



**MAKING THE OFFER:
NEGOTIATING AND SALES
SPECIALTY LAB**

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The great aim of education is not knowledge but action.

Herbert spencer



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“Education is the most powerful weapon which you can use to change the world.”

Nelson Mandela



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THE 6-STEP SALES PROCESS THAT WORKS!

Selling is really a process, not an action. Trouble comes when we start to see selling as purely transactional. This works okay in some situations like the supermarket for example but in other situations like real estate and financial services, not so well.

Today's clients are less likely to respond to traditional sales closing tactics than ever before. They have more access to information and are more informed due to the internet. This has changed how they come to decisions on buying and selling. They feel empowered by the ability to do their own research and thus want to make their own decisions. They want to be decided rather than be sold. Your challenge is to help them to make that decision.

The art of influence is not just in the words you use, it's not just in the tonality of your voice, it's not just in the things that you choose to show them, it's about whether you present all this

The art of influence is not just in the words you use ... it's about whether you present all this in the way that they want to see it.

in the way that they want to see it. A sales pitch that totally convinces one person might not work at all on someone else, because they're two different people. The art and skill of communication lies in the ability to find out what's important to each particular person, and then give him the information that he desires. However, you actually have to observe, and focus on the person to do this – you can't just go through the motions.

By taking a consultative approach, you provide your prospects with educational content that aids them in making buying decisions. Through this process you earn their trust and establish authority which helps you secure the sale. By engaging key prospects with compelling information that meets a need, you as the consultative sales professional, are a step ahead of the competition. The 6-step approach that follows will guide you on your journey to learn the process and become a consultative sales professional.



THE 6-STEP SALES PROCESS THAT WORKS!

1 - Establish Rapport

The first step in the process is to establish rapport. Let's face it, mostly people choose to do business with those people whom they like. Without rapport it's harder to accomplish everything. Most people aim to build rapport by uncovering common experiences or finding common ground. This is fine if you have unlimited time to build rapport, or if you have a guarantee of further meetings, but it's not so useful in a business context where your time may be limited. In the business world there is rarely time for idle chit-chat.

Mirroring and matching can be very powerful and effective techniques for quickly establishing rapport with any client. If done subtly, it is almost a fail-safe way of building rapport in just a few minutes.

Mirroring and Matching

Mirroring and matching are techniques widely used in Neuro-Linguistic Programming - NLP. Mirroring and matching is an interpersonal communication model created by Richard Bandler and John Grinder in the 1970s. The idea is that people feel most comfortable around those who are like them. When they are comfortable they are more likely to feel that their point of view is understood. The more someone believes you are like them, the easier it is to develop trust and rapport at the unconscious level.

Mirroring refers to the simultaneous 'copying' of the behavior of another person, as if reflecting their movements back to them. When done with respect and discretion, mirroring creates a positive feeling and responsiveness in you and others.

Matching, on the other hand, can have a built-in 'time lag'. For example, if a seated client uncrosses his legs and leans slightly inward while speaking, you should wait for a few seconds and then discretely adopt the same posture.

The key to gaining instant rapport with another individual is to make ourselves like them. The most prudent method of establishing rapport quickly is to mirror and match the most unconscious elements of a person's behavior during communication,



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such as physiology and tonality. Together, these two elements comprise an estimated 93% of our communication. Paying attention to just these two elements can make you most like the other person without their being aware that this is occurring – that's the key to success.

Don't Mimic... It's a Gimmick: Mirroring and matching can be very powerful and effective techniques for quickly establishing rapport with a client. However, use common sense and discretion. Don't outright mimic a person's every move. This can be viewed as disingenuous and be counterproductive. If your client becomes aware that you're actively using specific techniques to create rapport with them, there's a good chance that their state of trust and receptivity will be irrevocably eroded.

Be mindful not to mirror and match negative body language, disabilities or illnesses. This can be as equally counterproductive as mimicking.

2 - Ask Questions & Listen

Communication skills are one of the defining attribute of a top sales person. The ability to question effectively and actively listen are two parts to having great communication skills.

Questions

You'll be asking questions throughout the interview so that you can discover what your client values, and what their decision-making process is. Trying to uncover their objections so that you've answered them effectively before you come to the point of closing the deal. These questions will help your client feel that they were heard, and they will help you know whether the person is actually a real candidate for your product.

Open-ended questions often start with words such as what, tell me about, share with me, and how. Open-ended questions should bring about descriptive answers from your prospect not a 'yes/no' answer. Yes or no answers, or short non-expressive answers are the result of a Close-ended question which customarily begin with is, are, can, may, do, will, etc. Open-ended or Close-ended question are neither good nor bad;



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they each have their purpose. These two types of questions can be broken into four categories. Complete communication occurs when we use all four types of questions.

Open-Ended Questions

Broad Scoped Open-Ended Questions- These are exactly what the name elicits, broad and open. Broad in the sense that they are not meant for finding specifics, and open in that they begin with an open-starter like, what, tell me about, and share with me.

Example: Tell me about your property?

What are the general stats – bedrooms, baths, sq. ft. etc?

Share with me about the neighborhood. What do you know about it?

Broad scoped open-ended questions are usually non-intrusive and help you develop background information about your prospect; however, they have other uses. This type of question is also great for seeing the futuristic views of your clients or prospects. Remember, you are not asking for a whole lot of specifics at this point. You are attempting to create general dialogue with facts. This is first date material. Stick to the general stuff.

Narrow Scoped Open-Ended Questions – These are questions designed to create meaningful specific answers. In other words, they are intended to delve deep into an idea. Narrow scoped open-ended questions can be thought of as true probing questions. They begin with words like what, how, tell me about, share your ideas. These questions are usually asked as follow up questions to broad scoped open-ended questions mentioned above.

Example: If you were going to move into this property, what improvements would you make first?

When attempting to fact-find, you must never limit yourself to a yes or no answer.

Spend the majority of your time asking narrow scoped open-ended questions. Avoid questions that have yes/no answers. Keep your questions open-ended to give

your customers more opportunity to talk. Remember, people like to talk about



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themselves and their situations. When attempting to fact-find, you must never limit yourself to a yes or no answer.

Closed-Ended Questions

Alternative Choice Close-Ended Questions – These are questions that limit your chance of receiving a 'No' response. You are asking someone to pick between two choices. The best times to use these questions are, setting appointments, asking for an order, pin pointing needs, and clarifying understanding. These questions begin with what is called 'close-end starters'. Words like is, are, can, may, could, would, should, do, and does.

Example: Can we speak again Monday at 3pm or Tuesday at 11am?

Remember in world of psychology, giving people a choice between something and nothing will almost always result in a choice of nothing. To avoid this you must always give two choices. Be wary of offering too many choices,

because you can cause confusion in the mind of the buyer. Usually two or three choices are sufficient. Anything more than three will be over doing it. (This is the basis of the 3-tiered offer we will learn about later.)

Remember in world of psychology, giving people a choice between something and nothing will almost always result in a choice of nothing.

Single Outcome Close-Ended questions – These type of questions are overused and used in the wrong place more often than any other question. Too many sales people start conversations out with these questions. Just as the name states, the single outcome closed-ended question creates only one possible outcome. They begin with a close-end starter such as like is, are, can, may, could, would, should, do, and does.

Example: If I offer you \$35,245 for the property do we have a deal?

The benefit to using single outcome closed-end questions is they are direct and when you are looking for a yes or no response you will get it. These questions are best



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used after rapport is built with a client and when you know confidently that a 'No' answer will not harm your opportunity. They should be used the same way a doctor would use them, to diagnose a problem.

Single outcome closed-end questions also have 'closing the sale' benefits. Trial closing is a process that helps you find out where a person is in the commitment to buy. The goal of the questions is to receive a 'Yes' commitment and to move forward in the sale. The easiest way to formulate a trail close question is an 'If/Then' scenario. "If we can do this for you, then you'll do this for us?"

How well you question is one of the determining factors in your success in sales. Remember to keep your questions open-end to engage the client in conversation. The time to use close-end questions is when rapport has been built and you are diagnosing a situation.

Listening

You can use questions to continue to build rapport and receive information but you must be listening carefully so that you learn about your prospect's problems and concerns. Most people are too focused on themselves to truly listen to their client. We tend to worry about our adequacy to close the deal, we think about what we are going to say next and worry over having just the right words to say.

To become a true consultative sales professional you must move beyond superficial listening. Learn to focus your attention on your client. You must become fully aware of the other person. Lean forward. Engage in prolonged eye contact. Listen to not only the words they say but also listen to how they say them and what they do not say.

There is significant value in developing your listening skills and using them to establish trust and build rapport with your clients (and also with your friends, family,

and colleagues). Human beings have an innate desire to be appreciated, validated, and understood. When people talk about themselves and someone listens with intent, it

Deep listening isn't a skill we're born with – it can be learned – but it does require practice, discipline, and intent.



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makes them feel important and connects them to you. Deep listening isn't a skill we're born with – it can be learned – but it does require practice, discipline, and intent.

3 - Establish Value & Need

Through your questions make sure you have taken the opportunity to establish what your client's needs are. Until you know their need you will not know if your services will be valued by the client. This is sometimes called the clients "pain point." Regardless of what you call it, take the time to find it out so you can adequately develop your sales strategy. Without an established need you are just taking a shot in the dark.

If you realize that you can't add enough value to this deal for it to be worthwhile to your client, that's okay. Let them know how you feel and end the conversation. You never want to go into a deal so hungry that you need to get it at any cost. If you can't add enough value to make it worthwhile for the prospect then you're better off walking away. If you do make a deal under those circumstances neither of you will be happy with the outcome.

4 - Propose A Solution

Now comes the time to meet your client's need. If you have followed the process you should now be ready to propose your tailored solution succinctly and clearly to the client. Your prospect should be nodding agreement at this point and demonstrating that they can see the value you are offering to them specifically. As you outline your solution the prospect should feel confident that it will solve their specific problem, not just be some "magic bullet" line you learned at the last real estate training you attended.

Crafting your tailored made solution will take some time. Do not try to do this on the spot with a client. Make sure you set a future appointment to offer them your solution. Craft your solution carefully and practice your delivery. (We will cover this more later)



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5 - Closing the Deal

Eighty percent of sales are lost because a salesperson fails to close. Closing is about advancing the sales. You must ultimately ask for the order and no sales conversation should ever end without an agreement to some next step. Do not be satisfied with “we’ll get back to you”. There is no agreement in that! Think of something you could say in response to such a remark in order to advance the sale.

In large part, closing is about discovering obstacles. Have you heard these before: “I’ll need to think about it.”, “It’s too expensive.”, “Let me run it buy some other people.” “Sounds good but I’ve already...(fill in the blank.)” What could you say to overcome these objections?

