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## **PROPERTY SALE AGREEMENT**

*State of Alabama*

### **BACKGROUND.**

A. This Property Sale Agreement is made effective as of the following date: \_\_\_\_\_  
(known going forward as the "Effective Date") by and between the following Party selling  
the property (the "Seller"):

\_\_\_\_\_  
of

\_\_\_\_\_

and the following Party purchasing the property (the "Buyer"):

\_\_\_\_\_  
of

\_\_\_\_\_

\_\_\_\_\_  
of

\_\_\_\_\_

B. *WHEREAS*, the Seller is the owner of certain real property at the following address:

\_\_\_\_\_

Said property is more fully described by the legal description as follows:

\_\_\_\_\_

C. *WHEREAS*, the Buyer wishes to purchase the aforementioned property, together with all buildings, improvements, and fixtures constructed or located on the property, and all easements and rights benefiting or appurtenant to the property, from the Seller;

*NOW THEREFORE*, in consideration of the obligations and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do contract and agree as follows:

## **I. PROPERTY DESCRIPTION.**

1. Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller (the "Transaction"), all of Seller's right, title, and interest in the real property (the "Property") located at the following address:

\_\_\_\_\_

2. The Property has the following legal description:

\_\_\_\_\_

3. The Transaction includes all of Seller's right, title, and interest, if any, to all real estate, buildings, improvements, appurtenances, and fixtures. Fixtures shall include all things that are embedded in the land or attached to any buildings and cannot be removed without damage to the Property.

4. In addition to the real property, the following personal items shall be included in the sale:

\_\_\_\_\_

5. The following currently existing fixtures on the Property shall be excluded from the sale:

## **II. PURCHASE PRICE.**

\_\_\_\_\_

6. The Buyer shall pay the following purchase price (the "Purchase Price") to the seller: **\$2 (two US dollars).**

7. Concurrent with the execution of this Agreement, the Buyer shall deposit with the Seller or the Seller's escrow agent an earnest money deposit (the "Deposit") of **\$2 (two US dollars)**, due upon the signing of this Agreement, the receipt of which is hereby acknowledged, as earnest money and a partial payment of the consideration under the Agreement, to be held in escrow pursuant to this Agreement. In the event that the purchase and sale shall be consummated pursuant to the terms of this Agreement, the Seller or Seller's escrow agent shall, at such closing, deliver to Seller the Deposit, and Buyer shall be given credit toward the purchase price for the payment of the Deposit.

8. In the event that the closing does not occur through the fault or election of the Buyer before \_\_\_\_\_, the Buyer's deposit shall be returned to the Buyer. In the event that the closing does not occur through fault or election of Seller, or circumstances outside of Buyer's control, the Buyer's deposit shall be returned to the Buyer.

9. The remainder of the Purchase Price (the "Closing Balance") is **\$0.00 (zero US dollar)** and shall be due upon the delivery of the general warranty deed to the Buyer at the Closing.

10. The Closing Balance amount is subject to change based on adjustments made pursuant to this Agreement.

11. Unless otherwise stated in the Agreement, all payments shall be made in proceeds that are immediately available to the Seller by one of the following methods:

\_\_\_\_\_

### **III. PRORATIONS.**

12. All general and special real estate taxes and assessments shall be prorated by the escrow agent as of the date the deed is filed for record, using the rate and valuation shown on the last available tax duplicate.

13. If the proration does not fully reimburse the Buyer for all real estate taxes and assessments accrued and unpaid with respect to the Property as of the record date of transfer of title, the Seller shall promptly reimburse the Buyer that amount accrual in excess of the proration credit upon the official certification of the real estate tax duplicate for the year in which transfer of title occurs.

14. There shall be no proration of utilities. The Seller shall cause the meters to be read for water, electricity, gas, and other utilities, if any, as of the date of delivery of possession, and shall pay all utility charges to the date of the readings, after which the

charges shall accrue to the Buyer. A sum of \$400 (four hundred dollars) shall be held in escrow as security for the payment of utilities until the Seller deposits into escrow the receipts evidencing such payment.

