Failing to meet deadlines may constitute a breach.** An agent that allows a deadline to pass unnoticed may have a complaint filed against them with TREC and/or the local REALTOR® board as well as possibly facing a lawsuit.
- It is imperative to **discuss the pre-printed deadlines** in the Tennessee REALTORS® Purchase and Sale Agreement (RF401) with buyer clients **BEFORE** submitting an offer.
- If, for any reason, they will be unable to meet a required pre-printed deadline, this should be noted clearly **BEFORE** an offer is made or counter offer is submitted. For seller clients, you must discuss pre-printed deadlines and filled in dates.
- If for any reason, they will be unable to meet a required date or deadline, this should be noted clearly in a counteroffer.

## Notification and Termination of the Agreement

- A party to a contract may elect to **terminate the agreement** due to various reasons. Some of these include the inability to remove the contingencies noted in the agreement or non-performance on the part of either the Buyer or the Seller.
- The Tennessee REALTORS® **Notification form** (RF656) form serves as a notification form for all

notices required in the Purchase and Sale Agreement (RF401). This form assists licensees in creating a paper trail of their compliance.

- **If trust money/earnest money has been paid by the buyer**, the holder of the money must decide if, when and how the money is to be distributed. The Tennessee REALTORS® Earnest Money/Trust Money Disbursement and Mutual Release of Purchase and Sale Agreement form (RF 481) should be used to distribute the funds and release the buyer, seller and all licensees from all obligations agreed upon in a purchase and sales agreement previously agreed upon. Keep in mind that if either party wants to pursue legal action, they **SHOULD NOT** complete this form. The parties waive all rights to sue if they use this form!

## Defaulting on the Contract

If either party to the contract fails to perform as outlined in the terms and conditions of the agreement, the terminating party may have the right to pursue any and all legal rights and remedies against the defaulting party following termination.

- **If a Buyer fails to perform**, there are consequences – Trust Money is forfeited as damages to the Seller and are applied as a credit against Seller’s damages. The Seller may sue the Buyer for damages or specific performance.
- **If a Seller fails to perform**, there are consequences – the Buyer’s Trust Money is returned to them and the Buyer may sue the Seller for damages or specific performance.

### *Possible Causes for Default:*

- Failure to close within the timeframe specified in the contract.
- Ignoring the terms and conditions of the contract.
- Failure to perform in “good faith.”
- Terminating the agreement without cause
  - Buyer decides they don’t want to purchase the property.
  - Seller decides they don’t want to sell the property.

---

---

---

---

---

---

---

---

## CLASS EXERCISE #1: Performance Dates/Timelines

*In the following exercise, there are several examples of how performance dates/timelines impact the parties in a real estate transaction utilizing the RF401 Purchase and Sale Agreement. Review each one carefully and provide the best way to handle each scenario.*

1. In the offer to purchase the home owned by Tom Smith (Seller), Jane Wilson (Buyer) puts 6:00 p.m. on Friday as the time limit for the Seller to respond. The Seller is driving back home from the beach on Thursday evening and requests additional time to review the offer. He would like to extend the time limit of the offer. How should this be handled?

---



---



---



---

2. After extending the time limit of the offer, Mr. Smith (Seller) counters the offer submitted by Ms. Wilson (Buyer). Ms. Wilson reviews Mr. Smith's counter offer and makes one minor change that does not impact the price or closing date. The listing agent, Bill Taylor, sends the counter offer to Carolyn Jones, the buyer's agent. She, in turn, submits it to her buyer for her review. The buyer is in full agreement with the terms and conditions of the Seller's counter offer and accept it. They have a deal! The signed counter offer noting acceptance is returned to the listing agent, Mr. Taylor. Who binds the contract?

---



---



---



---

3. The Purchase and Sale Agreement states that the buyer, Ms. Wilson (buyer), will pay to the listing broker the Earnest Money/Trust Money in the amount of \$5,000 within three (3) days of the Binding Agreement Date. The end of the third day has arrived and the listing agent, Bill Taylor, or the listing broker has not yet received the money. What should happen in this situation?

---



---



---



---

4. Ms. Wilson, the buyer, is applying for a conventional loan to purchase the Seller's home. Bill Taylor, the listing agent, received a pre-approval letter from Acme Bank with the offer. However, three (3) days after the Binding Agreement Date the seller, Mr. Smith, has still not received Notification that the Buyer has made loan application with Acme and paid for the credit report. What does the seller need to do?