(More about closing the deal later in the training.)

6 - Follow-up

Good follow up will double your closing ratio. When you make contact with a prospect a relationship is built, and follow up is how it is nurtured. Staying at the forefront of a prospect’s mind requires persistence and should not be confused with



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being bothersome. This is why it's important to get agreement on some next step each time there is contact. Follow up therefore should never end. The pace may slow but it will never end. When a sale is made, then a new type of follow up begins.

When you close a deal with a client it might seem like you've accomplished your goal but in reality the customer relationship has only begun. The follow-up is an important part of assuring customer satisfaction, retaining customers, and prospecting for new customers. This might mean sending a thank you note, calling the customer to make sure a product was received in satisfactory condition, or checking in to make sure a service is meeting the customer's expectations. Big corporations do this in many ways: the follow-up email you get from Netflix every time you return a movie by mail or its Amazon's invitation to "rate your transaction" after you receive your Amazon order.

Follow-up can take many forms but the bottom line is, **YOU HAVE TO DO IT!** Good follow-up helps ensure additional sales, customer referrals, and positive review. It can actually leads you back to the first step in the selling process because it provides the opportunity to learn about new needs for this customer or new customers through referrals.

What are some things you can do to follow-up with your clients?



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YOUR POSITIONING STATEMENT

A positioning statement is a concise description of your target market (Think “Avatar” from Lee Arnold System of Real Estate Investing Marketing Training.) as well as a compelling picture of how you want that market to perceive your company. It may read like something from your promotional materials but your positioning statement is more of an internal tool. Every product and marketing decision you make regarding your company should align with and support your positioning statement. It will serve as a guidepost for your marketing efforts and help you maintain focus.

A Good Positioning Statement

While your positioning statement will be unique to your business, all good positioning statements have some basic criteria in common. Here are some guidelines for you to follow as you craft your positioning statement.

1. Keep it simple, memorable, and tailored to the target market.
2. Make sure it provides an unmistakable and easily understood picture of your business that differentiates it from your competitors.
3. Make sure it is credible, and that you can deliver on its promises.
4. Make sure you can “own” this particular position in the market place.
5. Use it to evaluate all your marketing decisions.
6. Leave room for growth.

Crafting Your Positioning Statement

As you prepare to write your positioning statement, answer the following preliminary questions:

Describe your company – What do you do? _____



YOUR POSITIONING STATEMENT

Target your clients - Who are your target customers? (Think Avatar) _____

Target your client's needs. - How do you help them? What needs do you meet?

Business value of solving your client's need. – What rational or emotional benefits do your clients receive when you meet their needs?



YOUR POSITIONING STATEMENT

Your product offerings. - What product or services are you offering? _____

Proof of concept. - What proof can you offer that you can do what you say you can do?

USP - What makes you unique? (Think of your Unique Selling Proposition.) _____

What are some things that evoke emotion and/or conviction in your clients? _____



YOUR POSITIONING STATEMENT

Based on the work you did above, write your value positioning statement below. Here are two general templates you can use to write your statement:

- For [target customer], the [your company] is the [how you benefit customers] among all [the segment of the market you compete in] because [proof you can deliver].
- For [target customer] who [statement of the need or opportunity], the [product name] is a [product category] that [how you benefit customers]. Unlike [primary competitive alternative], our product [USP].

As you write your statement make sure you avoid these all too common phrases:

- Unique
- Efficient, effective solutions
- Unique blend of people, processes and technology
- Enabling peak performance
- World-class
- Client focused
- Robust
- Cutting edge
- True partners
- Today's challenging economic conditions
- Our people are the best / our years of experience

Trial Statement #1:



YOUR POSITIONING STATEMENT

Trial Statement #2:

Your positioning statement is not a script that you use every time someone asks, “What do you do?” You must internalize it and make it natural. Remember, it is more you’re your internal use to keep you on track and help you make decisions.

The work you did here is the foundation and you must constantly test and refine it. Review it regularly and make adjustments when needed. You will find that you change it often at first but as time goes by you will settle into your positioning statement and alterations will take place much less often.



YOUR POSITIONING STATEMENT

SALES POSTURING

Sales Posturing is the ability to differentiate one's self from the competition by asking questions, developing a better relationship, demonstrating expertise, being a problem solver, caring, and gaining trust. It includes how you carry yourself, your frame of mind, attitude and disposition.

We communicate our Sales posture by the messages we send through our body language, our tonality, and our words. How we mix these three elements can vary greatly and create particular attitudes that are palpable to our clients or could repel our clients.

In sales interactions there are basically three postures that we may use. Superior, Equal, or Inferior. Let's look deeper into these three postures.

3 Types of Sales Postures

Superior

In this style, the salesperson takes the position of being superior to the prospect. The manner in which they communicate would suggest they are better than the prospect and are talking down to them. The superior posture is overly "I" centered and typically sends the message of aggressiveness. Superior posture has a low tolerance for anyone else's opinion. Often times, they speak with a loud and overbearing in tone.

Equal

The posture of equality is the most desirable posture for a salesperson. This style communicates confidence to the prospect. The equal posture requires the sales person to adopt an attitude of equal business stature with the prospect. The equal posture creates a respectful, yet highly assertive environment where the salesperson is in control of the selling process. The equal posture speaks clearly with

The posture of equality most often leads to a win-win scenario and is the intended outcome.



SALES POSTURING

authority, and places a high priority on having his rights respected. All issues are addressed with confidence, including those that may be difficult and uncomfortable for the prospect. The posture of equality most often leads to a win-win scenario and is the intended outcome.

Inferior

Unfortunately, this is where too many salespeople communicate. In this posture, the seller will quickly acquiesce control of the sales dialogue to the prospect. They send the message that the prospect has the power and the salesperson is honored to be in their presence. Inferior posturing too easily provides the prospect a way out without addressing the difficult questions. The inferior salesperson allows themselves to be manipulated in order to avoid conflict. They take a literal interpretation of "the customer is always right."

Activity

Think back through the last several encounters you have had with other people. This may be a business relationship or a personal relationship. Think about the posture you displayed in those relationships. While we will often jump back and forth between the 3 types of postures listed above, we tend to have a default mode we go to. Try to identify what your default posture has been.

My default posture has been: _____

What are some reasons this has been your default posture? _____

What posture would you prefer to operate in to conduct business? _____

Why? _____



SALES POSTURING

Sales Posturing Components

Vocabulary

The way you talk about your product is your customer's introduction to its value. If you want to succeed, you need to paint the right picture for your prospects. Don't lose a deal based on miss-chosen words or sloppy interactions. There are five words that can help you articulate yourself like the sales champion you are:

Benefits (not Specifications)

Explain exactly how your service will benefit a customer by focusing on the big picture. Rather than listing features of your product, extrapolate on what these features will accomplish and how they will help the prospect.

Write a benefit you provide to your clients. _____

Value (not Price)

Price should never be a valid objection to any sale. Your job as a professional is to demonstrate the value your product has. Show how it far outweighs the price. Your conversations should be value centric. It's easier and more effective to convince the customer of your value early on, because it will take price completely out of the picture.

What value do you bring to your clients? _____



SALES POSTURING

You (not I)

The product is for them, not you. If you want to delight your customer, focus on them. Instead of talking about yourself, talk to them about how they'll save time and energy with the investment in your product. Make sure it's clear, it's understandable, and it demonstrates value. Talking about yourself in the first person only convolutes the benefits to them. Make it all about the customer.

Write a "you" statement that highlights how your customer can save with you?

Process (not Specifications)

In sales, you've got to target the context in which your product is going to be used. Your conversations with clients should focus highly on when and how your product is going to be used, not simply the explicit functions. Dig down into the process that your prospect would be using your tools and speak to it.

Specify when and how your client can engage with you. _____

Objectives (Theirs, not Yours)

It is always important to determine your customer's objectives. If you can help them tackle their business goals, your value increases exponentially.

What might be some of your client's objectives? _____



SALES POSTURING

What other words are important to your sales vocabulary? _____

Eye Contact

When you have something important to say, make sure you give the person to whom you are talking the eye contact they expect and deserve. Eye contact conveys trust and sincerity. It also helps you stay engaged with the customer and listen more intently on what they are saying. Here are 3 tips to help you accentuate your business through eye contact.

Be Natural - If you try, you can think back to a time when you had an in-person conversation with someone who made you uncomfortable. It might have been something as simple as a gaze that was too intense, or perhaps they were standing too close to you. More than likely, you wanted to get out of that conversation as quickly as possible, and had no desire to engage in conversation with them again. Focus on your client but make sure they are comfortable. Be natural.

Don't Stare - Remember, eye contact is a natural occurrence between two people who are engaged in conversation. Making eye contact does not mean staring at the other person. It is natural to make eye contact sporadically, as opposed to looking into your prospect's eyes throughout the entire encounter.

Remember to Smile - Unless it's a serious or dramatic part of your conversation, you should smile while making eye contact. A natural smile will help you to keep your eye contact authentic and appropriate. Do not underestimate the power of this simple tool to set the tone of your conversation even through a phone call – make sure your smile!



SALES POSTURING

Voice/Tone

Most of us take our voice for granted. We seldom contemplate the effect it has on other people. At some point, however, you must come to realize that your voice is a tool that can help or hurt your business. When it comes to your voice there are several key factors that contribute to your success. Here are four for you to consider

Tone – Your tone of voice speaks volumes about you. Through your tone you can express confidence, strength, assurance and success. Your tone can also express fear, boredom, and immaturity. Take a few moments and think about your typical voice tone.

What is your usual voice tone? _____

What voice tone do you want to express in your business? _____

Inflection – The inflection of your voice can change the meaning of your sentence. Think about the points you want to emphasize when you speak. Make sure your inflection highlights those points correctly.

Do you typically use inflection in your voice? _____

When do you find yourself using voice inflection the most? _____

Sound – Take some time to listen to your own voice. Record yourself and listen to what you sound like. Do you like what you hear? If not, you can change your sound but you must be intentional in this, it does not happen by accident. If you are serious speak to a voice coach or take voice lessons to change your sound.

Energy – This is similar to tone but different. The energy in your voice can create a presence that is felt. Ask yourself if your energy when you speak makes others want to be in the room with you or not? Choose the right energy for the moment and wow your clients.

What kind of energy do you exhibit when you speak with clients? _____

SALES POSTURING

Pacing and Leading

In today's challenging sales environment, the sales leader will be the one who takes the time to understand the customer's buying process. One of the keys to being successful in sales is to match sales speed with the customer's buying needs.

Pacing and leading is a strategy that deals with enhancing persuasion and influencing behavior in ourselves and others. It is used in many situations. When marketing, pacing and leading are used in copywriting to influence your reader or listener and making them feel as if you are speaking directly to them. How? By using what we know to be true about the target market, tying it to emotions, and leading them to a logical conclusion. You are doing this, and this, and this, and that can make you feel (feel, think, or do) this, this, and this.