#### **IV. DISCLOSURES.**

15. The Seller shall provide the Buyer with all disclosures, and signed disclosure forms, as required by law.

16. The Seller shall also disclose to the Buyer in writing any defects in the Property known to the Seller that materially affects the value or quiet enjoyment of the Property.

17. The Seller is required to make the following specific disclosures to the Buyer in writing:

\_\_\_\_\_

18. The Buyer's obligations under this Agreement are contingent upon the Buyer's review and approval of all required Seller disclosures and reports, including any preliminary title report.

#### **V. ASSUMPTION OF LOAN.**

19. The Buyer shall assume the Seller's existing mortgage (the "Mortgage") owed to the following financial institution: \_\_\_\_\_, dated \_\_\_\_\_, having a present balance of **\$2 (two US dollars)**.

20. The Buyer agrees to assume and pay the Mortgage in accordance with its terms for all payments due after the Closing.

21. All fees associated with the transfer of the Mortgage shall be paid by the Buyer.

#### **VI. FINANCING CONTINGENCY.**

22. The Buyer's obligations under this Agreement are contingent upon the Buyer's ability to obtain a firm commitment for a mortgage loan within a reasonable period of time.

23. The mortgage loan obtained by the Buyer must be in the amount of at least **\$2 (two US dollars)**, which is at least 2 years with an interest rate not exceeding 100%.

24. If the Buyer is unable to obtain such commitment within the time specified herein, the Buyer must notify the Seller, and this Agreement shall be terminated and all amounts paid shall be returned to the Buyer.

25. The Buyer's obligations under this Agreement are also contingent upon an appraisal on the Property equal to or exceeding the Purchase Price.

## **VII. SALE OF OTHER PROPERTY CONTINGENCY.**

26. The Buyer's obligations under this Agreement are contingent upon the Buyer's sale and closing of the Buyer's property located at the following address:

\_\_\_\_\_

## **VIII. SELLER REPRESENTATION AND WARRANTIES.**

27. The Seller represents and warrants the following:

a. The Seller is the sole owner of record of the Property and has full right, power, and authority to sell, convey, and transfer the property.

b. The Seller will convey to the Buyer good and marketable title to the Property by providing to the Buyer a valid general warranty deed.

c. The Property and the present use of the Property are not in violation of any governmental rules, codes, permits, regulations, or limitations, and represents that nothing will be done or allowed to be done on or about the Property between the signing of this Agreement and the date of the Closing which will result in any such violation.

d. Any and all mortgage liens on the Property will have been released on the date of the Closing.

e. The Seller shall immediately communicate and inform the Buyer should any proceeding in any bankruptcy court arise against them.

f. Seller shall maintain the current insurance policy on the property until the Closing.

g. Seller will notify the Buyer immediately of any matters that may impact the Property, including, but not limited to, attachments, liens, and any notice zoning matters.

h. Any material alterations, additions, or improvements to the Property have been made pursuant to and in accordance with the necessary and required filings, permits, authorizations, and/or consents.

## **IX. INSPECTION.**

28. The Buyer's obligations under this Agreement are contingent upon the Buyer's inspection of the Property.

29. The Buyer may use any qualified and certified inspectors of their choice at Buyer's expense.

30. The Seller shall cooperate in making the Property reasonably available for the Buyer's inspection.

31. If the Buyer is not, in good faith, satisfied with the condition of the Property after any inspection thereof, the Buyer shall deliver to the Seller a written request that the Seller fix or remedy any unsatisfactory conditions.

32. If the Buyer and the Seller are unable to reach an agreement regarding fixing or remedying the unsatisfactory conditions by or before \_\_\_\_\_, the Buyer shall have the right to terminate this Agreement and be refunded any amounts previously paid under this Agreement.