---

---

---

---

5. 14 days after Binding Agreement Date, Mr. Smith, the seller, or his agent, Bill Taylor, have not received notification that the Buyer has signed *Intent to Proceed* with lender and/or evidence of hazard insurance. What should the Seller do?

---

---

---

---

6. Ms. Wilson, the Buyer, has all inspections completed within the time frame specified in the contract. Her agent, Carolyn Jones, sends an RF654 Repair/Replacement Proposal to the listing agent, Bill Taylor, noting the items they would like the seller to repair. The Purchase and Sale Agreement states a 3-day resolution period. Mr. Smith, the seller, is not in agreement with the buyer's list of repairs and sends back another RF654 detailing what he is willing to do. The buyer is disappointed but wants to continue negotiating. At the end of the third day there is no resolution. What happens now?

---

---

---

---

7. The contract for the purchase of the seller's home was contingent on the appraised value equaling or exceeding the purchase price of \$325,000. The appraisal for the property was submitted to Jane Wilson, the buyer, via email on Tuesday afternoon by her lender. The appraiser valued the property at \$315,000. Ms. Wilson told Carolyn Jones, her agent, she needed to think about how she wanted to respond. If the buyer decides to terminate the agreement, when does she need to notify the seller? What happens if she notifies the seller of her intention four days later on Saturday? What needs to happen if the buyer still wants the home even though it appraised for \$10,000 less than the purchase price?

---

---

---

---





## UNIT 3 – INSPECTIONS AND REPAIRS

### Inspecting the Property

- **Buyers have the right to inspect the property they are purchasing.** It is important to discuss inspections and all that is involved in having the property inspected. Stress the importance of the timelines associated with the inspection period and the resolution period.
- **The word “Inspections” in the contract includes ALL inspections and reports related to the condition of the property.** This would include wood destroying insects, swimming pool, structural inspections, etc. The buyer is responsible for any and all costs associated with inspections.
- **All Inspections should focus on the structural or system integrity of the property and not cosmetic issues.** A buyer cannot terminate a contract if they don't like the color of the paint in the living room or the wallpaper in the kitchen.
- **The termite inspection is included** and if the buyer waives the inspections, they could “except” the termite inspection or any other specific inspection to add it back in by inserting the “exception” in the Special Stipulations paragraph.

### A Note About Home Inspections in Tennessee

State law [T.C.A §62-6-302(3a)] defines a home inspection as a “visual analysis for the purpose of providing a professional opinion of the condition of a residential building, ancillary building, any reasonably accessible installed components, and the operation of the building systems, including any controls normally operated by the owner of the building, for the following components:

- |                          |   |
|--------------------------|---|
| • Heating systems;       | • Foundations;  |
| • Cooling systems;       | • Roof covering;  |
| • Electrical systems;    | • Exterior and Interior components;                             |
| • Plumbing systems;      | • Any other site aspects that affect the residential dwelling.” |
| • Structural components; |   |

Therefore, if the Buyer is receiving an inspection that covers ALL of the above mentioned components, ***then it must be performed by a licensed home inspector.*** A Buyer is permitted to get an inspection of individual systems without using a licensed home inspector. However, the person performing the limited inspection must meet state requirements for licensure and/or experience. (i.e. a licensed electrician to inspect the electrical, a licensed plumber to inspect the plumbing, an experienced roofer to inspect the roof.) Additionally, the buyer is permitted to conduct the inspection himself/herself. If the seller will not accept this, it should be negotiated in the contract itself.

### Septic and Well Inspections:

The buyer may ask the seller to provide a septic letter at Seller's expense. Pursuant to TREC Rule 1260-02-.37: *“A licensee preparing an offer to buy shall provide in the offer and make the buyer aware that, for a fee, a septic system inspection letter is available through the Tennessee Department of Environment and Conservation, Division of Ground Water Protection.”*

The buyer may ask Seller to provide a well test at Seller's expense. Address this in Special Stipulations. The seller may already have had the well tested and have the results on file. You can ask the seller's representative.

