

Agreement Terms

COPY

AGREEMENT FOR SALE

This Agreement For Sale (this "Agreement") is entered into this ___ day of _____, 2015 by and between _____ and _____ ("Seller") _____ and _____, ("Buyer").

Recitals

Seller is the owner of that certain parcel of real property located at _____, _____, _____, in _____ County, The State of Arizona, which parcel is improved with a single-family residence. Buyer desires to purchase the parcel of real property from Seller upon the terms and conditions contained in this Agreement.

Agreement

Now, therefore, in consideration of the premises, the terms, conditions and covenants herein and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO SELL. Seller, upon satisfaction of the covenants and agreements of Buyer contained herein, agrees to sell and convey to Buyer, and Buyer agrees to purchase all that certain real property, together with all rights and appurtenances thereto, located in the County of _____, State of Arizona and more particularly described on Exhibit A attached hereto (the "Property").

2. PURCHASE PRICE. The purchase price to be paid for the Property shall be _____ Dollars (\$_____) and shall be payable as follows (the "Purchase Price"):

(a) Down Payment. The Down Payment total is \$_____. Buyer shall deposit with Seller _____ Dollars (\$_____), in cash, cashier's check or other immediately available funds. Down Payment is non-refundable.

(b) Balance of Purchase Price. The balance of the Purchase Price shall be payable, together with interest on the principal balance outstanding hereunder, from (and including) the date of execution of this Agreement, at a per annum rate equal to the Stated Interest Rate specified below or, to the extent applicable, the Default Interest Rate specified below in accordance with the following terms and conditions. If purchaser fails to pay the balance of purchase price within the specified time as outlined in this agreement then Sellers will at their discretion increase the outstanding amount due of this agreement \$_____, the interest rate will be increased and a new agreement will be completed with a period lasting no longer than One (1) year.

(i)The "Stated Interest Rate" shall mean the rate of interest from time to time in effect, calculated daily on the basis of actual days elapsed over a Three Hundred Sixty (360) day year, applied to the principal balance from time to time outstanding hereunder and shall be equal to Four and Nine Hundred Seventy Five Hundredths percent (4.975%) per annum for a period of Thirty Six (36) months from the date of execution of the Agreement. The Stated Interest Rate shall increase to Twelve percent (12.0%) per annum beginning on the Thirty Seventh (37th) month after the execution of this Agreement and continuing until the balance of the Purchase Price, together with all other amounts payable hereunder, is paid in full.

(ii) The "Default Interest Rate" shall mean the rate of interest equal to the Stated Interest Rate, from time to time in effect, plus five percentage points. The Default Interest Rate shall be in effect from the date of the occurrence of an Event of Default (hereafter defined) until the earlier of: (1) the date on which the principal balance outstanding hereunder, together with all pre-paid and accrued interest and other amounts payable hereunder, are paid in full; or (2) the date on which such Event of Default is timely cured in a manner satisfactory to Seller.

(iii) The balance of the Purchase Price shall be paid by Buyer in Thirty Six (36) equal installments consisting of (A) Accrued Interest or Pre-Paid Interest at the Stated Interest Rate or the Default Interest Rate, as the case may be, (B) property taxes, (C) hazard insurance and (D) home owner's association fees. Payment shall commence on _____, ____, 2015. All regular monthly payments, including the first monthly payment made at the time of possession by Buyer, are considered Pre-Paid Interest. Any amounts applied after the scheduled due date of the monthly payment are considered Accrued Interest. If the above date of this Agreement is not on the first day of the month interest for the month in which this Agreement is executed shall be prorated for the remainder of the month and Buyer shall pay the prorated amount upon possession of the property, with the first full monthly payment to be paid on the first day of the following month. The principal balance outstanding hereunder, together with all pre-paid and accrued interest and other amounts payable hereunder, if not sooner paid as provided herein, shall be due and payable on that date which is Three (3) years from the date of this Agreement.

