

**AGREEMENT FOR PURCHASE
AND SALE OF RESIDENCE**

THIS AGREEMENT (this “Agreement”) is dated _____, 2010 and is made by and between **WABASH VALLEY HABITAT FOR HUMANITY, INC.**, an Indiana non-profit public benefit corporation (“Habitat”), and _____, competent adult(s) (“Homeowners”). This Agreement is made with reference to the following recitals of fact:

A. Habitat is an ecumenical Christian housing ministry whose objective is to eliminate poverty housing from the world and to make decent shelter a matter of conscience. By having affluent and poor work together in equal partnership, Habitat hopes to build new relationships and a sense of community as well as new houses. Habitat is incorporated as a tax-exempt, non-profit organization. Funding comes from individuals, churches, corporations, foundations and other organizations which are moved by concern and compassion to help those in need. Mortgage payments are deposited into a local “Fund for Humanity” and recycled to build new homes. New homeowners are also encouraged to contribute what they can in addition to their monthly house payments so they, too, can help others have decent housing.

B. Habitat provides housing to chosen families on a no-profit basis and finances the purchase of these homes at no interest.

C. The supply of housing to be made available by Habitat is very limited and therefore only a very few families can be selected to acquire Habitat housing. A family selection committee chooses future homeowners on the basis of housing need, ability to repay the loan, family size, character and willingness to volunteer time on Habitat projects. The family selection process is non-discriminatory; neither race nor religion is a factor in choosing the families to receive Habitat houses.

D. Habitat has acquired from individual (“donors”) certain real property located in the City of Terre Haute for the purpose of developing on such real property one (1) single-family home (the “Project”).

E. Pursuant to the procedures adopted by Habitat, Habitat has agreed to sell and the Homeowner has agreed to purchase a parcel (the “Parcel”) within the Project improved with a single-family residence (the “Residence”) (the Parcel and the Residence are collectively referred to hereinafter as the “Property”) commonly known as [street address], Terre Haute, Indiana 47807 and more particularly described as follows:

Lot [number (nn)] in [subdivision name] Subdivision of [subdivision name] Subdivision of the [subsection description] Section [nn], Township [nn] [direction], Range [nn] [direction], Terre Haute, Indiana.

F. The purchase of the Property by Homeowners shall be upon the following terms and conditions:

1. **Purchase Price.** The purchase price for the Property shall be [purchase price (\$nn,nnn.nn)] (the "Purchase Price"), which is the total combined cost of the Property, plus Homeowners share of all closing costs, property taxes, insurance premiums and title insurance as provided herein.

2. **Payment of Purchase Price.** The Purchase Price shall be payable as follows:

(a) Down payment of Five Hundred Dollars (\$500.00) (the "Down Payment") to be paid by Homeowners to Habitat upon execution of this Agreement.

(b) Each Homeowner will have prior to close of escrow contribute a minimum of two hundred fifty (250) hours of "sweat equity" devoted by Homeowners towards the completion of construction of the Residence. Homeowners' work on the construction of the Residence shall be subject to Habitat's supervision and without compensation.

(c) The balance of the Purchase Price to be financed by Habitat in accordance with one (1) Installment Promissory Note; one (1) First Mortgage and by City of Terre Haute, by and through the Department of Redevelopment with one (1) Promissory Note and one (1) Real Estate Mortgage to be recorded through escrow at the close of escrow as provided by Paragraph 3 below.

3. **Financing.** The following financing shall be recorded through escrow at the close of escrow:

(a) Homeowners shall execute an Installment Promissory Note payable to Habitat in the amount of Forty Six Thousand Dollars (\$46,000.00) less the Down Payment received (the "Note"). The Note shall contain the following specific provisions:

(i) The Note shall bear no interest. Initially, the monthly loan payment shall be _____ Dollars (\$ _____.00).
MONTHLY PAYMENTS OF PRINCIPAL UNDER THE FULL VALUE NOTE SHALL BE DUE ON THE FIRST DAY OF EACH MONTH BEGINNING JULY 1, 2010 CONTINUING FOR () MONTHS WITH THE FINAL MONTHLY PAYMENT MADE ON _____ 1, 202 .