## Costs associated with Inspections and Repairs

**All inspections are performed at the buyer's expense** unless otherwise specified in the Special Stipulations section of the Purchase and Sale Agreement. The termite inspection costs are the responsibility of the Buyer unless the Buyer is receiving a VA loan. Government regulations within VA loan requirements will not allow the Buyer to pay for a termite inspection. (See Tennessee REALTORS® RF625 VA/FHA Addendum that addresses this issue.) The form states that the Buyer will order the inspection BUT the Seller will be responsible for paying for it. Buyers and Sellers should negotiate any needed repair costs, in good faith, using the RF654 Repair/Replacement Proposal or the RF655 Repair/Replacement Amendment.

## Home Inspectors

Home Inspectors in Tennessee are licensed and regulated by the Home Inspector Licensing Program of the Tennessee Department of Commerce & Insurance. Tenn. Code Ann. §62-6-301(5) defines a home inspector as “any person who is licensed under this part as a home inspector and who engages in the business of performing home inspections and writing home inspection reports.” Clients and customers should be encouraged to use a licensed home inspector. Although buyers may inspect the property themselves, this may not carry the same weight in the eyes of the seller as a report from a licensed home inspector.

## Inspection Contingency in the Purchase and Sale Agreement

The RF401 Purchase and Sale Agreement provides a buyer with an opportunity to make the offer/contract contingent upon a formal inspection of the property prior to closing on the transaction. Any and all inspections should be completed during the inspection period as noted in Section 7, Paragraph D in RF401 Purchase and Sale Agreement.

### *Reporting Inspection Results to the Seller*

Once all inspections are completed the buyer has three (3) options in how they report the results to the seller:

1. They can provide a list of written specified objections and immediately **TERMINATE the Agreement. NOTE: DO NOT PROVIDE A FULL COPY OF THE REPORT!!! This is no longer a requirement. Agents SHOULD NOT automatically send the home inspection report with the list of repairs or termination notice. The Seller can request a copy (be careful as it can create an obligation on the part of the listing agent if adverse facts are revealed in this report.), but the buyer is not required to disclose it.**

2. They can **accept the property in its present “AS IS” condition** with any and all faults and no expressed warranties

OR

3. **Furnish the seller with a list of items they would like repaired and/or replaced** prior to closing.

### *Inspection Contingency Resolution Period*

If the buyer chooses #3, the parties enter the “resolution period” and the RF654 Repair/Replacement Proposal form should be used for negotiating the items the buyer wants repaired and/or replaced. This form is signed only by the party making the proposal and does not go to the lender unless the lender requests it.

Once the buyer and seller agree on what items will be repaired and/or replaced, then the final agreement will be submitted on Tennessee REALTORS® RF655 Repair/Replacement Amendment with both parties’ signatures. It then becomes an amendment to the Purchase and Sale Agreement and must be submitted to the lender.

**Remember to watch the performance dates associated with the resolution period.** If a written resolution cannot be reached within this time frame, the contract is terminated and the buyer is entitled to a full refund of their Trust Money/Earnest Money.

## **A Note About “As Is” Properties**

### *Buyers*

When purchasing properties offered “as is,” buyers are still entitled to make any and all desired inspections – they can and should do so!

- Buyers may still attempt to negotiate any needed repairs.
- Buyers may cancel the contract based on any items disapproved in the inspection report or any defects disclosed by the seller.
- Purchasing a property “as is” does not limit a buyer’s options under the RF401 Purchase and Sale Agreement although, in practice, an “as is” Seller will be less likely to complete or negotiate needed repairs.

### *Sellers*

- In practice, Sellers may offer a property “as is” because they don’t wish to make any repairs or because they are unaware of what problems may exist.
- Sellers offering a property “as is” are still required to fully disclose any property defects of which they have knowledge via the RF201 Tennessee Residential Property Condition Disclosure, unless exempt. It is especially important that Sellers answer honestly when a buyer inquires about a specific issue, i.e. plumbing or wiring.

**Offering a property “as is” does not obligate buyers to *accept* the property “as is” until they’ve completed all desired evaluations and inspections.** In the event a Seller offers a property “as is” and a Buyer agrees to waive their statutory right to a Tennessee Residential Property Condition Disclosure, an RF204 Tennessee Residential Property Condition Disclaimer form may be used. The ONLY time this form may be used is when the Buyer of property agrees to waive their statutory rights to a Residential Property Condition Disclosure.

## **Lender Requirements**

It is important to familiarize yourself with lender requirements in your area related to appraisals and inspections. Know what lenders expect to receive before they order the required items for the loan obligations.