## **X. TITLE INSURANCE.**

33. As a condition to the Closing, the Buyer shall obtain, at Buyer's expense, a title insurance policy (the "Title Policy") by a title insurance company selected by the Buyer which is authorized to do business in Alabama (the "Title Company"), subject only to:

a. Any and all restrictions, limitations, regulations, ordinances, and/or laws imposed by any governmental authority and any and all provisions of any governmental restrictions, limitations, regulations, ordinances, or public laws.

b. Any liens for real property taxes or assessments created or attaching between the date of the Title Policy and the date the deed or instrument of transfer is recorded.

c. Any material defect, lien, or encumbrance created, suffered, assumed, or known by the Buyer.

d. Any rights of eminent domain.

e. Any claim under bankruptcy or other creditor's rights laws that the transfer is a fraudulent conveyance.

34. Promptly after the date hereof, the Buyer shall order a preliminary title report from the Title Company, with a special tax search included, in the form of a commitment to issue the required title policy requested by the Buyer (the "Title Report").

35. Within 7 days of receiving the report, the Buyer shall forward a copy of the report to the Seller and shall notify the Seller of any restrictions, reservations, limitations, easements, and conditions of record (the "Title Defects") disclosed in the report or otherwise known to the Buyer.

36. The Seller shall have 30 days after receipt of the Buyer's objections or until the Closing Date, whichever comes first, to correct or address the objections.

37. If the Seller fails to correct or address the objections within the specified time period, the Buyer shall have the right to terminate this Agreement and be refunded any amounts previously paid under this Agreement.

38. On the closing date, the escrow agent shall notify the Parties whether the title company can issue its title guaranty or title insurance showing as exceptions only those items in the Title Report to which the Buyer did not object.

39. If the escrow agent notifies the Parties that the Title Company will issue such Title Guaranty, this transaction shall be consummated in accordance with the terms and provisions of this Agreement.

40. If the Title Company will not issue such Title Guaranty and if the Buyer does not waive the title defects claimed by the escrow agent to prevent such issuance, or the Seller does not cure the defects within the permitted period, this Agreement shall be null and void, the escrow agent shall return to the Parties all funds and documents previously deposited by them into escrow, and the Parties shall be fully released from any liability or obligation hereunder, except that the Seller shall pay the full cost of the escrow and the Title Company's charges.

41. If the Buyer waives the title defects preventing the issuance of the Title Guaranty by notifying the Title Company and the escrow agent, or if the Seller has cured the Title Defects, the obligations of the Parties shall not be affected by them.

## **XI. CLOSING.**

42. The closing of the Transaction (the "Closing") shall occur on \_\_\_\_\_ and shall take place at the following address, unless otherwise agreed upon by mutual consent of the Parties:

\_\_\_\_\_

43. The Buyer has the right to make a final inspection of the Property prior to the Closing.

44. At the Closing, the Seller shall deliver to the Buyer the following:

- a. A general warranty deed conveying to the Buyer title to the Property, duly executed and acknowledged by the Seller.
- b. A certificate from the Seller certifying that the Seller's representations and warranties in this Agreement are true and correct as of the date of the Closing.
- c. Such affidavits or other evidence as the Title Company shall reasonably require for its title insurance policy.
- d. All keys to doors and mailboxes, codes to any locks, and owner's manuals for appliances and fixtures.
- e. Any other documents, certificates, notices, affidavits, or statements required by this Agreement, the Title Company, the escrow agent (if any), or law to complete the Transaction.

45. At the Closing, the Buyer shall deliver to the Seller the following:

- a. The full amount of the balance of the Purchase Price, if not already paid, as adjusted by any prorations, credits, or provisions made in this Agreement.
- b. Such affidavits or other evidence as the Title Company shall reasonably require for its title insurance policy.
- c. Any other documents, certificates, notices, or statements required by this Agreement, the Title Company, the escrow agent (if any), or law to complete the Transaction.