In normal conversations you will typically use leading language to influence someone's decision, but if you add pacing statements you will start to see better results. You simply state what is true about the current situation, or what you believe to be true about what they are experiencing, and then you use it to lead them to a conclusion which influences a decision.

You simply state what is true about the current situation, or what you believe to be true about what they are experiencing, and then you use it to lead them to a conclusion which influences a decision.

As with all things valuable, **the key to learning pacing and leading is practice. No matter who you are trying to persuade, the pattern is simple: state what is happening now in their verifiable or assumed experience, then tie in how the solution or answer helps them think, feel, or do much easier, better, or more.** Just remember, in order to make it work, you have to know where you want to lead them first.

CONTRACT WRITING

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Buying Property with a 3-Tier Offer

In an offer to purchase real estate, you include not only the price you are willing to pay, but other details of the purchase as well. This includes how you intend to finance the home, your down payment, who pays what closing costs, what inspections are performed, timetables, whether personal property is included in the purchase, terms of cancellation, any repairs you want performed, which professional services will be used, when you get physical possession of the property, and how to settle disputes should they occur.

Before you actually write the offer you need work on anchoring the selling price where you need it to be. Subconsciously anchor the price with the seller by talking about your research in the neighborhood and what houses are worth. Ask them what the assessed value is. This is almost always lower. Finally ask "If I pay you all cash and I pay you quickly what the least you can





CONTRACT WRITING

accept?” Follow up with “Is that the best you can do?”

There are other questions to ask as well prior to writing your offer. Ask if it is listed. (You should know the answer to this before you ask this.) Always ask for a referral. Do you have any other properties to sell?

Ask the seller what their needs are. Do you need a large amount of cash or would you benefit more from monthly payments. As a landlord they are used to receiving monthly checks and may prefer this if they know that it is an option.

Remind them that if they take a large lump sum they will pay a large capital gains tax on the deal but that you could structure the deal that includes some owner financing that would provide some money down with monthly payments. They will still pay capital gains but they will reduce their tax exposure. Let them know that you will include some options in your offer.

As you construct your offer include the following 3 parts to the offer:

1. Low-Ball Cash Offer
2. A Small Down Payment with a Seller Carried Second
3. 100% Seller Financing

Low-Ball Cash Offer

This offer will be all cash. It will be the lowest of the 3 offers. If done correctly, this amount will offend the seller. That is ok. Remember there are two other offers to come. This offer is admittedly a low-ball offer that sets the subsequent two offers up as being better ones and more worthy of consideration.

A Small Down Payment w/ a Seller Carry

This offer mixes some cash with the rest being a seller carry. Because you will include terms that are advantages to you are able to offer more than cash alone. This offer should be constructed to appeal to the seller who expressed a need for some cash up front but does not need all the cash at once.

All Seller Financing

This option requires the least out of pocket from the investor. This, coupled with advantages terms will allow you to make the highest offer through this option. This is the ultimate win – win option. The investor controls a new property with no money out of pocket, the seller gets his/her house sold and is able to maintain a monthly income.

REAL ESTATE PURCHASE AND SALE AGREEMENT

PARTIES: _____, as "Seller"
_____. Whose mailing address on the property profile is
_____.

_____ as "Buyer", Phone: _____,
hereby agree that the Seller shall sell and Buyer shall buy the

I. DESCRIPTION: _____

a) Legal description of real estate ("Property") located in _____

Known as: _____

b) Street address, if any, of the Property being conveyed is: _____

c) Personal property including all buildings and improvements on the property and all right, title and interest of Seller in and to adjacent streets, roads, alleys and rights-of-way, and:

II. PURCHASE PRICE **See Addendum #1**

PAYMENT:

a) Cash Deposit(s) to be held in escrow the amount of \$500 to be deposited within 3 days of settlement.

b) Subject to assumption of Mortgage in favor of _____ N/A _____
bearing interest at _____ N/A _____% per annum and payable as to principal and interest
\$ _____ N/A _____ per month, having an approximate present principal
balance of \$ _____ N/A _____

c) Purchase money mortgage and note bearing interest at _____ N/A _____% on terms set forth herein below, in the principal amount of \$ _____ N/A _____

d) Balance to close, (U.S. Cash, certified or cashier's check) subject to adjustments and perorations \$See Addendum #1

TOTAL \$ **See Addendum #1**

II. FINANCING: If the purchase price or any part thereof is to be financed by a third party loan, this Contract for Sale and Purchase ("Contract"), is conditioned upon the Buyer obtaining a firm commitment for said loan within any time before the scheduled closing.

Buyers Initials _____ Date _____ Sellers Initials _____ Date _____ 029 | Page

IV. TITLE EVIDENCE: Within five 5 days from the date of Contract, Seller shall, at his expense, deliver to Buyer or his attorney, in accordance with Paragraph XI, a commitment for title insurance with fee owner's title policy premium to be paid by Seller at closing.

V. TIME FOR ACCEPTANCE AND EFFECTIVE DATE: If this offer is not executed by both of the parties hereto on or before 5:00pm EST, _____, the aforesaid deposit(s) shall be, at the option of the Buyer, returned to him and this offer shall thereafter be null and void. The date of Contract ("Effective Date") shall be the date when the last one of the Seller and Buyer has signed this offer.

VI. CLOSING DATE: This transaction shall be closed and the deed and other closing papers delivered on the chosen day of the month subject to addendum 1.

VII. RESTRICTIONS, EASEMENTS, LIMITATIONS: The Buyer shall take title subject only to:
- Title insurance provided by the seller at closing.

VIII. OCCUPANCY: Seller represents that there are tenants currently occupying the property.

Buyer will take property AS IS,

IX. ASSIGNABILITY: Buyer may assign this Contract at any time, prior to settlement.

X. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted herein or attached hereto as Addenda shall control all printed provisions in conflict therewith as long as they have been initialed and dated by both parties, prior to settlement.

XI. EVIDENCE OF TITLE: Within five (5) days from the date hereof, Seller, at Seller's sole cost and expense, shall cause a title insurance company mutually acceptable to the Parties ("Title Company") to issue and deliver to Buyer an ALTA Form B title commitment ("Title Commitment") accompanied by one copy of all documents affecting the Property, and which constitute exceptions to the Title Commitment. Buyer shall give Seller written notice on or before twenty (20) days from the date of receipt of the Title Commitment, if the condition of title as set forth in such Title Commitment and survey is not satisfactory in Buyer's sole discretion. In the event that the condition of title is not acceptable, Buyer shall state which exceptions to the Title Commitment are unacceptable. Seller shall, at its sole cost and expense promptly undertake and use its best efforts to eliminate or modify all unacceptable matters to the reasonable satisfaction of Buyer. In the event Seller is unable with the exercise of due diligence to satisfy said objections within thirty (30) days after said notice, Buyer may, at its option: (i) extend the time period for Seller to satisfy said objections, (ii) accept title subject to the objections raised by Buyer, without an adjustment in the purchase price, in which event said objections shall be deemed to be waived for all purposes, or (iii) rescind this Agreement, whereupon the deposit described herein shall be returned to Buyer and this Agreement shall be of no further force and effect.

XII. EXISTING MORTGAGES TO BE ASSUMED: None, property is owned by seller, free and clear.

Buyers Initials _____ Date _____

Sellers Initials _____ Date _____

XIII. PURCHASE MONEY MORTGAGES: **See Addendum #1**

XIV. CURRENT SURVEY: Prior to Closing, buyer may, at his or her sole expense purchase and require a property inspection by a licensed property inspection company.

XV. TERMITES: N/A

XVI. INGRESS AND EGRESS: Seller warrants that there is ingress and egress to the Property sufficient for the intended use as described in Paragraph VII hereof the title to which is in accordance with Paragraph XI above.

XVII. Leases: N/A

XVIII. LIENS: To be verified by title insurance company.

XIX. PLACE OF CLOSING: **TBD**

XX. TIME: Offer Valid Until 5:00pm EST, _____

XXI. DOCUMENTS FOR CLOSING: To be drawn by closing agent.

XXII. EXPENSES: Buyer will be responsible for buyer's side expenses and seller will be responsible for customary seller side closing expenses expect as stated on purchase option.

XXIII. PRORATION OF TAXES: Taxes for the year of the closing shall be prorated to the date of closing. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate of the preceding year applied to the latest assessed valuation. Subsequent to the closing, when the tax rate is fixed for the year in which the closing occurs, Seller and Buyer agree to adjust the proration's of taxes and, if necessary, to refund or pay, as the case may be, an amount necessary to effect such adjustments. This provision shall survive closing.

XXIV. PERSONAL PROPERTY INSPECTION, REPAIR: Seller warrants that all major appliances, heating, cooling, electrical, plumbing systems, and machinery are in working condition as of six (6) days prior to closing. Buyer may, at his expense, have inspections made of said items by licensed persons dealing in the repair and maintenance thereof, and shall report in writing to Seller such items as found not in working condition prior to taking of possession thereof, or six (6) days prior to closing, whichever is first. Unless Buyer reports failures within said period, he shall be deemed to have waived Seller's warranty as to failures not reported. Valid reported failures shall be corrected at Seller's cost with funds therefore escrowed at closing. Seller agrees to provide access for inspection upon reasonable notice.

XXV. RISK OF LOSS: If the improvements are damaged by fire or other casualty prior to closing, and the costs of restoring same does not exceed 3% of the assessed valuation of the improvements so damaged, cost of restoration shall be an obligation of the Seller and closing

Buyers Initials _____ Date _____

Sellers Initials _____ Date _____

shall proceed pursuant to the terms of Contract with costs therefor escrowed at closing. In the event the cost of repair or restoration exceeds 3% of the assessed valuation of the improvements so damaged, Buyer shall have the option of either taking the Property as is, together with either the said 3% or any insurance proceeds payable by virtue of such loss or damage, or of canceling the Contract and receiving return of deposit(s) made hereunder.

XXVI. MAINTENANCE: Notwithstanding the provisions of Paragraph XXIV, between Effective Date and Closing Date, all personal property on the premises and real property, including lawn, shrubbery and pool, if any, shall be maintained by Seller in the condition they existed as of Effective Date, ordinary wear and tear excepted, and Buyer or Buyer's designee will be permitted access for inspection prior to closing in order to confirm compliance with this standard.

