

This is our most used agreement. We have these agreements pre-printed on 2 part NCR paper at Kinko's so that we can simply whip them out and get them signed on our first visit to a property.

**Key Points:**

- Property purchased WITH warranties. This probably isn't much help with a subject-to deal because your seller probably doesn't have the money to reimburse you for any problems anyway. However, it never hurts to have it included.
- We normally only pay \$10.00 in earnest money.
- Disclosures are built into the agreement. It explains how we will title the property in a trust and further explains the due on sale clause etc. Some investors may have a problem with this, but you must disclose it at some point and if you wait until the very end to disclose, and there is a problem later, there is always a chance that a good attorney could claim that the seller was under duress at that point because of the timing.
- We build in the right to extend the closing by paying additional \$\$\$ in earnest money.
- Inspection clause gives us an out if we absolutely need it. \*Don't do sellers wrong and back out of agreements last minute. Get your due diligence done early so that if you have a problem you haven't put the seller in a bad position.
- This contract is a work in progress. Read it all and you will likely get at least one or two good ideas.



[Click Here for more information on investor web sites](#)

**You should consult with your attorney and/or accountant before acting upon any information contained herein.**

This information is intended to provide show you an example of a contract used by us in our real estate dealings. It is offered with the understanding that the sender is not engaged in rendering legal, accounting, investment or other professional advice or services. Information obtained herein should be considered as general educational information. Your individual situation may not fit the generalizations discussed. Only your attorney or accountant can evaluate your individual situation and give you advice.

**If legal advice or other expert assistance is required, the services of competent professional person should be retained.**

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# STANDARD PURCHASE AND SALE AGREEMENT



AGREEMENT dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ hereinafter "Seller" (and/or assigns or nominees), whose address is \_\_\_\_\_.

and **PCF Investment Group, Inc.**, hereinafter "Buyer" (and/or assigns or nominees), whose address is 604 N. 13<sup>th</sup> St., Suite 8, Rogers, AR 72756

**The Property.** For and in consideration of the sum of \$10.00 and other good and valuable consideration, in hand, the receipt whereof is hereby acknowledged, the parties hereby agree that Seller will sell and Buyer will buy the following property, located in and situate in the County of \_\_\_\_\_, State of Arkansas, to wit:

**<See Exhibit "A" for legal description>**

known by street and address as \_\_\_\_\_.

The sale shall also include dishwasher, range, refrigerator, window blinds, curtains, ceiling fans, window air-conditioner(s), and \_\_\_\_\_. Seller expressly warrants that property, improvements, building or structures, the appliances, roof, plumbing, heating and/or ventilation systems are in good and working order. This clause shall survive closing of title.

**Purchase Price.** The total purchase price to be paid by Buyer will be \$ \_\_\_\_\_ payable as follows:

Earnest money deposit.....	\$ _____
Balance due at closing.....	\$ _____
Subject To Existing Loans and other Encumbrances (see below)...	\$ _____
First Mortgagee: _____	
Second Mortgagee: _____	

**Earnest Money.** The Buyer's earnest money, and other consideration paid, shall be held in escrow by agent of Buyer's choice. Upon default of this Agreement, all money paid pursuant to this contract by Buyer as aforesaid shall be retained by or for the account of the Seller as consideration for the execution of this contract and as agreed liquidated damages and in full settlement of any claims for damages. Seller acknowledges receipt of earnest money as specified.

**Conveyance.** Seller shall convey title to the Property by General Warranty Deed to a revocable living trust (hereinafter called "Trust"). Buyer shall select the trustee. Seller shall convey 100% (one hundred percent) of Seller's beneficial interest in the Trust to Buyer. Buyer shall provide the documents for establishment of the Trust and the subsequent transfer of Seller's interest therein.