- If a lender needs the appraisal and/or inspection report before ordering loan documents, the deadlines you fill in at the direction of the Buyer, included in the RF401 Purchase and Sale Agreement should allow for this to happen to avoid putting the buyer at risk for breach. The parties may also wish to include in the special stipulations that the appraisal and/or inspection report must be obtained on or before a specific date.
- Buyers should be advised to stay in regular contact with the Lender to ensure their obligations are fulfilled. Lenders should be made aware of the contractual deadlines for the loan obligation. Using the RF708 Timeline Compliance Checklist for Purchase and Sale Agreement is a tool you can utilize to make sure everyone involved in the transaction is aware of the deadlines contained in the contract between the Buyer and Seller.

---

---

---

---

---

---

---

---

## CLASS EXERCISE #2: Inspections and Repairs

*In the following examples, there are five scenarios related to property inspections and the inspection contingency contained in the RF401 Purchase and Sale Agreement. Read each one carefully and decide how you would handle the particular situation.*

### Scenario 1:

The buyer, John Taylor, is making an offer on the home owned by Betty Anderson, the seller. The offer is contingent on inspections. John is willing to pay for any and all inspections, which he expects to have completed within 10 days. If repairs are needed, John is willing to negotiate with the seller. How would you address this in the offer?

---

---

---

---

### Scenario 2:

Drew and Carolyn Carson, the buyers, completed their inspection on a home they are purchasing. They obtained an inspection report identifying needed replacement of the HVAC system, estimated at \$4,000. They want the seller to replace the system before they continue with the transaction. How would you proceed if you represent the buyers?

---

---

---

---

### Scenario 3:

You represent the seller, Tony Cleaver. The buyer requests repairs to the roof, estimated at \$3,000. The seller, Betsy Andrews, is willing to pay no more than \$500 towards the needed repairs. How would you proceed?

---

---

---

---

**Scenario 4:**

You represent the Buyers, Artie and Julie Brown, who want to submit an offer on a home built almost two years ago. They want to close quickly and an existing home warranty is transferrable. They opt not to perform any inspections but notice water damage on an upstairs ceiling and two cracked panes in the living room bay window during a walkthrough after the contract is accepted. What are the Buyer's options?

---

---

---

---

**Scenario 5:**

You represent the Buyer, Tom Gray, who is under contract on a home in an older section of town. During the home inspection, the home inspector discovered several hairline cracks in the exterior brick and also inside the home. The inspector recommended Tom call a licensed structural engineer to inspect the cracks to determine if there were any major structural issues with the home. The structural engineer cannot inspect the property for another 5 days due to his work schedule. The inspection period ends two days from now. How would you address this situation?

---

---

---

---

## UNIT 4 – SPECIAL STIPULATIONS

### Special Stipulations

- A real estate sales contract contains numerous stipulations and clauses that expand the agreement between the seller and the buyer into concerns that go beyond the financial negotiations and the various contingency agreements.
- In the RF401 Purchase and Sale Agreement many stipulations are addressed throughout the Agreement. However, there are usually “special stipulations” that either the buyer or seller would like to include in the Agreement not addressed in the “boilerplate” language of the Purchase and Sale Agreement.
- Some example of “special stipulations” range from making the contract contingent on the sale of a home to requiring the property be clean at the time of the final inspection (final walk-through.)
- Whatever the stipulation may be, it is important to keep the language simple and understandable. Remember that your Tennessee real estate license does not allow you to practice law and draft language that is not congruent with other parts of the contract or the integrity of the transaction.
- Be careful with the stipulation you insert and how it may impact the parties if they agree to it. Seek the advice of your principal broker or closing/title attorney for assistance in drafting the correct wording for the special stipulation(s) you would like to add to the agreement.

#### *Points to Remember*

- The preprinted portions of the RF401 Purchase and Sale Agreement have been approved by the Tennessee REALTORS® forms committee and Tennessee REALTORS® attorneys.
- Handwritten provisions prevail! **When you write something in the special stipulations section, it should be consistent with the rest of the RF401 Purchase and Sale Agreement.** Whenever possible, use the same verbiage included in the preprinted portion, referencing the specific line number(s), only changing what is absolutely necessary!
- Before writing something into the special stipulations section, you should **FIRST check to make sure the issue is not addressed by another Tennessee REALTORS® form.**
- **NEVER include phrases such as TBD, actual costs, negotiable, etc.** Always be as specific as possible, especially when it comes to dates, amounts and actions required of either party. If you do not, then the contract may not be enforceable.
- The **Special Stipulations Library (RF707)** exists to assist you in addressing items in this section.
- If you’re using the special stipulations section to write in a contingency, there is likely another more appropriate Tennessee REALTORS® form.
- The special stipulations section can be appropriately used to make simple changes to a preprinted item, such as a required deadline, if the line number is referenced and exact verbiage reprinted, with only the number of days changed.
- **The special stipulations section should NEVER be used to write a new contract.**
- If you do not have enough space in the special stipulations section use **Form RF621 – Blank Addendum.**