XXVII. PROCEEDS OF SALE AND CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds and evidence of title continued at Buyer's expense, to show title in Buyer, without any encumbrances or change which would render Seller's title unmarketable from the date of the last evidence, and the cash proceeds of sale shall be held in escrow by Seller's attorney or by such other escrow agent as may be mutually agreed upon for a period of not longer than five (5) days from and after closing date. If Seller's title is rendered unmarketable, Buyer shall within said five (5) day period, notify Seller in writing of the defect and Seller shall have thirty (30) days from date of receipt of such notification to cure said defect. In the event Seller fails to timely cure said defect, all monies paid hereunder shall, upon written demand therefor and within five (5) days thereafter, be returned to Buyer and, simultaneously with such repayment, Buyer shall vacate the Property and convey same to the Seller by special warranty deed. In the event Buyer fails to make timely demand for refund, he shall take title as is, waiving all rights against Seller as to such intervening defect except as may be available to Buyer by virtue of warranties, if any, contained in deed.

XXVIII. ESCROW: Any escrow agent receiving funds is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with terms and conditions of Contract. Failure of clearance of funds shall not excuse performance by the Buyer.

XXIX. ATTORNEY FEES AND COSTS: In connection with any litigation including appellate proceedings arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

XXX. (a) DEFAULT BY SELLER: In the event that Seller should fail to consummate the transaction contemplated herein for any reason, except Buyer's default; (i) Buyer may enforce specific performance of this Agreement in a court of competent jurisdiction and in such action shall have the right to recover damages suffered by Buyer by reason of the delay in the acquisition of the Property, or (ii) may bring suit for damages for breach of this Agreement, in which event, the deposit made hereunder shall be forthwith returned to Buyer, or (iii) declare a default, demand and receive the return of the deposit. All rights, powers, options or remedies afforded to Buyer either hereunder or by law shall be cumulative and not alternative and the

Buyers Initials _____ Date _____

Sellers Initials _____ Date _____

exercise of one right, power, option or remedy shall not bar other rights, powers, options or remedies allowed herein or by law.

XXX. (b) DEFAULT BY BUYER: In the event Buyer should fail to consummate the transaction contemplated herein for any reason, except default by Seller or the failure of Seller to satisfy any of the conditions to Buyer's obligations, as set forth herein, Seller shall be entitled to retain the earnest money deposit, such sum being agreed upon as liquidated damages for the failure of Buyer to perform the duties and obligations imposed upon it by the terms and provisions of this Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages, and no other damages, rights or remedies shall in any case be collectible, enforceable or available to Seller other than as provided in this Section, and Seller agrees to accept and take said deposit as Seller's total damages and relief hereunder in such event.

XXXI. MEMORANDUM OF CONTRACT RECORDABLE, PERSONS BOUND AND NOTICE: Upon the expiration of the inspection period described in paragraph XXXVI, if Buyer has elected to proceed with purchase of the property, the parties shall cause to be recorded, at Buyer's option and expense, in the public records of the county in which the property is located, an executed Memorandum of Contract as attached hereto. This Contract shall bind and inure to the benefit of the Parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for either party shall be as effective as if given by or to said party.

XXXII. PRORATIONS AND INSURANCE: Taxes, assessments, rent, interest, insurance and other expenses and revenue of the Property shall be prorated as of date of closing. Buyer shall have the option of taking over any existing policies of insurance on the Property, if assumable, in which event premiums shall be prorated. The cash at closing shall be increased or decreased as may be required by said proration's. All references in Contract to prorations as of date of closing will be deemed "date of occupancy" if occupancy occurs prior to closing, unless otherwise provided for herein.

XXXIII. CONVEYANCE: Seller shall convey title to the Property by statutory warranty deed subject only to matters contained in Paragraph VII hereof and those otherwise accepted by Buyer. Personal property shall, at the request of Buyer, be conveyed by an absolute bill of sale with warranty of title, subject to such liens as may be otherwise provided for herein.

XXXIV. UTILITIES: Seller shall, at no expense to Seller, actively work with Buyer to assist Buyer in obtaining electricity, water, sewage, storm drainage, and other utility services for development of the Property.

XXXV. ENGINEERING PLANS AND STUDIES: Upon the execution hereof, Seller shall furnish to Buyer all engineering plans, drawings, surveys, artist's renderings and economic and financial studies which Seller has, if any, relating to the Property, and all such information may be used by Buyer in such manner as it desires; provided that in the event Buyer fails to purchase the Property for any reason other than Seller's default, all such information shall be returned to Seller together with any information that Purchaser may have compiled with respect to the Property.

Buyers Initials _____ Date _____ Sellers Initials _____ Date _____

XXXVI. INSPECTION OF PROPERTY: Inspection by Licensed property inspection at any time prior to settlement with 48 hour notice to seller and sellers tenants.

XXXVII. PENDING LITIGATION: Seller warrants and represents that there are no legal actions, suits or other legal or administrative proceedings, including cases, pending or threatened or similar proceedings affecting the Property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated which might or does affect the conveyance contemplated hereunder.

XXXVIII. SURVIVAL OF REPRESENTATIONS AND WARRANTIES: The representations and warranties set forth in this Contract shall be continuing and shall be true and correct on and as of the closing date with the same force and effect as if made at that time, and all of such representations and warranties shall survive the closing and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any party hereto.

XXXIX. ACQUIRING APPROVALS: Subject to partner inspection and approval within 3 days of settlement.

XL. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon any of the Parties hereto unless incorporated in this Contract. No modification or change in this Contract shall be valid or binding upon the Parties unless in writing, executed by the Parties to be bound thereby.

XLI. SPECIAL CLAUSES: **See Addendum #1**

=====

Executed by Seller(s) on: _____

Signature of Seller

Name of Seller (Printed)

Signature of Seller

Name of Seller (Printed)

Executed by Buyer(s) on: _____

Signature of Buyer

Name of Buyer (Printed)

Signature of Buyer

Name of Buyer (Printed)

Buyers Initials _____ Date _____

Sellers Initials _____ Date _____

Addendum to Contract #1

1. Buyer to purchase property located at: _____,
under one of the following three options:

Option #1: Buyer to pay all cash and close within 14 days of acceptance at any time before the expiration of the contract _____.

Purchase price to be: _____

Option #2: Purchase price to be: _____.

Buyer to pay \$_____ Down, Seller to Carry 1st mortgage in the amount of \$_____, at _____% interest only, with monthly payments of \$_____ per month and a ___ year balloon of _____ payments of _____ = _____.
Total revenue after 5 years of payments \$_____.

Option #3: Purchase price to be \$_____

Buyer to pay 0% down. Seller to Carry 1st mortgage in the amount of \$_____ at _____% interest only, with monthly payments of \$_____ per month and a _____ year balloon of \$_____. 60 payments of \$_____ = \$_____.
Total revenue after 5 years of \$_____.

Seller(s) Printed name

Date

Seller(s) Signature

Buyer Printed name

Date

Buyer Signature

Buyers Initials _____ Date _____

Sellers Initials _____ Date _____



CONTRACT WRITING

Selling a Property

When you go to sell a property you will want to use a different purchase and sales agreement than when you buy a property. Below is a list of items to consider for your contract to sell the property.

Describe the house. Be thorough. List the residential street address of the property you want to buy. Include identifying information, such as "a one-story single family home".

It is important to correctly list the parties involved to avoid confusion or allow one party to escape from the contract. List the seller and buyer by full name and address, as well as any business affiliation. Include the names of all parties involved, including partners of the buyer

List a specific amount of money. Whether this is the same as the listed purchase price or different, put the offer in writing. Specify how long this offer is valid. For example, say you are offering \$200,000 for a period of 48 hours or 5 business days.

Provide earnest money. This is also considered a deposit. The buyer will need to write a check to prove this is a serious attempt to buy this house. Establish who will hold the earnest money. Usually, this money goes into escrow, which means an agent who will oversee the closing will hold the deposit.

Suggest a closing date. Any contract to buy a house should indicate when the buyer would like to close (or finalize) the sale.

Establish the financing deals. A serious buyer will have financing in place. Include information on the lender or mortgage company. Most buyers will want to include a contingency that will release them from the contract if they are unable to secure the home loan. Sometimes, people are pre-approved for a mortgage and then the financing falls through before the closing date.



CONTRACT WRITING

Write out what each party is expected to pay. For example, the seller will help with X amount of closing costs.

Smart buyers will want a statement that the sale is contingent upon a home inspection. This will release them from the contract if an inspection reveals serious problems with the structure of the home that the seller is unwilling to repair or reimburse.

Use a damage clause to explain who is responsible for paying for any damage to the house while it is under contract.

Add a statement of default to protect each party if the other backs out. For example, if the buyer backs out of the contract, the seller keeps the earnest money.

List any other stipulations or inclusions you want to cover in your contract. Some people list the appliances that are staying, such as washer and dryer, refrigerator, etc. Some buyers will want to include a contingency that they sell their own home before closing on this new house, if they need the proceeds of that sale to qualify for a mortgage or pay for the new house.

REAL ESTATE PURCHASE AND SALE AGREEMENT

PARTIES: _____, as "Seller"
_____, Phone: _____ and
_____ as "Buyer", Phone: _____, hereby agree
that the Seller shall sell and Buyer shall buy the

I. DESCRIPTION: _____
a) Legal description of real estate ("Property") located in _____, State of
_____.

b) Street address, if any, of the Property being conveyed is:

c) Personal property including all buildings and improvements on the property and all right,
title and interest of Seller in and to adjacent streets, roads, alleys and rights-of-way, and:

II. PURCHASE PRICE **See Addendum #1**

PAYMENT:

a) Cash Deposit(s) to be held in escrow by _____ of _____ in
the amount \$ _____ to be deposited within 3 days of settlement.

b) Subject to assumption of Mortgage in favor of _____
bearing interest at _____% per annum and payable as to principal and interest
\$ _____ per month, having an approximate present principal balance of
\$ _____

c) Purchase money mortgage and note bearing interest at _____% on terms set
forth herein below, in the principal amount of \$ _____

d) Balance to close, (U.S. Cash, certified or cashier's check) subject to adjustments and
prorations \$See Addendum #1

TOTAL \$See Addendum #1

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

III. FINANCING: If the purchase price or any part thereof is to be financed by a third party loan, this Contract for Sale and Purchase ("Contract"), is conditioned upon the Buyer obtaining a firm commitment for said loan within any time before the scheduled closing.

IV. TITLE EVIDENCE: Within five 5 days from the date of Contract, Seller shall, at his expense, deliver to Buyer or his attorney, in accordance with Paragraph XI, a commitment for title insurance with fee owner's title policy premium to be paid by Seller at closing.

V. TIME FOR ACCEPTANCE AND EFFECTIVE DATE: If this offer is not executed by both of the parties hereto on or before _____, the aforesaid deposit(s) shall be, at the option of the Buyer, returned to him and this offer shall thereafter be null and void. The date of Contract ("Effective Date") shall be the date when the last one of the Seller and Buyer has signed this offer.