(ii) Homeowners may at any time prepay the principal outstanding on the Full Value Note in whole or in part without paying a prepayment penalty or charge. Homeowners shall agree to notify Habitat in writing of any prepayment in whole or in part that Homeowners are making. If Homeowners make a partial prepayment, Homeowners understand and agree that monthly payments will continue unchanged and will be due as set forth in the Note. Homeowners also understand that any partial payment shall not change the amount of the monthly payments unless Habitat and Homeowners agree in writing to the changes.

(iii) If any monthly payment due on the Note is not made within fifteen (15) days after it is due, Homeowners agree to pay a late charge of Ten Dollars (\$10.00) of the delinquent payment to cover expenses and costs incurred by Habitat.

(iv) In order to insure the timely payments of taxes, assessments and insurance premiums, the Escrow Agreement shall provide that an escrow account be established for collection of these obligations. Homeowners agree to pay, in advance, to Habitat on the day the monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth (1/12) of:

(A) the yearly taxes and assessments which may attain priority over the First Mortgage, as a lien on the Property;

(B) the yearly hazard or property insurance premiums;

(C) the yearly flood insurance premiums, if any;

(D) the yearly mortgage insurance premiums, if any; and

(E) any sums payable by the Homeowners to Habitat in lieu of the payment of mortgage insurance premiums.

These items are called "Escrow Items". Habitat agrees to estimate the monthly Escrow Items and inform the Homeowners how much is due each month. Habitat further agrees to keep the Funds in a separate account and to pay the taxes, and insurance premiums from this account. If the Funds held by Habitat exceed the amount needed to pay the taxes, and insurance premiums, Habitat shall ac-

count to the Homeowners for the excess Funds and apply the excess to future monthly Impound Items.

If the amount of the Funds held by Habitat at any time is not sufficient to pay the Escrow Items when due, Habitat may so notify the Homeowners in writing and, in such case, the Homeowners shall pay to Habitat the amount necessary to make up the deficiency. The Homeowners shall make up the deficiency within thirty (30) days of receiving Habitat's notice.

Upon payment in full of all sums secured by the Note, Habitat shall promptly refund to the Homeowners any Funds held by Habitat. If Habitat shall acquire or sell the Property, Habitat, prior to the acquisition or sale of the Property, shall apply any Funds held at the time of acquisition or sale as a credit against the sums secured by the Note.

THE INITIAL MONTHLY ESCROW PAYMENT SHALL BE ONE HUNDRED SEVENTY-FIVE DOLLARS (\$175.00). COMBINED TOTAL DUE

_____ ***DOLLARS (\$.00). (***
_____ ***DOLLARS (\$.00) ON THE***
PRINCIPAL; AND ONE HUNDRED SEVENTY-FIVE DOLLARS
(\$175.00) ON THE ESCROW).

Notwithstanding the Homeowners shall not be required to make payments from the account in a manner that would cause the cancellation of any insurance policy or that would cause property taxes or other similar payments to become delinquent.

(b) Homeowners shall execute a Promissory Note payable to City of Terre Haute Department of Redevelopment in the amount of Thirty Five Thousand Dollars (\$35,000.00). This original amount shall be reduced to zero, prorated monthly, over a ten (10) year period commencing at the date of execution of the Note, or until a change in use of property is made which would not comply with the HOME Program.

4. Habitat's Election to Remedy Defects. Notwithstanding any provision of this Agreement to the contrary, Habitat shall have the right to remedy violations of this Agreement prior to the close of escrow. This right of remedy shall be subject to the following requirements and restrictions:

(a) Homeowners shall immediately notify Habitat in writing of Homeowners' discovery, prior to the close of escrow, of a violation of any of the provisions of

this Agreement by Habitat. For these purposes, the foregoing violations shall be referred to as “defects”.