(iv) All taxes, hazard insurance and mortgage insurance are included in the monthly installment payments. Buyer hereby agrees to pay any and all increases in property taxes, hazard insurance and mortgage insurance during the term of this Agreement, if any, which such increases shall be added to Buyer's monthly installment payment. If any claim is initiated under the hazard insurance policy, Buyer shall be responsible for the payment of the deductible. If Buyer fails to pay the deductible Seller shall have the right, but not the obligation, to pay the deductible on Buyer's behalf, in which event the amount of the deductible shall be, at Seller's election, payable upon demand and shall accrue interest at a rate of eighteen percent (18%) per annum from the date of Seller's expenditure, or added to the principal balance outstanding hereunder. Buyer further acknowledges that the policy does not cover personal articles or contents including but not limited to furniture, jewelry, automobiles or other household items. Buyer shall not

be permitted to replace or transfer the policy without the prior written consent of Seller, which may be withheld in Seller's sole and absolute discretion.

(v) If holder has not received the full amount of any payment due hereunder by the end of five (5) calendar days after the date it is due (the "Grace Period"), Buyer shall pay a late charge to Seller in the amount of fifteen percent (15%) of the overdue payment. Buyer agrees that such late charges are reasonable and necessary to defray administrative and other charges that will be incurred by Seller in the event of untimely payments by Buyer. Notwithstanding Seller's right to collect the late charge set forth in this Subparagraph (v) and Seller's right to assess the Default Interest Rate set forth in Subparagraph (ii), if Maker fails to make payment by the end of the Grace Period more than three times during the term of this Agreement, the Stated Interest Rate shall immediately increase by two percent (2%).

(vi) All payments to be made in connection with this Agreement shall be made to Seller or designated agent of Seller.

(c) Application of Payments. Payments received by Seller with respect to the indebtedness evidenced hereby shall be applied in such order and manner as Seller in its sole and absolute discretion may elect. Unless otherwise elected by Seller, all such payments shall first be applied to (a) Pre-Paid Interest, (b) Accrued Interest, and (c) Unpaid Interest at the Stated Interest Rate and, to the remainder to any Additional Sums (hereafter defined) or other costs or added charges provided for in this Agreement.

(d) Prepayment. Payments of principal hereof may be made at any time, or from time to time, in part provided that all previously matured interest and other charges accrued to the date of prepayment are also paid in full. Notwithstanding any partial prepayment of principal hereof, there will be no change in the due date or amount of scheduled payments due hereunder unless Seller, in its sole and absolute discretion, agrees in writing to such change. At the option of Seller, partial prepayment shall be applied in the inverse order of maturity.

3. ADDITIONAL SUMS. All fees, charges, goods, things in action or any other sums or things of value, other than the interest resulting from the Stated Interest Rate and the Default Interest Rate, as applicable, paid or payable by Buyer (collectively, the "Additional Sums"), pursuant to this Agreement or otherwise the respect to this transaction, that, under the laws of the State of Arizona, may be deemed to be interest with respect to this transaction, for the purpose of any laws of the State of Arizona that may limit the maximum amount of interest to be charged with respect to this transaction, shall be payable by Buyer as, and shall be deemed to be, additional interest, and for such purposes only the agreed upon and contracted for rate of interest for this transaction shall be deemed to be increased by the rate of interest resulting from the Additional Sums. Buyer understands and believes that this transaction complies with the usury laws of the State of Arizona; however, if any interest or other charges in connection with this transaction are ever determined to exceed the maximum amount permitted by law, Buyer agrees that: (i) the amount of interest or charges payable pursuant to this transaction shall

be reduced to the maximum amount permitted by law; and (ii) any excess amount previously collected from Seller in connection with this Agreement that exceeded the maximum amount permitted by law, will be credited against the principal balance then outstanding hereunder. If the outstanding principal balance hereunder has been paid in full, the excess amount paid will be refunded to Buyer.