VI. CLOSING DATE: This transaction shall be closed and the deed and other closing papers delivered on the chosen day of any month between now and _____

VII. RESTRICTIONS, EASEMENTS, LIMITATIONS: The Buyer shall take title subject only to:

Title insurance provided by the seller at closing.

VIII. OCCUPANCY: Seller represents that there are tenants currently occupying the property.

Buyer will take property AS IS, and work with existing tenants to allow them to stay.

IX. ASSIGNABILITY: Buyer may assign this Contract at any time, prior to settlement.

X. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted herein or attached hereto as Addenda shall control all printed provisions in conflict therewith as long as they have been initialed and dated by both parties, prior to settlement.

XI. EVIDENCE OF TITLE: Within five (5) days from the date hereof, Seller, at Seller's sole cost and expense, shall cause a title insurance company mutually acceptable to the Parties ("Title Company") to issue and deliver to Buyer an ALTA Form B title commitment ("Title Commitment") accompanied by one copy of all documents affecting the Property, and which constitute exceptions to the Title Commitment. Buyer shall give Seller written notice on or before twenty (20) days from the date of receipt of the Title Commitment, if the condition of title as set forth in such Title Commitment and survey is not satisfactory in Buyer's sole discretion. In the event that the condition of title is not acceptable, Buyer shall state which exceptions to the Title Commitment are unacceptable. Seller shall, at its sole cost and expense promptly undertake and use its best efforts to eliminate or modify all unacceptable matters to the reasonable satisfaction of Buyer. In the event Seller is unable with the exercise of due diligence to satisfy said objections within thirty (30) days after said notice, Buyer may, at its option: (i) extend the time period for Seller to satisfy said objections, (ii) accept title subject to the objections raised by Buyer, without an adjustment in

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

the purchase price, in which event said objections shall be deemed to be waived for all purposes, or (iii) rescind this Agreement, whereupon the deposit described herein shall be returned to Buyer and this Agreement shall be of no further force and effect.

XII. EXISTING MORTGAGES TO BE ASSUMED: _____

XIII. PURCHASE MONEY MORTGAGES: See Addendum #1

XIV. CURRENT SURVEY: Prior to Closing, buyer may, at his or her sole expense purchase and require a property inspection by a licensed property inspection company.

XV. TERMITES: _____

XVI. INGRESS AND EGRESS: Seller warrants that there is ingress and egress to the Property sufficient for the intended use as described in Paragraph VII hereof the title to which is in accordance with Paragraph XI above.

XVII. LEASES: Buyer understands that there are tenants currently occupying the property and seller does not have, nor will furnish lease agreements signed by the current occupants. Buyer, will, at their sole expense, work with the tenant after closing to obtain written and signed lease agreements, allowing current occupant to stay indefinitely.

XVIII. LIENS: To be verified by title insurance company.

XIX. PLACE OF CLOSING:

Phone: _____ **Fax:** _____

XX. TIME: Offer Valid Until _____

XXI. DOCUMENTS FOR CLOSING: To be drawn by closing agent.

XXII. EXPENSES: Buyer will be responsible for buyer's side expenses and seller will be responsible for customary seller side closing expenses.

XXIII. PRORATION OF TAXES: Taxes for the year of the closing shall be prorated to the date of closing. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate of the preceding year applied to the latest assessed valuation. Subsequent to the closing, when the tax rate is fixed for the year in which the closing occurs, Seller and Buyer agree to adjust the prorations of taxes and, if

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

necessary, to refund or pay, as the case may be, an amount necessary to effect such adjustments. This provision shall survive closing.

XXIV. PERSONAL PROPERTY INSPECTION, REPAIR: Seller warrants that all major appliances, heating, cooling, electrical, plumbing systems, and machinery are in working condition as of six (6) days prior to closing. Buyer may, at his expense, have inspections made of said items by licensed persons dealing in the repair and maintenance thereof, and shall report in writing to Seller such items as found not in working condition prior to taking of possession thereof, or six (6) days prior to closing, whichever is first. Unless Buyer reports failures within said period, he shall be deemed to have waived Seller's warranty as to failures not reported. Valid reported failures shall be corrected at Seller's cost with funds therefore escrowed at closing. Seller agrees to provide access for inspection upon reasonable notice.

XXV. RISK OF LOSS: If the improvements are damaged by fire or other casualty prior to closing, and the costs of restoring same does not exceed 3% of the assessed valuation of the improvements so damaged, cost of restoration shall be an obligation of the Seller and closing shall proceed pursuant to the terms of Contract with costs therefor escrowed at closing. In the event the cost of repair or restoration exceeds 3% of the assessed valuation of the improvements so damaged, Buyer shall have the option of either taking the Property as is, together with either the said 3% or any insurance proceeds payable by virtue of such loss or damage, or of canceling the Contract and receiving return of deposit(s) made hereunder.

XXVI. MAINTENANCE: Notwithstanding the provisions of Paragraph XXIV, between Effective Date and Closing Date, all personal property on the premises and real property, including lawn, shrubbery and pool, if any, shall be maintained by Seller in the condition they existed as of Effective Date, ordinary wear and tear excepted, and Buyer or Buyer's designee will be permitted access for inspection prior to closing in order to confirm compliance with this standard.

XXVII. PROCEEDS OF SALE AND CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds and evidence of title continued at Buyer's expense, to show title in Buyer, without any encumbrances or change which would render Seller's title unmarketable from the date of the last evidence, and the cash proceeds of sale shall be held in escrow by Seller's attorney or by such other escrow agent as may be mutually agreed upon for a period of not longer than five (5) days from and after closing date. If Seller's title is rendered unmarketable, Buyer shall within said five (5) day period, notify Seller in writing of the defect and Seller shall have thirty (30) days from date of receipt of such notification to cure said defect. In the event Seller fails to timely cure said defect, all monies paid hereunder shall, upon written demand therefor and within five (5) days thereafter, be returned to Buyer and, simultaneously with such repayment, Buyer shall vacate the Property and reconvey same to the Seller by special warranty deed. In the event Buyer fails to make timely demand for refund, he shall take title as is, waiving all rights against Seller as to such intervening defect except as may be available to Buyer by virtue of warranties, if any, contained in deed.

XXVIII. ESCROW: Any escrow agent receiving funds is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

clearance thereof in accordance with terms and conditions of Contract. Failure of clearance of funds shall not excuse performance by the Buyer.

XXIX. ATTORNEY FEES AND COSTS: In connection with any litigation including appellate proceedings arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

XXX. (a) DEFAULT BY SELLER: In the event that Seller should fail to consummate the transaction contemplated herein for any reason, except Buyer's default; (i) Buyer may enforce specific performance of this Agreement in a court of competent jurisdiction and in such action shall have the right to recover damages suffered by Buyer by reason of the delay in the acquisition of the Property, or (ii) may bring suit for damages for breach of this Agreement, in which event, the deposit made hereunder shall be forthwith returned to Buyer, or (iii) declare a default, demand and receive the return of the deposit. All rights, powers, options or remedies afforded to Buyer either hereunder or by law shall be cumulative and not alternative and the exercise of one right, power, option or remedy shall not bar other rights, powers, options or remedies allowed herein or by law.

XXX. (b) DEFAULT BY BUYER: In the event Buyer should fail to consummate the transaction contemplated herein for any reason, except default by Seller or the failure of Seller to satisfy any of the conditions to Buyer's obligations, as set forth herein, Seller shall be entitled to retain the earnest money deposit, such sum being agreed upon as liquidated damages for the failure of Buyer to perform the duties and obligations imposed upon it by the terms and provisions of this Agreement and because of the difficulty, inconvenience and uncertainty of ascertaining actual damages, and no other damages, rights or remedies shall in any case be collectible, enforceable or available to Seller other than as provided in this Section, and Seller agrees to accept and take said deposit as Seller's total damages and relief hereunder in such event.

XXXI. MEMORANDUM OF CONTRACT RECORDABLE, PERSONS BOUND AND NOTICE: Upon the expiration of the inspection period described in paragraph XXXVI, if Buyer has elected to proceed with purchase of the property, the parties shall cause to be recorded, at Buyer's option and expense, in the public records of the county in which the property is located, an executed Memorandum of Contract as attached hereto. This Contract shall bind and inure to the benefit of the Parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for either party shall be as effective as if given by or to said party.

XXXII. PRORATIONS AND INSURANCE: Taxes, assessments, rent, interest, insurance and other expenses and revenue of the Property shall be prorated as of date of closing. Buyer shall have the option of taking over any existing policies of insurance on the Property, if assumable, in which event premiums shall be prorated. The cash at closing shall be increased or decreased as may be required by said prorations. All references in Contract to prorations as of date of closing will be deemed "date of occupancy" if occupancy occurs prior to closing, unless otherwise provided for herein.

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

XXXIII. CONVEYANCE: Seller shall convey title to the Property by statutory warranty deed subject only to matters contained in Paragraph VII hereof and those otherwise accepted by Buyer. Personal property shall, at the request of Buyer, be conveyed by an absolute bill of sale with warranty of title, subject to such liens as may be otherwise provided for herein.

XXXIV. UTILITIES: Seller shall, at no expense to Seller, actively work with Buyer to assist Buyer in obtaining electricity, water, sewage, storm drainage, and other utility services for development of the Property.

XXXV. ENGINEERING PLANS AND STUDIES: Upon the execution hereof, Seller shall furnish to Buyer all engineering plans, drawings, surveys, artist's renderings and economic and financial studies which Seller has, if any, relating to the Property, and all such information may be used by Buyer in such manner as it desires; provided that in the event Buyer fails to purchase the Property for any reason other than Seller's default, all such information shall be returned to Seller together with any information that Purchaser may have compiled with respect to the Property.

XXXVI. INSPECTION OF PROPERTY: Inspection by Licensed property inspection at any time prior to settlement with 48 hour notice to seller and sellers tenants.

XXXVII. PENDING LITIGATION: Seller warrants and represents that there are no legal actions, suits or other legal or administrative proceedings, including cases, pending or threatened or similar proceedings affecting the Property or any portion thereof, nor has Seller knowledge that any such action is presently contemplated which might or does affect the conveyance contemplated hereunder.

XXXVIII. SURVIVAL OF REPRESENTATIONS AND WARRANTIES: The representations and warranties set forth in this Contract shall be continuing and shall be true and correct on and as of the closing date with the same force and effect as if made at that time, and all of such representations and warranties shall survive the closing and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any party hereto.

XXXIX. ACQUIRING APPROVALS: _____

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

XL. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon any of the Parties hereto unless incorporated in this Contract. No modification or change in this Contract shall be valid or binding upon the Parties unless in writing, executed by the Parties to be bound thereby.