**Prorations.** All rents, water taxes or charges, taxes, assessments, monthly mortgage insurance premiums, fuel, prepaid service contracts and interest on existing mortgages shall be prorated as of the date of closing. If the Property is subject to an existing mortgage requiring an escrow deposit for taxes, insurance and/or other items, said escrow balance shall be assigned to the Buyer, without compensation to the Seller, it being expressly understood that said escrow balance is included in the Purchase Price.

**Existing Loan.** Seller expressly agrees and understands that Buyer is taking the property "subject to" underlying mortgages or deeds of trust, and is not assuming responsibility for the underlying loans. Seller understands that underlying loans may contain a due on sale clause, which means the lender has the right to call the loan due upon transfer of title. Seller understands that said loan will stay in Seller's name until it's paid off or assumed by a future buyer. If the actual loan balance of said loan is less than as stated herein, the purchase price shall be reduced to reflect the difference; if the actual loan balance is more than as stated herein, then Buyer's required cash payment shall be reduced accordingly. **Seller shall pay all mortgage payments due on the Property that are due on or before \_\_\_\_\_, 20\_\_\_\_.**

**Closing.** Closing will be held on, or about \_\_\_\_\_, 20\_\_\_\_, at a time and place designated by Buyer. Buyer shall choose the escrow, title and/or closing agent. Buyer may extend the closing date an additional THIRTY (30) days by paying the Seller \$ \_\_\_\_\_ in additional earnest money.

**Closing Costs.** Seller shall pay the sum of \$ \_\_\_\_\_ to Buyer to cover Seller's portion of closing costs. **Buyer shall pay all closing costs above Seller's Contribution.**

**Condition of Property.** Seller agrees to provide possession of the property free of all debris and in "broom clean" condition at closing. Seller shall fully maintain the lawns prior to closing. Buyer reserves the right to do a final "walk through" the day of closing.

**Inspection.** This Agreement is subject to the final inspection and final approval of the property by the Buyer in writing prior to closing. Final approval is at Buyers sole and absolute discretion. Buyer's due diligence shall include, but not be limited to, full property inspection, valuation of property, marketable title, covenants, restrictions, zoning, marketability of the property and review of all notes, mortgages, mortgage statements and other documents related to property. **Seller shall cause all utility services, and any pool, spa, and similar items to be operational so that Buyer may complete all inspections.**

**Access.** Buyer may place an appropriate sign on the property prior to closing and Buyer shall be entitled a key and be entitled to access to show partners, lenders, inspectors, contractors, prospective buyers, tenants and/or assigns.

**Dispute Resolution.** Any controversy or claim arising over this contract shall be settled by arbitration administered by the American Arbitration Association under its Arbitration Rules for the Real Estate Industry. All Mediators fees, 1/2 of administrative fees and room rental, and all other fees shall be paid by the filing party only. The non-filing party shall pay 1/2 of any Administrative fees. Neither party shall be entitled to recover any attorney's fees or costs.

**Notices.** Unless otherwise stated herein, any notices required to be given herein shall be sent to the parties at their respective addresses either by personal delivery or by certified mail-return receipt requested. Such notice shall be effective upon delivery or mailing

**Additional Terms.**

- ❖ Where the context requires, the terms Seller and Buyer shall include the masculine as well as the feminine and the singular as well as the plural.
- ❖ There are no agreements, promises, or understandings between the parties except as specifically set forth in this Agreement. No alterations or changes shall be made to this Agreement unless the same is in writing, made part of this Agreement, and signed or initialed by the parties hereto.
- ❖ This Agreement shall be construed under the laws of the State in which the Property is located. A faxed copy of this signed Agreement shall constitute a legally binding agreement.
- ❖ If any party to this agreement does not fully understand any of the terms hereof, than said party is encouraged to seek competent legal, taxation or accounting counsel as needed, before signing.
- ❖ In the event that any part of this Agreement be construed as unenforceable, the remaining parts of this Agreement shall be in full force and effect as though the unenforceable part or parts were not written into this Agreement.

_____	_____
Seller	Date
_____	_____
Seller	Date
_____	_____
Buyer – PCF Investment Group, Inc.	Date