(b) If the Homeowners fail to give notice, Homeowners shall waive the defect and the defect shall not be a violation of this Agreement. If Homeowners give notice, Habitat may elect to remedy the defect by giving the Homeowners written notice of this election within ten (10) days of receiving Homeowners’ notice. Habitat’s notice of election to remedy shall specify the number of days, if any, up to a maximum of sixty (60), that escrow shall be postponed so that Habitat may remedy the defect. If Habitat fails to provide a timely notice of election or fails to remedy the defect prior to the close of escrow (including any extension of escrow pursuant to this Paragraph), the Homeowners, at Homeowners’ election, may do either of the following:

- (i) terminate this Agreement without any liability on the part of either party; or
- (ii) purchase the Property without a reduction in the Purchase Price and without any liability for the unremedied defect or defects on the part of Habitat.

The failure by the Homeowners to make such an election shall be deemed to be an election of option (ii).

5. Disclaimer of Warranties. The Homeowners acknowledge that they are purchasing the Property solely in reliance on Homeowners’ own investigation and that, except as otherwise provided herein, no representations or warranties of any kind whatsoever, express or implied (including, but not limited to, the implied warranty of merchantability and the implied warranty for fitness for a particular purpose), have been made by Habitat or Habitat’s agents or representatives. The Homeowners further acknowledges that they are aware of all site and physical conditions and other matters affecting the use and condition of the Property and agrees to purchase the Property in its present condition “as is”. The Homeowners further acknowledges that the Property is sold to them upon favorable terms and the Homeowners assume all risks in purchasing the Property from Habitat. The Homeowners expressly waives all claims against Habitat or its agents, representatives, officers, directors or volunteers for negligence, products liability or any other alleged defects in the Property.

6. Co-Tenancies. In the event of co-owners of equal interest (co-tenancy), all co-tenants agree that the entire Property will be used to the mutual advantage of all and that none of the co-tenants will partition the Property.

7. No Equity Loan. Homeowners agree not to seek an equity loan on the Property.

8. Delivery of Possession. The parties acknowledge that the Homeowners have completed the required amount of sweat equity referred to hereinabove and have conducted tests or other investigations of the Property. Further, the parties acknowledge that the Homeowners have and will continue to occupy the Property as Habitat's tenant, until close of escrow.

9. Arbitration of Disputes. ANY CONTROVERSY OR CLAIM ARISING OUT OF THIS AGREEMENT OR A BREACH HEREOF SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

NOTICE: BY INITIALING IN THE SPACE BELOW, HOMEOWNERS AND HABITAT ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS SUBPARAGRAPH DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY INDIANA LAW AND HOMEOWNER AND HABITAT ARE GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW, HOMEOWNERS AND HABITAT ARE GIVING UP THEIR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SUBPARAGRAPH. IF THE HOMEOWNERS AND HABITAT REFUSE TO SUBMIT TO ARBITRATION HOMEOWNERS' AND HABITAT'S AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

HOMEOWNERS AND HABITAT HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS SUBPARAGRAPH TO NEUTRAL ARBITRATION.

INITIALED BY HOMEOWNERS: _____

INITIALED BY HABITAT: _____.

(a) Attorney's Fees. If any action, proceeding or arbitration arising out of or relating to this Agreement is commenced by either party to this Agreement or by Escrow Holder, then, as between the homeowner and Habitat, the prevailing party shall be entitled to receive from the other party, in addition to any other relief that may be granted, the reasonable attorney's fees, costs and expenses incurred in the action, proceeding or arbitration by the prevailing party.

(b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their heirs, personal representatives, successors and assigns, except as otherwise provided in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

WABASH VALLEY HABITAT FOR HUMANITY

By _____
Annette Houchin, Executive Director "Habitat"

By _____
Homeowner's Name "Homeowner"

By _____
Homeowner's Name "Homeowner"

Replace with actual Purchase Agreement