XLI. SPECIAL CLAUSES: **See Addendum #1**

=====

Executed by Seller(s) on: _____

Signature of Seller

Name of Seller (Printed)

Signature of Seller

Name of Seller (Printed)

Executed by Buyer(s) on: _____

Signature of Buyer

Name of Buyer (Printed)

Signature of Buyer

Name of Buyer (Printed)

Buyers Initials _____ Date _____

Buyers Initials _____ Date _____

CONTRACT WRITING

Selling with a Contract for Deed

In a contract for deed, the purchase of property is financed by the seller rather than a third-party lender such as a commercial bank. The arrangement can benefit buyers and sellers by extending credit to homebuyers who would not otherwise qualify for a loan. Even some public and nonprofit housing advocacy organizations have used the contract for deed as a tool to help low- and moderate-income households attain homeownership.



Here are some of the basic facts and features of the contract for deed and suggestions for minimizing the risks associated with this mortgage substitute.

Facts and Features

A contract for deed, also known as a "bond for deed," "land contract," "Agreement-for-Deed," or "installment land contract," is a transaction in which the seller finances the sale of his or her own property. In a contract for deed sale, the buyer agrees to pay the purchase price of the property in monthly installments. This may or may not include a negotiated down payment. The buyer immediately takes possession of the property, while the seller retains the legal title to the property until the contract is fulfilled. The buyer has the right of occupancy and, in states like Minnesota, the right to claim a homestead property tax exemption. The buyer finances the purchase with assistance from the seller, who retains a security in the property.

The contract for deed is a much faster and less costly transaction to execute than a traditional, purchase-money mortgage. In a typical contract for deed, there are no origination fees, formal applications, or high closing and settlement costs. Another important feature of a contract for deed is that seizure of the property in the event of a

CONTRACT WRITING

default is generally faster and less expensive than seizure in the case of a traditional mortgage. If the buyer defaults on payments in a typical contract for deed, the seller may cancel the contract, resume possession of the property, and keep previous installments paid by the buyer as liquidated damages. Under these circumstances, the seller can reclaim the property without a foreclosure sale or judicial action. However, laws governing the contract-cancellation process differ from jurisdiction to jurisdiction and the outcome may vary within any one state, depending on the contract terms and the facts of the specific case.

It is imperative that the seller includes language in the contract that specifically limits any equitable interest the buyer may have in the property during the term of the contract. You should research the laws governing contract for deeds in your state and consult your legal counsel prior to the use of any contract but a clause similar to this



should suffice. "...in the event of any breach of this agreement or default on the part of the purchasers of any kind whatsoever the sellers may without notice to the purchasers exercise the following options; (a) to terminate this agreement and retain all sums of money theretofore paid by the purchasers as liquidated damages and/or the reasonable rental value of said land, and to reenter said premises and take possession thereof fully and to all intents and purposes as if the purchasers had no interest in said property whatsoever, or (b) to accelerate all sums of money secured by this agreement whether due by the literal terms hereof or not, and to foreclose this agreement in accordance with the rules of practice applicable to vendor's liens, in which event the purchasers agree to pay all costs of collection and foreclosure, including a reasonable attorney's fee."

The contract for deed may appear to be essentially a rent-to-own arrangement. However, in a typical contract for deed, the buyer becomes responsible for the obligations of a mortgagor in possession, such as maintaining the property and paying



CONTRACT WRITING

property taxes and casualty insurance. In addition, unless prohibited by the contract, either party may sell his or her interest in the contract. Because of this right, it is strongly suggested that you restrict the purchaser's ability to assign the contract through a clause similar to this: "...This agreement is not assignable without written permission from seller."

The IRS generally treats a contract for deed as a sale, which means the buyer has the tax benefits of ownership. Thus, the payments of interest that are made by the buyer in possession are deductible as "mortgage interest," even though the buyer does not have legal title to the property.

A contract for deed seller must report the transaction as an installment sale on form IRS Form 6252. Once sold, the seller cannot claim depreciation or any other tax benefits of the property. If the buyer defaults on the contract and the seller exercises his legal option to reclaim the property, the tax code treats the transaction as a foreclosure.

Speed, Simplicity Appeal to Buyers

Homebuyers may be attracted to a contract for deed purchase for several reasons. This method may be especially appealing to homebuyers who do not qualify for a mortgage, such as people who work cash jobs and are therefore unable to prove their ability to make payments. Since the contract for deed process is significantly shorter than the mortgage-approval process, it may attract buyers who face time constraints or have limited options, such as people who are losing their homes to foreclosure. First-time homebuyers who lack experience in the market or individuals who are wary of traditional financial organizations may also choose a contract for deed because of the relative simplicity of the buying process.

THIS SPACE PROVIDED FOR RECORDER'S USE

WHEN RECORDED RETURN TO:

_____, _____, _____

CONTRACT FOR DEED

This Contract ("Contract") is effective as of _____ by and between Name of _____ First Spouse _____ and _____ Name Of Second Spouse _____, a married couple,

hereinafter referred to as "SELLER," whether one or more, and

- _____ Put in first married persons name _____ and _____ put in second married persons name _____,

Put in your address as the buyer, Put in your address as the buyer, Put in your address as the buyer, Put in your address as the buyer,

hereinafter referred to as "BUYER," whether one or more, on the terms and conditions and for the purposes hereinafter set forth.

PROPERTY. The property sold under this contract is located at _____ 1234, Anytown, Alabama 99019 in Anywhere County _____ and is legally described as

_____ Put in the property legal description which you can get by pulling the My First Am report _____

hereinafter referred to as "the Property."

PURCHASE PRICE. The agreed upon sales price for the Property is \$ _____ with interest from _____, on the unpaid principal at the rate of _____% per annum. The Seller hereby acknowledges receipt of a down payment or earnest money totaling \$300.00 which shall be deducted from the total purchase price indicated above.

TERMS OF PAYMENT. Payments under this contract should be submitted to _____ Name of person you will be making payments to _____ at _____ What is their mailing address, What is the city _____ the checks will be sent to, _____ What is the zip of the location where the checks will be sent? _____.

Unpaid principal after the Due Date shown below shall accrue interest at a rate of 7% annually until paid.

The unpaid principal and accrued interest shall be payable in monthly installments of \$ _____, beginning on _____, and continuing until _____ (the "Due Date"), at which time the remaining unpaid principal and interest shall be due in full.

All payments on this Contract shall be applied first in payment of accrued interest, if applicable, and any remainder in payment of principal.

If any payment obligation under this Contract is not paid when due, the remaining unpaid principal balance and any accrued interest, if applicable, shall become due immediately at the option of the Seller.

THE BORROWER UNDERSTANDS THAT THE PAYMENT OF THE ABOVE INSTALLMENT PAYMENTS MAY NOT FULLY AMORTIZE THE PRINCIPAL BALANCE OF THE CONTRACT, AND THEREFORE, A BALLOON PAYMENT MAY BE DUE ON THE DUE DATE.

LATE PAYMENT CHARGE. The Buyer promises to pay a late charge of \$50.00 for each installment that remains unpaid more than 15 day(s) after its Due Date. This late charge shall be paid as liquidated damages in lieu of actual damages, and not as a penalty.

NON-SUFFICIENT FUNDS. The Buyer shall be charged the maximum amount allowable under applicable law for each check that is returned to Seller for lack of sufficient funds in addition to any late payment charges allowable under this Contract.

DISCOUNT. If the principal and any accrued interest, if applicable, are paid in full on or before _____, the Buyer shall be entitled to a discount equal to 10% of the unpaid principal immediately prior to such payment.

PREPAYMENT. The Buyer reserves the right to prepay this Contract by making payment in full of the then remaining unpaid principal and any accrued interest.

ENCUMBRANCES. The Seller guarantees the Property is not currently encumbered and further agrees to take no action causing the Property to become encumbered so long as this Contract is in effect.

MAINTENANCE AND IMPROVEMENTS. Buyer agrees that any and all buildings, permanent fixtures and improvements currently on or subsequently added to the land or Property may not be removed, but will remain on the Property until the contract is fully performed. In the

event of default by the Buyer under this Contract, any and all permanent fixtures and improvements made on the Property will remain with the Property.

POSSESSION. Buyer will maintain possession of the Property upon execution of this Contract.

CONDITION OF PREMISES. The Buyer recognizes the Property is being sold as is and the Seller is under no obligation to make any improvements or repairs during the time of this Contract.

INSURANCE. Seller agrees to maintain adequate property insurance on the Property equal to the assessed value of the Property from the date of signing this agreement. The Seller shall immediately notify the Buyer of any lapse in coverage. The Buyer is responsible for maintaining insurance on any personal property or other items the Buyer places inside or on the Property.

TAXES AND ASSESSMENTS. Seller agrees to pay all taxes including but not limited to federal, state, and municipal, that arise as a result of this sale, excluding income taxes.

Seller shall pay all real estate taxes and assessments that may be levied against the Property. Buyer shall be responsible for all personal taxes or assessments that result from the Buyer's use of the Property.

REMEDIES ON DEFAULT. In addition to any and all other rights available according to law, if either party defaults by failing to substantially perform any material provision, term or condition of this Contract (including without limitation the failure to make a monetary payment when due), the other party may elect to cancel this Contract if the default is not cured within 15 days after providing written notice to the defaulting party. The notice shall describe with sufficient detail the nature of the default. The Seller maintains the right and authority to reclaim the Property or to foreclose on the property if the default is not cured within 15 days.

DEED. Upon receipt of all payments required under this Contract, the Seller will furnish the Buyer with a Warranty Deed wherein the Seller conveys all of their interest in the Property to the Buyer. The Seller shall be responsible for cost of recording the deed.

ABSTRACT/TITLE POLICY. The Seller will provide the Buyer with an updated abstract evidencing clear title or other accepted title documents upon receipt of all payments under this Contract.

NOTICES. Any notice or communication required or permitted under this Contract shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the addresses listed above or to such other address as one party may have furnished to the other in writing. The notice shall be deemed received when delivered or signed for, or on the third day after mailing if not signed for.

ASSIGNMENT. Neither party may assign or transfer this Contract without prior written consent of the other party, which consent shall not be unreasonably withheld.

ATTORNEY FEES. If any payment obligation under this Contract is not paid when due, the Buyer promises to pay all costs of collection, including reasonable attorney fees, whether or not a lawsuit is commenced as part of the collection process.

ENTIRE CONTRACT/AMENDMENT. This Contract for Deed contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Contract for Deed. This Contract for Deed may be modified or amended in writing, so long as all parties obligated under this Contract sign the agreement.

SEVERABILITY. If any portion of this Contract for Deed shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Contract for Deed is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

INDEMNITY REGARDING USE OF PREMISES. To the extent permitted by law, Buyer agrees to indemnify, hold harmless, and defend Seller from and against any and all losses, claims, liabilities and expenses, including reasonable attorney fees, if any, which Buyer may suffer or incur in connection with Buyer's possession, use or misuse of the Property, except due to Seller's negligent acts or omissions.