## CLASS EXERCISE #3 – Special Stipulations

*Class participants should divide into groups to address the following situations. In your groups, decide whether the item should be addressed in the special stipulations section and, if so, how. If the item should NOT be addressed in this section, identify how an alternative form or section of the Purchase and Sale Agreement (RF401) would address it. Choose a representative who should be prepared to share the group's answers with the entire class.*

1. The offer is contingent on the actual square footage of the property to be no less than 3,200 square feet.

---

---

---

2. The mirrors in the Master Bedroom bathroom are to remain with the property.

---

---

---

3. Seller to pay all of buyer's title expenses.

---

---

---

4. The offer is contingent on the sale of the buyer's current home in California.

---

---

---

5. The buyer wants the seller to ensure the property is "broom clean" and free of any trash/debris.

---

---

---

6. The buyer wants the seller to replace the damaged garage door.

---

---

---

7. The buyer wants to make sure the house has Radon levels within the acceptable EPA range.

---

---

---

8. The home is located behind another existing home and the driveway runs along the front neighbor's property (although it is part of the saleable property.) The buyer wants assurance their access won't be obstructed.

---

---

---

9. The buyer is obtaining an FHA loan to purchase the property.

---

---

---

10. The buyer wants to use the property for his dental office. The property is zoned residential, but other homes on the same street have been converted to commercial use. He wants to make the offer contingent on receiving approval from the city zoning board to use the house for his office.

---

---

---

11. The buyer wants the Dining Room curtains to stay with the property.

---

---

---

12. The buyer wants the seller to be responsible for any special assessments levied on the property before closing.

---

---

---

13. The property includes a large parcel of land and the buyer wants to make the offer contingent on a survey.

---

---

---



## UNIT 5 – PRE-PRINTED ITEMS IN THE PURCHASE AND SALE AGREEMENT

### Key Points for Pre-Printed Items in the Purchase and Sale Agreement

- The biggest lesson you can learn related to filling out contracts is one you learned a long time ago – color inside the lines! **Your goal is to fill in the existing picture, NOT draw a new one!**
- The preprinted portions of the Tennessee REALTORS® RF401 Purchase and Sale Agreement create obligations for the parties. To correctly explain them to clients and customers, you must understand them yourself! ALL preprinted items should be thoroughly explained to buyers and sellers, especially when the item requires action on their part.
- **Do NOT strike through ANY portion of preprinted language.** You should address any changes in the Special Stipulations section or another appropriate Tennessee REALTORS® form (i.e. the RF651 Counter Offer).
- Some fixtures are preprinted as included in the sale. If your seller does not wish to include them, you must note this specifically in writing – never assume anything. **Please note that items included in the Listing Agreement or MLS/MLS info sheet are NOT part of the binding agreement between the parties.**
- Pay special attention to notices required in the preprinted language and be sure to use the appropriate Notification form, if applicable.
- ALL preprinted items should be thoroughly explained to buyers and sellers, especially when the item requires action on their part.

### *Important Pre-Printed Components in the RF401 Purchase and Sale Agreement*

- |  |   |
|--|---|
| • Items included in the purchase               | • Handling of Earnest Money/Trust Money                       |
| • Items that REMAIN with the property          | • Closing Date/Possession, Prorations and Warranties Transfer |
| • Items that WILL NOT REMAIN with the property | • Title Conveyance  |
| • Financial Contingency and Appraisal          | • Inspection Contingency                                      |
| • Closing Expenses                             | • Legal terms and explanations                                |

## UNIT 6 – DISCLOSURES AND DISCLAIMERS

### Disclosing the Condition of the Property

When a homeowner elects to sell their home, under state law, they must disclose the condition of the property to any prospective buyer. Under the Tennessee Residential Property Condition Disclosure Act, the **Property Condition Disclosure** provides the buyer with information concerning the property and its condition, if known by the seller. If the seller wants to sell the property without any representations and warranties, they can complete a **Property Condition Disclaimer**.

