

CONTRACT FOR DEED

THIS CONTRACT FOR DEED (this "Agreement") dated this 1st day of July, 2013

BETWEEN:

Roger McDaniels of [address], and
James Beam of [address]
(collectively the "Seller")

OF THE FIRST PART

- AND -

Rock Bonawitz of [address]
(the "Purchaser")

OF THE SECOND PART

IN CONSIDERATION OF the covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties to this Agreement agree as follows:

On the 1st day of July, 2013, the Seller, for and in consideration of the sum of \$260,000.00, does hereby agree to convey and grant with warranty covenants to the Purchaser, all of the following lands and property, together with all improvements located on the property:

All that tract described as Lot Numbers 6A and 7 as referenced in Book of Maps 1963, Page 214 and Book of Maps 1966, Page 11 Wake County Registry, Wake County, North Carolina.

The purchase price (the "Purchase Price") of the Premises is \$260,000.00. The Purchaser agrees to pay \$25,000.00 upon execution of this Agreement and the balance of the Purchase Price being payable in 180 monthly installments of \$ 1,858.37, due on the 1st of each month, beginning on July 1, 2013 until the Purchase Price is paid in full.

Lands, property and all improvements free and clear of any liens or encumbrances will be granted after Purchaser has satisfactorily completed the terms of this agreement or Purchaser has paid the purchase price in full to Seller.

Interest of 5% per year will be computed monthly and deducted from the monthly payments. The balance of the monthly payment will be applied to the principal amount of the Purchase Price outstanding.

Lump sum payments may be made at any time, without penalty, to reduce the principal amount of the Purchase Price outstanding.

For the duration of this Agreement, the Purchaser will be responsible for all taxes, and assessments levied against the Premises.

The Purchaser is not responsible for insuring the Seller's contents and furnishings in or about the Premises against either damage or loss and the Purchaser assumes no liability for any such damage or loss.

The Purchaser is hereby advised and understands that the personal property of the Purchaser is not insured by the Seller for either damage or loss, and the Seller assumes no responsibility for any such damage or loss. The Purchaser is advised that, if insurance coverage is desired by the Purchaser, the Purchaser should inquire with the Purchaser's insurance agent regarding a personal contents policy of insurance.

The Purchaser is hereby advised and understands that the Premises is not insured by the Seller for either damage or loss to the structure, mechanical or improvements to the Premises, and the Seller assumes no responsibility for any such damage or loss. The Purchaser is advised that insurance coverage is required by the Seller, and the Purchaser should inquire with the Purchaser's insurance agent regarding a policy of insurance for the Premises and provide a copy of such policy to the Seller once it is in place. Failure to insure the Premises is a violation of this Agreement and may result in the termination of the Agreement.

The Purchaser is responsible for maintaining liability insurance on the Premises for the benefit of both the Purchaser and the Seller, and the Purchaser assumes liability for any damage or loss arising from the liability of either the Purchaser or the Seller.

For any required insurance of the Purchaser stipulated in this contract, the proof of insurance will be furnished to the Seller upon the request of the Seller.

Purchasers shall not remove or demolish any buildings, improvements or fixtures now or later located on or a part of the Property, nor shall Purchasers commit or allow waste of the Property. Purchasers shall maintain the Property in good condition and repair. Purchasers shall not create or permit to accrue liens or adverse claims against the Property which constitute a lien or claim against Seller's interest in the Property. Purchasers shall pay to Seller all amounts, costs and expenses, including reasonable attorney's fees, incurred by Seller to remove any such liens or adverse claims.

This contract shall stand as security of the payment of the obligations of Purchaser.

The time of performance by Purchasers of the terms of this contract is an essential part of this contract. Should Purchasers fail to timely perform any of the terms of this contract, Seller may, at Seller's option, elect to declare this contract cancelled and terminated by notice to Purchasers in accordance with applicable law. The contract shall then be void and canceled. All right, title and interest acquired under this contract by Purchasers shall then cease and terminate, and all improvements made upon the Property and all payments made by Purchasers pursuant to this contract shall belong to Seller as liquidated damages for breach of this contract. Neither the extension of the time for payment of any sum of money to be paid hereunder nor any waiver by Seller of Seller's rights to declare this contract forfeited by reason of any breach shall in any manner affect Seller's right to cancel this contract because of defaults subsequently occurring, and no extension of time shall be valid unless agreed to in writing. After service of notice of default and failure to cure such default within 60 days, Purchasers shall, upon demand, surrender possession of the Property to Seller.

The Property is sold as-is. The property has water, sewer, and electrical services. The property is in a floodplain.

The property has a mortgage from Fidelity Bank NC for \$132,000. Monthly payments of \$1157 are due on the first of each month. This mortgage is the only lien against the property. The Seller will take out no other mortgages on the property for the duration of this contract.

No real estate taxes, dues, or other assessments are past due or delinquent.

The Purchaser will pay the Seller's mortgage directly, submitting the difference between the Seller's mortgage payment and this Purchasers's payment to the Seller monthly on the first of each month.

This contract cannot be assigned by Purchaser without the express written consent of Seller.

Nobody other than the Seller and the mortgage holder has a legal interest in the property

There are no restrictive covenants in place that affect the property.

Annual property taxes are approximately \$2500/year. There are no other dues, assessments, or other taxes on the property.

Initials _____ **Page 3 of 3**

If Purchaser defaults and the loan is accelerated, then Purchaser shall have the right of reinstatement as allowed under the laws of the State of North Carolina, provided that Purchaser: (a) pays Lender all sums which then would be due under this agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; and (c) pays all expenses incurred in enforcing this agreement, including, but not limited to, reasonable attorneys' fees, and other fees incurred for the purpose of protecting Seller's interest in the Property and rights under this agreement. Seller may require that Purchaser pay such reinstatement sums and expenses in one or more of the following forms, as selected by Seller: (a) cash, (b) money order, (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity or (d) Electronic Funds Transfer. Upon reinstatement by Purchaser, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred.

The purchaser has the right to cancel the contract at any time until midnight of the third business day following execution of the contract, or delivery of the contract, whichever occurs later.

Purchaser_____ **Seller**_____