

**Contract for the Sale of Residential Property – Owner Financed  
with Provisions for Note and Purchase Money Mortgage**

Agreement made on the \_\_\_\_\_ (*date*), between \_\_\_\_\_  
(*Name of Buyer*) of \_\_\_\_\_  
\_\_\_\_\_ (*street address, city, county, state, zip code*), referred to herein as  
*Buyer*, and \_\_\_\_\_ (*Name of Seller*), of \_\_\_\_\_  
\_\_\_\_\_ (*street address, city, county, state, zip code*),  
referred to herein as *Seller*.

1. *Seller*, in consideration of the agreements of *Buyer* in this Agreement, agrees to sell and convey to *Buyer* in fee simple, by a good and sufficient deed, with covenants of warranty, free and clear from all liens, rights of dower, or other encumbrances (unless specified below), all that piece or parcel of land, located at \_\_\_\_\_  
\_\_\_\_\_ (*address of property*), hereinafter called *Premises*, and more particularly described as follows: (*legal description of property*) \_\_\_\_\_  
\_\_\_\_\_.

2. *Buyer* agrees to purchase from *Seller* the *Premises* described above, and to pay for it \$ \_\_\_\_\_ (*dollar amount of purchase price*) in the following manner:  
\$ \_\_\_\_\_ (*dollar amount of down payment*) to be paid in cash on the execution of the deed, and the remainder of the purchase price, being \$ \_\_\_\_\_ (*dollar amount of mortgage loan*), to be secured by a purchase money mortgage of *Buyer* in the manner described below.

3. On the execution of the deed hereon on or before \_\_\_\_\_ (*closing date*), *Seller* agrees on that day to deliver to *Buyer* the Deed. *Buyer* agrees concurrently to secure *Seller* the balance of the purchase money by executing and delivering *Buyer's* Promissory Note for it, with a Mortgage on the *Premises* duly acknowledged as collateral for it. The purchase money Mortgage shall secure the payment of \$ \_\_\_\_\_ (*dollar amount of mortgage loan*) within \_\_\_\_\_ (*number of years*) years from \_\_\_\_\_ (*closing date*), with interest payable monthly at the rate of (*interest rate*) \_\_\_\_\_ % per annum. Said Mortgage shall contain a power of sale in the usual form, and all such covenants and other clauses and provisions for securing the purchase money and interest on it as *Seller* shall reasonably require.

4. The Deed, Note and Mortgage shall be delivered and the money paid at \_\_\_\_\_  
\_\_\_\_\_ (*street address, city, county, state, zip code*).

5. *Seller* agrees that on \_\_\_\_\_ (*closing date*), and on the performance by *Buyer* of agreements contained in this Agreement, *Seller* will deliver to *Buyer* quiet and peaceable possession of the *Premises*, in as good condition as they are now, natural wear excepted.

6. *Buyer* agrees to pay all taxes and assessments that shall be paid or assessed on *Premises* during the term *Buyer* shall have possession under this Agreement.

7. In case *Buyer* has possession of the *Premises* before the execution and delivery of the Deed, and in case of the failure on *Buyer's* part to perform any of the covenants to be performed by *Buyer* under this Agreement, *Buyer* shall yield and deliver to *Seller* quiet and peaceable possession of the *Premises*. *Seller* may immediately after such failure reenter and take

possession of the *Premises* without any previous notice to quit in reference to any legal proceedings to recover possession of the *Premises*.

8. In case either party fails to perform the agreements agreed to be performed by the party in this Agreement, the party so failing to perform shall and will pay to the other \$ \_\_\_\_\_ (**dollar amount of liquidated damages**), which sum is fixed and agreed on as the liquidated damages for such failure, and the same shall in no event be considered a penalty.

**9. Severability**

The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

**10. No Waiver**

The failure of either party to this Agreement to insist on the performance of any of the terms and conditions of this Agreement, or the waiver of any or each of any of the terms and conditions of this Agreement, shall not be construed as a waiver of any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

**11. Governing Law**

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of \_\_\_\_\_.

**12. Notice**

Any notice provided concerning this Agreement shall be in writing and shall be deemed to be given when sent by certified or registered mail if sent to the respective address as set forth at the beginning of this Agreement.

**13. Attorney Fees**

In the event that any lawsuit is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

**14. Mandatory Arbitration**

Any dispute under this Agreement shall be required to be resolved by binding arbitration of the parties hereto. If the parties cannot agree on an arbitrator, each party shall select one arbitrator and both arbitrators shall then select a third. The third arbitrator so selected shall arbitrate said dispute. The arbitration shall be governed by the rules of the American Arbitration Association then in force and effect.

**15. Entire Agreement**

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

**16. Modification of Agreement**

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

**17. Assignment of Rights**

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

**18.** In this contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns, singular includes plural and masculine includes feminine.

WITNESS our signatures as of the day and date first above stated

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
(Signature of Seller)

\_\_\_\_\_  
(Signature of Buyer)

**SAMPLE**