Sellers must fill out the Tennessee Residential Property Condition Disclosure (RF201) form so it can be presented to buyers before they submit an offer. The buyer prior to reaching a binding agreement on the purchase of the property should carefully review any of these disclosures/disclaimers. The law states it must be submitted “prior to the acceptance of a real estate purchase contract” T.C.A. §66-5-203. The disclosure must include any defects known to the owner (see T.C.A. §66-5-202). It is in the seller’s best interests to disclose any adverse facts about the property – better to have it all out in the open beforehand and reduce their liability.

In addition, licensees are responsible for ensuring the buyer clearly understands these disclosure forms and be able to answer any questions the client may have concerning them. The licensee, however, should never complete any of these forms for their client. **It is imperative that only the seller FULLY COMPLETES any disclosure/disclaimer on the property condition. Additionally, the licensee should never advise what should be disclosed and what should not be disclosed. These are legal questions and answering them in the practice of law. If a seller has a question concerning what should be disclosed, he should speak with his/her own attorney.**

### Required Property Condition Disclosures and Disclaimers

There are three Tennessee REALTORS® forms that deal with the Tennessee Residential Property Disclosure Act. One of these three forms should be completed in every transaction involving residential property. ALL of these should be completed by the SELLER and disclosed to potential buyers.

#### Form RF 201 Tennessee Residential Property Condition Disclosure form

This form is the one most commonly used by licensees for their sellers to complete. This is the one that is given to the seller where he/she discloses information about the property.

***Note: Remember, if the seller or licensee is aware of any adverse fact concerning the property it must be disclosed even if an Exemption form is used.***

#### Form RF 204 Tennessee Residential Property Disclaimer form

The Disclaimer form is RF 204. This is the form that you use when the seller wants to sell the property “as is”. The seller is stating that he is not going to make repairs and is not disclosing anything. However, in these circumstances, the buyer **MUST** agree to this disclaimer. If not, then the Condition Disclosure form must be completed if the sale is to proceed.

If the buyer agrees to accept the Disclaimer, the seller is not obligated to present the disclosure statement (and the buyer does not have to sign it).

In certain situations (such as someone has a power of attorney for the seller), you can explain that the seller is not able to provide an adequate disclosure form (get the seller's permission or the person holding the power of attorney before stating this to the buyer). This may make them more agreeable to accept the Disclaimer, especially if they understand that they can make whatever inspections they wish and can terminate the contract if they are not happy with the outcome of the inspections.

### **Form RF 205 Additional Required Residential Disclosures**

Per T.C.A. § 66-5-212, all sellers are required to the presence of exterior injection wells, percolation test(s), foundation relocations, sinkholes, etc. This information can be found on RF201 and RF204. If a seller elects to complete RF203 (TN Residential Property Condition Exemption Notification) they will also need to complete an RF205. (This form was added in January 2018.)

### **Form RF203 Tennessee Residential Property Condition Exemption Notification**

For "exempt" properties, no form is *required*, but an agent should use the RF 203 so that their file has documentation in it clarifying that the seller is exempt. Be aware, however, that if the RF203 is completed and RF205 must accompany it.



**CLASS EXERCISE #4: Proper Disclosures**

*For the following items, identify which form(s) should be used to make the disclosure.*

Issue	Form
1. Lead-based paint was found and removed from the basement of the seller's home.	
2. The seller knows the roof has a minor leak.	
3. The buyer has agreed to waive their right to the seller's property disclosure	
4. The seller added a room to the rear of the house without a permit.	
5. The home has four bedrooms but the seller admits the septic permit only allows for three.	
6. During periods of heavy rain, the backyard tends to have a great deal of standing water.	
7. The home was previously treated for radon.	
8. The seller just replaced the refrigerator, which is included in the sale.	
9. The seller's home was previously treated twice for termite damage.	
10. A neighbor's fence encroaches two feet onto the left side of the seller's property but they have refused to move it.	
11. The buyer is considering waiving their right to an inspection.	
12. The seller's property contains an exterior injection well, which is in working order.	
13. During the contract period, the seller discovers a significant amount of water damage in the rear wall of an upstairs closet.	
14. The developer of a vacant lot of land now listed for sale has paid a \$400 impact fee to the city with the installation of utilities.	
15. The seller has never occupied the property.	
16. The seller's property contains a large storage shed they are planning on having moved to their new home.	