4. **DELIVERY OF DEED.** Buyer hereby acknowledges that title to the Property shall remain vested in Seller until the Purchase Price, together with all pre-paid and accrued interest and other amounts payable hereunder, are paid in full. Upon Seller's receipt of the full Purchase Price, together with all pre-paid and accrued interest and other amounts payable hereunder, Seller shall deliver to Buyer (i) the Warranty Deed and (ii) a standard owner's policy of title insurance by a title insurance company authorized to do business in the State of Arizona insuring title to the Property in the amount of Purchase Price. Any and all title fees, escrow fees, title insurance fees and closing costs shall be paid by buyer.

5. **REPAIRS AND MAINTENANCE.** Buyer shall from and after the date of this Agreement, at Buyer's sole cost and expense, repair, replace and maintain the Property in good condition and repair including, without limitation, the utility meters, pipes and conduits, all fixtures, air conditioning and heating equipment serving the Property, floor coverings, and other items contained on or at the Property. At all times during the term of this Agreement, Buyer shall not suffer or permit any waste of the Property and shall maintain the Property in a clean, orderly, neat and attractive condition.

6. **LIENS.** Buyer shall pay or cause to be paid all costs for work performed by Buyer or caused to be done by Buyer on the Property and Buyer shall keep the Property free and clear of all mechanics liens and materialmen's liens and other liens on account of work performed or materials supplied to Buyer.

7. **INDEMNIFICATION.** To the fullest extent permitted by law, Buyer shall, at Buyer's sole cost and expense, indemnify, defend (with legal counsel of Seller's choice), and hold harmless Seller, its members, and their respective partners, officers, directors, agents and employees for, from and against any and all claims, liabilities, damages, losses, causes of action, and/or obligations or expenses (including reasonable attorneys' fees) incurred as a result of, or arising in connection with: (i) any personal injury, bodily injury or property damage whatsoever occurring in or at the Property; (ii) any alteration, activities, work or things done, omitted, permitted or allowed by Buyer in or at the Property, including, but not limited to, a violation or failure to comply with, or the alleged violation of or alleged failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders, or judgments in existence from the date of this agreement or enacted, promulgated or issued after the date of this Agreement; (iii) any liens or encumbrances arising out of any work performed or materials furnished by or for Buyer; and (iv) any suit or action by any third party to recover damages because of the condition of or any activity on or relating to the Property.

8. INSPECTION/PAYMENTS BY SELLER. Seller and its members, agents and employees shall have the right, but not the obligation, to enter the Property at all reasonable times to inspect the Property and/or to conduct investigations and tests; provided Seller provides Buyer with at least twenty-four (24) hours prior notice, except in the case of an emergency. Seller has the right to enter the property, providing adequate notice to Buyer, for the sole purpose of allowing an independent appraiser to evaluate the value and condition of the property. If Buyer shall fail to make any payments to third parties in connection with the maintenance, repair or daily operation of the property or fail to take any action required hereunder or as a result of any governmental order, investigation or proceeding. Seller shall have the right, but not the obligation, to take the required action, remedy the violation and/or make the required payments on Buyer's behalf. All costs incurred by Seller in accordance with the Paragraph 8 shall be payable by Buyer to Seller upon Seller's demand and shall accrue interest at a rate of eighteen percent (18%) per annum from the date of Seller's expenditure. Seller's actions or payments in accordance with Paragraph 8 shall not constitute a waiver of the performance by Buyer or any obligation under this Agreement and shall not limit Seller's right to pursue any other remedies set forth herein.

9. ASSIGNMENT. Buyer may not assign its rights in or to the Property or enter into any rental/lease agreement with a third party without the prior written consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. No assignment or rental/lease agreement shall be valid and effective until the delivery to Seller of written notice of such assignment or rental/lease agreement together with an executed copy of the documents pursuant to which such assignee or lessee assumes all of Buyer's covenants under this Agreement and agrees to be bound by all of the terms, conditions and provisions of the Agreement. No assignment or rental/lease agreement shall release Buyer from any continuing obligations and liabilities under this Agreement. Any assignment or rental/lease agreement entered into by Buyer without the prior written consent of Seller shall be null and void.

10. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder, and upon such Event of Default, Seller shall have the right to pursue any and all remedies set forth in Paragraph 11 below, together with all other remedies available in law or equity:

- (a) Nonpayment of principal, interest or other amounts when the same shall become due and payable hereunder;
- (b) The failure of Buyer to comply with any provision of this Agreement;
- (c) The death, incapacity, dissolution, winding up or termination of existence of Buyer;
- (d) The calling of a meeting of the creditors of Buyer;
- (e) The making by Buyer of an assignment for the benefit of its creditors;

(f) The appointment of (or application for appointment of) a receiver for Buyer or the involuntary filing against or involuntary filing by Buyer of a petition or application for relief under federal bankruptcy law or any similar state or federal law, or the issuance of any writ of garnishment, execution or attachment for service with respect to Buyer or any property of Buyer;

(g) The occurrence of any material adverse change in the condition (financial or otherwise) of Buyer;

(h) Buyer transfers or attempts to transfer any right or obligation under this Agreement without Seller's prior written consent; or Seller shall in good faith deem or believe that the prospect for payment or performance by buyer hereunder is impaired.

(i) Buyer abandons, vacates or leaves the property in an unoccupied condition, Seller shall at their discretion, take immediate possession and consider Buyer has relinquished all rights to the property contained in this agreement. A fee equal to one percent of the total monthly payment amount will be charged daily if the house is vacated.

(j) Buyer notifies Seller, in writing as outlined in Paragraph 14, to terminate this agreement, in its entirety, prior to the regularly scheduled course of its closure. Seller will assess a Contract Termination Fee as outlined in Paragraph 11, of this agreement.

11. SELLER'S REMEDIES. To the extent permitted by law, Buyer hereby waives all notice and/or time period requirements set forth in the State of Arizona revised Statutes, Section 33-741 through 33-748, as amended, or any successor legislation. Upon the occurrence of an Event of Default, Seller, in Seller's sole and absolute discretion, may elect either of the following remedies, together with all other remedies available in law or equity:

(a) Acceleration. Seller may declare the entire principal balance outstanding hereunder, together with all pre-paid and accrued interest and other amounts payable hereunder, immediately due and payable.

(b) Forfeiture. Seller may terminate this Agreement by providing a written notice of termination (the "Notice of Termination") to Buyer in which event all rights and interest created or then existing in favor of Buyer as to the Property or to payments previously made hereunder shall be forfeited to Seller and Buyer's right to the possession of the Property, and all other rights acquired by Buyer hereunder, shall automatically revert to and revest in Seller. In the event Seller terminates this Agreement in accordance with this Paragraph 11, Seller shall be entitled to immediate possession of the Property and Buyer shall be obligated to remove any and all personal property from the Property within fifteen (15) days following Buyer's receipt of the Notice of Termination. Buyer shall, at Buyer's sole expense, immediately repair any damage to the Property as a result of the removal of any fixtures, or other personal property from the Property. Buyer shall forfeit all rights to any and all personal property or fixtures remaining on the Property

after such fifteen (15) day period. Buyer hereby acknowledges that Seller's right to terminate this Agreement and take possession of the Property in accordance with this Paragraph 11 shall be absolute and governed solely by the provisions contained herein and that Buyer has waived any and all statutory or other requirements regarding notice or judicial forfeiture, as may be set forth in Arizona Revised Statutes, Section 33-741 through 33-748 or elsewhere.

(c) Contract Termination Fee. Seller will assess a Contract Termination Fee equal to 1% of the outstanding balance owed or \$3,000.00 whichever is greater. No part of the Down Payment can be applied towards this fee.

12. BROKERS. Buyer and Seller each warrant and represent to the other that no real estate sales or brokerage commissions or like commissions are or may be due in connection with this transaction as a result of the act of the parties so warranting. Buyer and Seller each agree to indemnify, defend and hold harmless the other Party for, from and against any claims by third parties made by or through the acts of such party, for real estate or brokerage commissions, or finder's fee, in connection with the transaction provided for herein, and all costs and expenses incurred by the indemnitee in connection therewith including, but not limited to, reasonable attorneys' fees.