GOVERNING LAW. This Contract for Deed shall be construed in accordance with the laws of the State of Alaska.

WAIVER. The failure of either party to enforce any provisions of this Contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Contract for Deed.

OTHER PROVISIONS. See how easy this is?

TAX EXEMPTION. Seller will be entitled to claim the property for the Federal Homestead Property Tax Exemption and any other exemption, should the property be eligible for such an exemption.

RECORDING. This Contract will be recorded by the Buyer immediately upon execution by all parties. The Seller shall be responsible for the recording fees associated with recording the Contract.

Deed Drafted By:

_____Your Name Here_____

_____Your Address_____

SELLER:

DATED: _____

DATED: _____

Name of First Spouse

Name Of Second Spouse

Name of Seller Inserted here

Type in Physical Street Address of the Seller

Put in their Residing city, Pennsylvania, Put in their zip

STATE OF _____, COUNTY OF _____ PUT IN THE COUNTY AND STATE OF
WHERE YOU WILL BE SIGNING THIS AGREEMENT _____, ss:

This instrument was acknowledged before me on this _____ day of _____,
_____ by _____ Name of First Spouse and Name Of Second Spouse _____.

Notary Public

Title (and Rank)

My commission expires _____

BUYER:

DATED: _____

DATED: _____

Put in first married persons name

put in second married persons name

Insert name of buyer

Put in your address as the buyer

Put in your address as the buyer, Louisiana, Put in your address as the buyer

STATE OF _____, ss: COUNTY OF _____ PUT IN YOUR ADDRESS AS
THE BUYER _____, ss:

The foregoing instrument was acknowledged before me this _____ day of
_____, _____, by _____ Put in first married persons name and put in
second married persons name _____.

Signature of person taking acknowledgment

Title or rank

Serial number, if any

OPTION AGREEMENT FOR PURCHASE OF REAL PROPERTY

THIS OPTION AGREEMENT ("Agreement") made and entered into this ____ day of _____, 20__, by and between _____, whose principal address is _____, hereinafter referred to as "Seller" and _____, whose principal address is _____, hereinafter referred to as "Purchaser":

WITNESSETH:

WHEREAS, Seller is the fee simple owner of certain real property being, lying and situated in the County of _____, State of _____, such real property having the street address of _____ ("Premises") and such property being more particularly described as follows:

(Legal description)

Also known as _____

WHEREAS, Purchaser desires to procure an option to purchase the Premises upon the terms and provisions as hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. **DEFINITIONS.** For the purposes of this Agreement, the following terms shall have the following meanings:
 - (a) "Execution Date" shall mean the day upon which the last party to this Agreement shall duly execute this Agreement;
 - (b) "Option Fee" shall mean the total sum of a down payment of ___ percent ___ of the total purchase price of the Premises plus all closing costs, payable as set forth below;
 - (c) "Option Term" shall mean that period of time commencing on the Execution Date and ending on or before _____, 20__;
 - (d) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase;
 - (e) "Closing Date" shall mean the last day of the closing term or such other date during the closing term selected by Purchaser.
2. **GRANT OF OPTION.** For and in consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the premises upon the terms and conditions as set forth herein.
3. **PAYMENT OF OPTION FEE.** Purchaser agrees to pay the Seller a down payment of ___ percent ___ of the total purchase price of the Premises plus all closing costs upon the Execution Date.
4. **EXERCISE OF OPTION.** Purchaser may exercise its exclusive right to purchase the Premises pursuant to the Option, at any time during the Option Term, by giving written notice thereof

to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date. In the event the Purchaser does not exercise its exclusive right to purchase the Premises granted by the Option during the Option Term, Seller shall be entitled to retain the Option Fee, and this agreement shall become absolutely null and void and neither party hereto shall have any liability, obligation or duty herein or pursuant to this Agreement.

5. **CONTRACT FOR PURCHASE & SALE OF REAL PROPERTY.** In the event that the Purchaser exercises its exclusive Option as provided for in the preceding paragraph, Seller agrees to sell and Purchaser agrees to buy the Premises and both parties agree to execute a contract for such purchase and sale of the Premises in accordance with the following terms and conditions:
- (a) **Purchase Price.** The purchase price for the Premises shall be the sum of _____ (\$ _____); however, Purchaser shall receive a credit towards such purchase price in the amount of the Option Fee thus, Purchaser shall pay to Seller at closing the sum of _____ (\$ _____):
 - (b) **Closing Date.** The closing date shall be on _____, 20__ or at any other date during the Option Term as may be selected by Purchase;
 - (c) **Closing Costs.** Purchaser's and Seller's costs of closing the Contract shall be borne by Purchase and shall be prepaid as a portion of the Option Fee;
 - (d) **Default by Purchaser: Remedies of Seller.** In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Premises pursuant to the terms and provisions as contained herein and/or under the Contract. Seller shall be entitled to retain the Option Fee as liquidated damages and shall have no further recourse against Purchaser:
 - (e) **Default by Seller: Remedies of Purchaser.** In the event Seller fails to close the sale of the Premises pursuant to the terms and provisions of this Agreement and/or under the Contract, Purchaser shall be entitled to either sue for specific performance of the real estate purchase and sale contract or terminate such Contract and sue for money damages.
6. **MISCELLANEOUS.**
- (a) **Execution by Both Parties.** This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.
 - (b) **Notice.** All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the Seller at _____ and to Purchaser at _____ or at such other address as either may specify to the other in writing.
 - (c) **Fee Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of _____.
 - (d) **Successors and Assigns.** This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement.

- (e) **Time.** Time if of the essence of this Agreement.
- (f) **Headings.** The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.
- (g) **Cost of this Agreement.** Any cost and/or fees incurred by the Purchaser or Seller in executing this Agreement shall be borne by the respective party incurring such cost and/or fee.
- (h) **Entire Agreement.** This Agreement contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority:

As to Purchaser this ___ day of _____, 20__.

Witnesses: "Purchaser"

As to Seller this _____ day of _____, 20__.

Witnesses: "Seller"



CONTRACT WRITING

Rental & Lease Agreement

Generally, the Landlord and the Tenant(s) will each retain an original signed Lease Agreement. Therefore, if there is one Landlord and two Tenants, three original leases must be executed (i.e., signed and dated).

If a Lease Agreement contemplates a long rental term, some states require that that Lease Agreement be recorded. Recording a Lease Agreement often also requires notarization. The parties should investigate the circumstances under which a Lease Agreement will need to be recorded, and the requirements of that recording.

Certain states require the Landlord and Tenant(s) to conduct an inspection of the premises to be rented, either before physical occupancy of the property by the Tenant(s) or before the Lease Agreement is signed by either party. Even if a state does not specifically require a joint inspection, it is nonetheless a good idea to conduct one for the protection of both parties. Additional information about the security deposit requirements for each state, and whether an inspection is required prior to funding or returning a security deposit, may be found at the following link. Additional information about specific state laws governing Landlord and Tenant relationships is also available.

<http://www.findlegalforms.com/public/RENT/DEPCHRT.doc>

If the property was built before 1978 (i.e., pre-1978 property), federal law requires that the Landlord and Tenant(s) (and their agents) sign the “Disclosure of Information on Lead-Based Paint.” Federal law requires the Landlord to keep the signed copy of the “Disclosure of Information on Lead-Based Paint” for a minimum of three years as proof of compliance with the rules. A copy of the “Disclosure of Information On Lead-Based Paint and/or Lead-Based Paint Hazards” form is included in this packet.

These forms contain the basic terms and language that should be included in similar lease agreements. The laws in some states require a lessor (i.e., the person who is renting out his property) to make additional written disclosures, including disclosures about the condition of the unit, the building, the neighborhood, the environment and any other known problems. Certain cities and municipalities may have additional disclosure requirements that will need to be included. You should consult with a real estate agent



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or attorney in your area to determine what additional disclosures, if any, are required in your state or locality. Even if these disclosures are not required by law, a Tenant may still request that they be made, and may negotiate to make them part of his agreement.

Laws vary from time to time and from state to state. These forms are not a substitute for legal advice. These forms should be considered only a starting point, and should not be used or signed before first consulting with an attorney to ensure that they address your particular situation. An attorney should be consulted before negotiating any document with another party.

Residential Rental And Lease Agreement

This Agreement made this ____ day of _____, 20__, By and Between _____, as owner: and _____ (here after referred to as "Tenant").

For and in consideration of the mutual covenants and agreements set forth herein, (the same being fully included as part of this lease), Owner does lease to Tenant and Tenant does hereby lease from Owner, the "Premises", Including fixtures and accessories as follows:

Term of Agreement	Monthly Rate	Deposit/Cleaning
____ months	\$_____	\$_____
Start Date-Ending Date	10% Late Fee After 5 th of Month	Security Deposit
____/____/20__ - ____/____/20__	\$_____/Month	Amount
		\$_____

Tenant accepts the condition of the property as move in ready and will be responsible for any general cleaning required before move in. Landlord will not be responsible for any items needed to make the property move in ready and habitable including, cleaning, making sure that appliances are in good working order, lighting furnace and water heater, checking all faucets and drains for proper use, cleaning up any yard debris and or trash, cleaning out garage or any items on or under deck, or anything else that would cost less than \$_____ dollars to repair, haul, or maintain.

Total Amount required for move in \$_____
This amount includes First Months Rent, And Last two months rent

Last (2) Months Rent Paid in Advance: Yes No

THIS IS A BINDING LEGAL AGREEMENT.
PLEASE TAKE THE TIME TO READ AND UNDERSTAND ITS TERMS BEFORE SIGNING.

SIGNATURES

TENANT (S):

Date

(Certified Signing Agent for _____) Date

ADDITIONAL AGREEMENTS

Premises are to be occupied by ____ adult (s) and ____ Children. If you wish to have more than one adult(s) (over nineteen years of age) this must be agreed to by the Owner and \$_____ per month per additional adult will be added to the rent.