## UNIT 7 – COMPLETING THE OFFER

### Before You Write an Offer

The following are suggestions of items you and your client should have prior to writing an offer to purchase:

1. Agency determined, and proper paperwork completed - Tennessee REALTORS® form RF 302 - Confirmation of Agency Status disclosure form and possibly RF 301 - Working with a Real Estate Professional.
2. TN Residential Property Disclosure (RF 201), Disclaimer (RF 204), Exemption (RF 203) and/or Additional Required Residential Disclosures (RF205).
3. Lead Based Paint disclosure (RF 209), if applicable
4. Disclaimer Notice (RF 304)
5. Good Faith Estimate from buyers lender
6. Vendor lists (RF 711)
7. If any known percolation tests, soil absorption rates, or if property contains Exterior Injection Well, you may use Tennessee REALTORS® form (RF 205). You may also want to use RF 205 if the property is located in a PUD or if the seller has knowledge that a single-family residence on the property has been moved from one foundation to another.

### Two Very Important Rules Concerning Offers

#### 1. TREC Rule Concerning Offers

**TREC RULE 1260-02-.08 OFFERS TO PURCHASE.** A broker or affiliate broker promptly **shall tender every written offer to purchase or sell obtained on a property until a contract is signed by all parties.** Upon obtaining a proper acceptance of an offer to purchase, or any counteroffer, a broker or affiliate broker promptly shall **deliver true executed copies of same, signed by the seller, to both the purchaser and the seller.** Brokers and affiliate brokers shall make certain that all of the terms and conditions of the real estate transaction are included in the contract to purchase. **In the event an offer is rejected, the broker or affiliate broker shall request the seller to note the rejection on the offer and return the same to the offeror or the offeror's agent.**

*NOTE: The **NAR Code of Ethics and Standards of Practice** provides additional requirements for handling offers. Standard of Practice 1-7 requires that listing brokers “continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing”, but does not require them to continue to market the property after an offer has been accepted. Standards of Practice 1-8 concerns buyer's/tenant's agents and states that they are required to “submit to buyers/tenants all offers and counter offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing.”*

#### 2. Statute of Frauds

**Contracts for the sale of real estate must be in writing and signed by all parties to be enforceable** in the state of Tennessee. This is due to the “statute of frauds,” which in Tennessee holds that, **in order to be enforceable, the promise or agreement, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith.** Tennessee courts have generally held that an oral contract for the sale of real estate is not enforceable, even though the parties may have “partially” performed on the contract.

## CLASS EXERCISE #5 – Writing the Offer

*After reviewing the Tennessee REALTORS® RF401 Purchase and Sale Agreement, students will divide into groups. Using the following set of circumstances, each group will fill out the Purchase and Sale Agreement AND reference any other additional forms if needed. A representative from each group will be asked to present a portion of the offer as they would assist the buyer in filling it out.*

You have been showing property to Tom and Beverly Smith for almost three months. Today, they found their “dream” home and have decided to purchase Robert and Martha Jones’ 30 year old home at 3450 Golf Course Lane. The home is a four bedroom, two and one-half bath brick home in Elmwood, TN. It was built in 1968. They are willing to offer \$305,000 for the property, assuming they successfully close on their current home at 550 East River St. in Columbus, Ohio, upon which they have a contract scheduled to close in three weeks.

They would like to purchase the home using the VA entitlement that was earned by Mr. Smith while serving in the U.S. Army. They would like to put down as little as possible and prefer to have the current owner pay for all their costs from the lender.

They need a response by tomorrow afternoon, as they like another home that will meet their needs as well and want to make sure they are able to secure one of these two homes. Although, they aren’t particularly interested in the storage shed in the backyard, as well as the hot tub on the deck, they really do not want those items to stay with the property.

Additionally, the property has a septic system, an exterior 500 lb. propane gas tank and a shared driveway with the home next door.

The Smiths are unfamiliar with the typical arrangements that agents make for clients for appraisals, inspections, etc. and are leaving those things up to your judgment. However, they very much want to have possession at time of closing and would like to close in forty-five days.

The name of your company is Acme Realty. You suggest – and your client agrees – to offer 1% of the offered price as Trust Money, with your firm holding it in an escrow account.