13. AS IS. Neither Seller nor any agent, employee or representative thereof has made any representations or warranties whatsoever concerning the condition of the Property (including but not limited to, the buildings, structures or components thereof, the heating, ventilation or air conditioning or irrigation systems electrical and plumbing, and any other equipment or improvements situated on or constituting apart of the Property) nor its fitness for a particular use or purpose, and SELLER HAS EXPRESSLY DISCLAIMED AND MADE NO WARRANTIES AS TO MERCHANTABILITY OF THE PROPERTY OR ITS FITNESS FOR ANY PARTICULAR USE, IT BEING BUYER'S INTENTION TO PURCHASE AND ACQUIRE AND TAKE POSSESSION OF THE PROPERTY FROM SELLER IN ITS "AS IS" AND "WHERE IS" CONDITION AND WITH ANY AND ALL DEFECTS AND DEFICIENCIES.

14. NOTICES. All notices, requests, demands and other communications required or permitted by this Agreement, unless otherwise specified herein, shall be properly addressed as follows:

If to Seller:

(Or other address as notified.)

If to Buyer:

Any such notices shall be either (i) sent by certified U.S. mail, return receipt requested, postage prepaid, in which case notice shall be deemed delivered on the first day the delivery was attempted as shown on the return receipt, (ii) sent (In time for next business date delivery) by use of a nationally-recognized overnight courier, in which case notice shall be deemed delivered on business day after deposit with such courier, (iii) personally delivered, in which case notice shall be deemed delivered on the same day such notice is so delivered, or (iv) by facsimile, in which case notice shall be deemed delivered at the time and on the date of the facsimile, provided that under any of the foregoing methods of delivery, if the time of delivery is after 5:00 p.m. local time at the location of the addressee of the notice, delivery shall be deemed given on the next business day. The above addresses and facsimile numbers may be changed by written notice to the other party; provided, however, that no notice of a change of address or facsimile number shall be effective until delivery of such notice.

15. **TIME OF ESSENCE.** Time is of the essence with respect to the performance of all terms, covenants, conditions and provisions of this Agreement.

16. **WAIVERS.** Seller may extend the time for payment of any amounts owed under this Agreement or release any party from liability hereunder, and any such extension, release or other indulgence shall not alter or diminish the liability of Buyer or any other person or entity who is or may become liable under this Agreement, except to the extent expressly set forth in a writing evidencing or constituting such extension, release or other indulgence. Notwithstanding any extension, release or other indulgence by Seller under this Agreement, time shall remain of the essence and Seller shall not be obligated to reinstate the "time of Essence" provision contained herein.

17. **RISK OF LOSS AND DAMAGE; NO OFFSETS.** Upon execution of this Agreement, the risk of loss or damage to the Property and all liability to third persons shall be borne by Buyer. Buyer hereby agrees that should the Property suffer any loss, damage or injury, Buyer shall remain obligated under the terms of this Agreement. In no event shall Buyer be entitled to offset any amounts owed under this Agreement for any loss or damage to the Property or for any other reason whatsoever, without the prior written consent of Seller.

18. **CONDEMNATION.** If after the date of execution of this Agreement, any portion of the Property shall be condemned or taken by eminent domain or conveyed in lieu thereof or any proceedings with respect to the foregoing shall be commenced (of which Seller has knowledge), Seller shall give Buyer written notice of same; however, Buyer shall have no right to terminate this Agreement on Account of Such condemnation. Buyer's sole right shall be to proceed with the purchase of the Property in which event any condemnation proceeds actually received by Seller in connection with such condemnation shall be applied against the unpaid principal balance of the Purchase Price, with any proceeds in excess of the full amount owed under this Agreement to be

delivered to Buyer. If Buyer has paid the entire principal balance of the Purchase Price, together with all pre-paid and accrued interest and other amounts payable hereunder, and Seller has not yet received any condemnation proceeds, Seller shall assign to Buyer all of Seller's right, title and interest in and to all condemnation proceeds in connection with the Property.