46. On or before the Closing, the Buyer shall pay:



- a. All escrow or closing fees.
- b. All transfer taxes and conveyance fees.
- c. All costs related to the preparation of the deed.
- d. All broker commissions or fees.
- e. Any property gains tax, as required by federal or state law.

47. The Buyer shall pay all costs of releasing any mortgage, financing statement, or other debt security.

48. The Closing may be extended an additional 2 days if the Buyer's lender requires additional documentation or information. The delay in the Closing will not be the fault of the Buyer.

## **XII. RISK OF LOSS.**

49. The Seller assumes the risk of loss or damage by fire, natural disaster, or other casualty to the Property until the Closing.

50. In the event that all or a portion of the Property is destroyed or otherwise materially damaged prior to the Closing, the Buyer shall have the option to complete the Transaction and receive any insurance proceeds payable or to terminate this Agreement and be refunded any amounts previously paid under this Agreement.

51. The Buyer shall assume the risk of loss after record title to the Property is transferred to them.

52. There shall be no proration of insurance. The Seller shall retain their insurance until record title is transferred to the Buyer and the Buyer shall procure their own policies of insurance to be effective from and after the date title to the Property is transferred to the Buyer.

## **XIII. POSSESSION OF THE PROPERTY.**

53. Seller shall deliver exclusive possession of the Property to the Buyer on \_\_\_\_\_.

## **XIV. BUYER'S LIEN.**

54. All sums paid on account of this Agreement and the reasonable expenses related to the examination of title are hereby made a lien upon the Property, but such lien shall not continue after default by the Buyer hereunder.

**XV.**

**XVI.**

**XVII.**

**XVIII. ACCEPTANCE OF DEED.**

55. The delivery and acceptance of the deed herein described shall be deemed to constitute full compliance with all the terms, conditions, covenants, and representations contained herein, or made in connection with the Transaction, except as may herein be expressly provided and except for the warranties of title.

**XIX. BANKRUPTCY.**

56. In the event a bankruptcy petition is filed naming the Seller as a debtor under any Bankruptcy Code, between the signing of this Agreement and the Closing, then this Agreement shall be terminated and the Buyer shall be entitled to a full refund of any and all sums paid under this Agreement.

**XX. ASSIGNMENT.**

57. No Party shall have the right to transfer or assign, in whole or in part, any or all of their obligations and rights hereunder without the prior written consent of the other Party.

58. Subject to the above, the rights and obligations of the Parties shall inure to the

benefit of and be binding upon their respective successors in interest, heirs, and assigns.

#### **XXI. ENTIRE AGREEMENT.**

59. This Agreement contains the entire agreement of the Parties, and there are no other promises or conditions in any other agreement, whether oral or written, concerning the subject matter of this Agreement.

60. This Agreement supersedes any prior written or oral agreements between the Parties.

#### **XXII. SEVERABILITY.**

61. If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable.

62. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

#### **XXIII. AMENDMENT.**

63. This Agreement may be modified or amended in writing, if the writing is signed by the Party obligated under the amendment.

#### **XXIV. GOVERNING LAW.**

64. This Agreement shall be construed in accordance with the laws of the State of Alabama.

#### **XXV. NOTICE.**

65. Any notice or communication required or permitted under this Agreement shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph of this Agreement or to such other address as one Party may have furnished to the other in writing.

**XXVI. WAIVER OF CONTRACTUAL RIGHTS.**

66. The failure of either Party to enforce any provision of this Agreement 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 Agreement.

IN WITNESS WHEREOF, the Parties hereto, individually, or by their duly authorized representatives, have executed this Agreement as of the first date written above.

***EXECUTION:***

\_\_\_\_\_  
\_\_\_\_\_, *Seller*

\_\_\_\_\_  
Date

\_\_\_\_\_  
\_\_\_\_\_, *Buyer*

\_\_\_\_\_  
Date