# APPENDIX

## Tennessee REALTORS® Forms Resource Guide

<b>TAR FORM</b>	<b>PURPOSE</b>
<b>RF 302– Confirmation of Agency Status</b>	To confirm the required agency disclosures have been made – this is NOT the same as an agency agreement!
<b>RF303– Notification of Change in Status or Agency Relationship</b>	To confirm a change in agency status
<b>RF 143 &amp; RF144– Buyer Representation Agreement (Non-Exclusive)</b>	As a non-exclusive agency agreement for buyer agency
<b>RF141 &amp; RF142– Buyer Representation Agreement (Exclusive)</b>	As an exclusive agency agreement for buyer agency
<b>RF654– Repair/Replacement Proposal</b>	When the sale is contingent on the buyer completing inspections during the inspections period, this form is to be used as a worksheet to negotiate the repairs
<b>RF655– Repair/Replacement Amendment</b>	When the parties agree on repairs, those repairs are listed on this amendment.
<b>RF657– Closing Date/Possession Amendment</b>	To make a change to the closing date and/or possession date specified in the RF401
<b>RF651– Counter Offer</b>	To submit a Counter Offer – this form should ALWAYS be used instead of scratching out portions of the original offer!
<b>RF401 – Purchase and Sale Agreement</b>	As the standard offer to purchase for residential properties
<b>RF304– Disclaimer</b>	Notice by licensees to notify parties they are NOT experts on property condition/inspection issues
<b>RF209– Lead-Based Paint Disclosure</b>	To fulfill statutory requirements for lead-based paint disclosures
<b>RF201– Tennessee Residential Property Condition Disclosure</b>	By the seller to disclose material facts about a property
<b>RF202– Sellers’ Property Update</b>	To update the property condition disclosure

<b>RF305– Personal Interest Disclosure and Consent</b>	To verify disclosure and obtain written consent when the licensee has a present or contemplated personal interest in the property
<b>RF706– Interpleader</b>	When a Broker must interplead Trust Money dispute
<b>RF161– Agreement to Show Property</b>	To obtain a Seller's written consent to market and show their property
<b>RF656– Notification</b>	To adhere to requirements for notice for certain items within the RF401
<b>RF658– Authorized to Make Repairs</b>	When the buyer wants to obtain the seller's consent to have access to the property prior to closing for the purpose of completing repairs
<b>RF481– Trust Money Disbursement and Mutual Release of Purchase of PSA Release</b>	To establish how Trust Money will be dispersed
<b>RF707– Special Stipulations Language</b>	To provide examples of appropriate language to use in the Special Stipulations sections for common issues
<b>RF623– Sellers' Right to Continue to Market Property</b>	Enables seller to give Buyer XX hours to remove certain contingencies in the event an acceptable offer is received
<b>RF624– Sellers' Notice to Buyer of Receipt of Acceptable Offer</b>	Form to give notice of acceptable offer and removal (or non-removal) of contingencies
<b>RF711– Vendor List</b>	When the licensee recommends vendors such as inspectors, lenders, etc.
<b>RF660– Buyers Final Inspection</b>	To properly document Buyer's final inspection
<b>RF203– Tennessee Residential Property Condition Exemption Notification</b>	When a property or transaction is exempt from statutory disclosure requirements
<b>RF204– Tennessee Residential Property Condition Disclaimer</b>	When the Buyer waives their right to receive the Property Condition Disclosure form

<b>RF621– Blank Addendum</b>	Blank, as stated.
<b>RF625– FHA/VA Loan Addendum</b>	When the Buyer is getting a FHA or VA loan
<b>RF714– Water Supply and Waste Disposal Notification</b>	When a property is served by a well, septic or other water or waste system
<b>RF708– Timeline Compliance Checklist for P&amp;S Agreement</b>	As a worksheet to keep up with timelines and deadlines within the RF401
<b>RF208– Subsurface Sewage</b>	To request information from governmental agency charged with keeping septic records
<b>RF205– Additional Required Residential Disclosures</b>	When the property is served by an exterior injection well or when soil absorption rates or percolation tests have been performed. Also includes disclosure for PUD's, sinkholes, house moved from one foundation to another.
<b>RF101– Exclusive Right to Sell Listing Agreement (Designated Agency)</b>	As an Exclusive Right to Sell Listing Agreement for Designated Seller Agency
<b>RF102– Exclusive Right to Sell Listing Agreement (Seller Agency)</b>	As an Exclusive Right to Sell Listing Agreement for traditional Seller Agency