19. **SEVERABILITY.** The invalidity or unenforceability of any covenant, term or condition of this Agreement or any portion of any covenant, term or condition of this Agreement shall not affect any other covenant, term or condition or portion hereof and this Agreement shall remain in effect as if such invalid or unenforceable covenant, term or condition were not contained herein. Without limiting the foregoing, if all or any portion of Buyer's waiver of the notice and time period requirements set forth in the State of Arizona Revised Statutes, Section 33-741 through 33-748, shall be held invalid or unenforceable, such a finding shall have no effect on any other covenant, term, condition, portion of this Agreement or other portions of Arizona Revised Statutes, Section 33-741 through 33-748 which Buyer has waived hereunder.

20. **OPPORTUNITY FOR REVIEW AND CONSULTATION.** Buyer and Seller hereby agree that each party and/or its counsel have negotiated, reviewed and revised this Agreement or have had an opportunity to do so and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments, exhibits, or addenda hereto.

21. **TIME PERIODS.** In the event the time for performance of any obligation hereunder expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next day, which is not a Saturday, Sunday or legal holiday.

22. **MODIFICATION OF AGREEMENT.** No modification of this Agreement shall be deemed effective unless in writing and signed by the parties hereto.

23. **FURTHER INSTRUMENTS.** Each party, promptly upon the request of the other shall execute and have acknowledged and delivered to the other, as may be appropriate, any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions hereof.

24. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties with regards to the purchase, sale and payment terms for the Property. This Agreement supersedes any and all negotiations, promises, covenants, agreements, communications, correspondence, understandings, or agreement between the parties, whether oral or written (the "Prior Communications"), and no party may rely or shall be deemed to have relied upon any Prior Communications.

25. **INUREMENT.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns, if any.

26. **APPLICABLE LAW.** This Agreement, and all questions and disputes arising in connection with it, shall be governed by and construed in accordance with the laws of the State of Arizona.

27. **INTERPRETATION.** In this Agreement, the neuter gender includes the feminine and masculine, and the singular number includes the plural, and the words "person" and "party" include corporations, partnerships, individuals, firms, trusts, or associations wherever the context so requires.

28. **EXHIBITS.** All exhibits attached hereto and referred to in this Agreement are incorporate herein by this reference and are part of this Agreement.

29. **COUNTERPARTS.** This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

30. **RECORDATION.** Buyer shall not record this Agreement or any memorandum of this Agreement. If Buyer records this Agreement or a memorandum of this Agreement without Seller's prior written consent, such event shall constitute an Event of Default and Seller may pursue all remedies set forth in Paragraph 11 above.

31. **ATTORNEYS' FEES.** If either party hereto breaches any provisions of this Agreement, the breaching party shall pay to the nonbreaching party all attorneys' fees and other costs and expenses incurred by the nonbreaching party in enforcing the Agreement or preparing for legal or other proceedings regardless of whether suit is instituted. If it becomes necessary for either party to employ legal counsel or to bring an action at law or other proceeding to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its costs and expenses incurred in such action from the other party, including, without limitation, expert witness fees and costs, consultant fees and costs, reasonable attorneys' fees and costs, set by the Court and not a jury, at both trial and appellate levels, and if any judgment is obtained by the prevailing party, all such costs, expenses and fees shall be included in the judgment.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS THEREOF, the parties hereto have executed this agreement as of the date and year first set forth above.

PROPERTY ADDRESS

SELLER:

BUYER:

by:

by:

by:

by:

EXHIBIT A

PROPERTY

PROPERTY ADDRESS

INITIAL MONTHLY PAYMENT AMOUNTS

(A) Pre-Paid Interest \$
(B) Property Taxes \$
(C) Hazard Insurance \$

Total \$