RESPONSIBILITIES AND REQUIREMENTS

1. This lease is a term lease which term expires on the last day of the term expressed above. Tenants agree that rent is due and payable on the First Day of each Month and agrees to pay an additional Ten percent (10%) in rent late charges if FULL RENT is not paid by the 5th day of the month. The rent shall be paid to owner address as Follows:

2. Tenant agrees to pay a \$25.00 charge for returned checks, regardless of the circumstances. If owner receives more than one non-sufficient funds check from Tenant, Tenant will be required to pay rent by cashier’s check, Money Order, or Credit Card only.
3. Tenant agrees not to withhold rent for any reason.
4. In accordance with the Landlord Tenant Act, Revised December 1989, Owner agrees to:
 - A) Immediately notify Tenant of any changes as to the address of Management
 - B) To maintain all structural components in good repair.
 - C) Keep common areas reasonably clean and safe from defects which may inverse the hazards of fire or accidents
 - D) Maintain all electrical, plumbing, heating, and other facilities and appliances supplied by the owner in reasonably good working order.
 - E) Provide reasonable locks.
 - F) Repair defects within the time frame outlined by law.
5. In accordance with the Landlord Tenant Act, Revised December 1989, tenant agrees to inform Owner of needed repairs in writing. Tenant will also call Owner immediately when leaking water or other “Immediate Attention” repairs are observable. Repairs will be made at the discretion of the Owner and minor repairs (repairs requiring less than \$_____ in materials) are the responsibility of the Tenant. If repair is determined to be the responsibly of the Tenant, Tenant

agrees to pay for such repair. Before exercising any of the remedies in accordance with the Landlord Tenant Act, Tenant must be current in rent. Tenant shall not permit any act or thing deemed extra hazardous by the Owner on account of Fire or other hazard that will increase the rate of insurance on the premises. In case the premises shall be damaged by fire, rain, wind, or other cause beyond the control of owner, unless the same shall occur for any reason for which the Tenant is responsible, then the premises shall be repaired within a reasonable time at the expense of the Owner, and in case of damages so extensive as to render the premises unfit for human habitation, the rent shall cease until such time as the premises shall be put completely back in repair. In case of total destruction of the premises the rent shall be paid up to the time of such destruction, and from thence forth this agreement shall cease and come to an end. In the event the damage is caused by act of the Tenant or someone on the property by reason of Tenant's permission or consent, there shall be no reduction of rent and Tenant shall be liable for all cost of repair.

(Initial)

(Initial)

5. Tenant acknowledges the receipt of ___ front door key(s) and ___ Storage key(s). Resident will be billed \$50.00 the cost of key replacement, re-keying, or lock replacement if any keys are lost, stolen, or not returned upon vacating unit.

(Initial)

(Initial)

6. Deposit/Cleaning/Security Deposit (hereafter called deposit) of \$_____ will be required prior to the Tenant's occupancy. All or a portion of the deposit may be retained by Owner and a refund of any portion of such deposit is conditioned on the following:

- A) Tenant shall fully perform his/her obligation hereunder and these terms and/or as may be subsequently amended.
- B) Tenant shall occupy premises for the FULL TERM agreed to herein, or any written extension.

(Initial)

(Initial)

- C) Tenant shall clean, repair, and restore said premises and return the same to Owner as its initial condition, except for reasonable wear upon termination of this tenancy and vacating of premises.
General cleaning is not considered normal or reasonable wear.
- D) Carpets and drapery must be commercially cleaned to the satisfaction of Owners, with receipts provided, or Tenant agrees that costs for same will be withheld from their deposit. Carpet and Drapery cleaning are not considered normal or reasonable wear

(Initial)

(Initial)

- E) Any refund from deposit, with itemized statement, shown to be due to Tenant, Shall be returned to Tenant within (20) days after termination of this tenancy and vacating of the premises, mailed to the last known address.
 - F) Tenant agrees to pay any balance due within Ten (10) days of billing.
7. The Tenant agrees to allow Owner the right to enter the premises at reasonable hours, after delivering a 24 hour notice, for inspections, repairs, improvements, supply services, or to show premises to prospective buyers, Tenants, or workmen. Owner may enter premises without consent in case of emergency.
 8. If Tenant shall continue occupancy after the expiration date provided herein, Owner and tenant will agree to a new expiration date and/or rental rate terms, in writing, thirty (30) days prior to any extension period. The lease conditions remain the same. Carpets and draperies will be cleaned and paid for by Tenant within the original lease period and again upon termination of his/her tenancy.
 9. Tenant agrees to provide notice of intention to vacate in accordance with the Landlord Tenant Act (Twenty (20) days written notice before the end of the lease). When occupying premises on a month-to-month arrangement, Tenant will provide written notice of intent to vacate to owner no later than twenty (20) days prior to the beginning of the next full rental period.

(Initial)

(Initial)

10. If additional tenants are agreed to by owner other than those listed above, an additional deposit shall be required and rent may be increased. All additional tenants are subject to normal application, approval, and related fees.
11. Tenant shall not in any case sublet said premises, nor assign the agreement or any part thereof.
12. Non-Compliance: In the event Owner notifies the tenant of Tenant's non-compliance with this Lease Agreement, and if such default is not promptly corrected, Tenant shall vacate the premises after receipt of proper notice, as per the Landlord Tenant Act, revised December 1989.
13. Damage: Tenant agrees to pay for, or repair all damages cause by Tenant or Tenant's guest. Tenant is responsible for all glass breakage. Tenant shall not remove any of Owners furnishings, appliances, fixtures, and appurtenances therein.
14. Services: Tenant shall pay for all services and utilities supplied in the premises including, electric, gas, water and sewer. With the final electric bill subject to being withheld from the Tenant's deposit when servicing company's procedure is to place a lien against the Owner's property for same. Owner shall be responsible for obtaining and maintaining garbage service.

- 15. Water Damage and Repairs: Tenant agrees to report any water leaks or repairs immediately to Owner directly. If damage is caused by Tenant's failure to notify Owner, all damage and repairs will be Tenant's responsibility.
- 16. Care of Premises: Tenant agrees to keep sidewalk, driveway, and surrounding areas of said premises free of all obstructions and to keep all vehicles off lawns. Tenant also agrees to water lawns on a regular basis and mow or have mowed the lawns at least once per week. Should Landlord discover that the lawn is not being taken care of it will be the right of the Landlord to hire a service to care for the lawn and landscaping and bill the tenant for the service.
- 17. Tenant agrees to use reasonable diligence in the care and protection of the premises, inside and outside, and to maintain said premises in a clean and sanitary condition and free from any nuisance or rubbish.

(Initial)

(Initial)

- 18. Freezing of Pipes: Tenant agrees to use due precaution against freezing of water and waste pipes and that all repair to the pipes and resulting water damages, by reason of the tenant's neglect will be the Tenant's responsibility.
- 19. Abandonment: The determination of Abandonment shall exist when Tenant defaults in payment of rent or reasonably indicates, by words or action, the intention not to resume tenancy, after which time Owner may immediately enter and take possession of any property of the tenant and store in a secure place. Tenant's liability towards unpaid rent and Owner's responsibility for storage and disposal of abandoned property shall be in accordance with the landlord Tenant Act. Revised December 1989.
- 20. Insurance: Tenant is strongly urged to obtain personal property insurance. Personal property on the premises, or in storage lockers that may be provided for Tenant's convenience is not covered by Owner's insurance for any loss.
- 21. Hold Harmless Clause: Tenant agrees to Hold Owner Harmless from all claims, demand, cause to action, judgment, attorney's fees, any costs and expense arising from loss or damage to personal property caused by fire, water, burglary, vandalism, theft, or any other cause not directly due to owner's intentional neglect.
- 22. Attorney's Fees and Venue Clause: In the event of any suit or action brought by Owner based on any covenant or provision of this Lease, Owner shall be entitled, in addition to the costs and disbursement provided by statute, to have and recover from Tenant, judgment for such sum as the court may adjudge reasonable to be allowed as attorney's fees in connection with any such suit or action. Action shall be commenced and maintained in Kootenai County, Idaho, regardless of Tenant's place of residence.
- 23. Property Condition Report: Tenant acknowledges the receipt of a Property Condition Report of which the Tenant agrees to complete and return to Owner at owner's address on or before date of move in. Tenant understands that other than items shown on this report (at move-in), Tenant shall be held responsible for any and all repairs and/or damage inside or outside, incurred at the leased premises

during Tenant's term of occupancy, other than normal wear. Doormats must be supplied by the tenant and kept at all entrances to the unit.....

(Initial)

(Initial)

- 24. Waiver or Breach: Any waiver or breach of covenant herein contained to be kept or performed by the tenant shall not be deemed as a continuing waiver, and shall not operate to bar or prevent Owner from declaring a forfeiture for any succeeding breach, either of the same condition of covenants or otherwise.
- 25. Waterbeds will not be allowed without the written consent of Owner and proof that renter insurance is in effect. Tenant understands that he/she is responsible for any and all damage cause by or related to the waterbed.
- 26. Nuisances: Tenant shall not make, permit, nor allow himself or herself or guests to permit any noise, disorder, or acts that are objectionable to other residents of the neighborhood, and or permit acts tending to injure the reputation of the building. Tenants shall not participate in or permit any illegal acts or activities while on the premises. Tenant shall not install or operate any phonograph, musical instrument, radio, receiver or similar device in such a manner as to disturb or annoy other residents of the neighborhood. Any complaints from neighbors as to noise, obstructions, unsightly equipment, trailers, or automobiles will cause this agreement to be null and void. First offense will result in a written notice to remove or end the nuisance. Second offense will be grounds for lawful eviction and forfeiture of deposit money and pre-paid rent.
- 27. Guests. Guests are not to occupy the premises, without prior written approval for more than ten (10) days per year. Tenant agrees that premises will be used for a residential dwelling only, and not for business or any other purpose unless agreed to in writing by owner.
- 28. Pets: NO Dogs or CATS will be allowed on the premises without the written consent of the owner. Should pets be discovered on the premises, tenant will have the option to remove the pet from the premises or vacate the premise and end the tenure of the existing lease therefore forfeiting their damage deposit. In the event that tenant would like to house pets, no more than ____ pets will be allowed on the premises. An additional \$_____ deposit will be required for each pet, not to exceed two.

(Initial)

(Initial)

- 29. Use of Premises: Tenant agrees that premises will be used for a residential dwelling only, and not for business or any other purpose unless agreed to in writing by Owner.
- 30. Tenant agrees not to display foreign items or aluminum foil in windows or unsightly draperies or window coverings that adversely affect the curb appeal of the property without permission of Owner.

31. Owner shall have the right to place and maintain "For Rent" signs in a conspicuous place on said premises for _____ (____) days prior to Tenant vacating said premises.

33. If tenant(s) or guests will smoke **INSIDE** the unit a \$_____ deodorizing and painting fee will be required in full prior to move in.

34. All provisions Listed Herein Will Be Construed To Comply With The _____ State Landlord Tenant Act and Other Applicable Law.

I, the tenant being of sound mind, have read and understand all of the rules and guidelines of this rental and lease agreement. I have also done my due diligence in researching the legalities of this contract from my own personal attorney or outside sources to my understanding and consent. By signing this agreement I fully acknowledge this contract and all of its terms and provisions to be legally and lawfully binding.

Tenant

Date

Tenant

Date

