

# SAMPLE DOCUMENT

Items in red will differ on actual mortgage.

## PURCHASE MONEY MORTGAGE

Contract # **LAND-000**

### Know All Men By These Presents:

That the undersigned, **John Doe and Mary Doe**, Husband and Wife, herein referred to as Mortgagor, for and in consideration of the sum of Ten Dollars (10.00), together with other good and valuable consideration, cash in hand paid by AMERICAN LAND COMPANY, LLC, an Arkansas Limited Liability Company, herein referred to as Mortgagee, the receipt of which consideration is acknowledged, does hereby grant, bargain, sell and convey to Mortgagee, and to its successors and assigns forever, the following property, situated in the County of **SHARP**, State of Arkansas, to-wit:

## LEGAL DESCRIPTION HERE

**TO HAVE AND TO HOLD** unto Mortgagee, and unto its successors and assigns forever, with all appurtenances thereunto belonging. And Mortgagor hereby covenants with Mortgagee that Mortgagor will forever warrant and defend the title to the property against any and all claims whatever, save and except, however, as to utility easements, if any, and as to mineral reservations, if any, and exceptions in the above description. And I/We, the Mortgagors, do hereby release, relinquish and convey unto Mortgagee, its successors and assigns, all of my/our rights of dower, curtesy and homestead in and to the said land.

1. Condition. The foregoing conveyance is given as a Purchase Money Mortgage on the condition that whereas Mortgagor is justly indebted to Mortgagee in the sum of **Ten Thousand Dollars (\$10,000.00)** with interest at **Nine (9) %** per annum evidenced by a promissory note of even date herewith payable to Mortgagee in **120** monthly installments of **\$126.68** beginning **August 4<sup>th</sup>, 2010** and a final payment of the balance due on **July 4<sup>th</sup>, 2020**, if Mortgagor pays all of said indebtedness secured by this mortgage at the times and in the manner aforesaid and all successive extensions and renewals of the indebtedness represented thereby, and fully does and performs all of the other obligations herein assumed by Mortgagor, the above conveyance shall be null and void; otherwise, to remain in full force and effect.
2. Duties of Mortgagor. Mortgagor agrees (a) to pay all taxes, both general and special, and to pay all suburban improvement district taxes lawfully levied against such property, as the same may be assessed and become due and payable; if Mortgagor shall fail in this, the Mortgagee, payee, or the holders of the indebtedness shall have the right to pay the taxes and the amounts so paid shall be considered a part of the principal sum secured hereby and bear interest from date of payment at the same rate as such principal sum, and the lien of this instrument shall also secure the payment thereof, and (b) to prevent the mortgaged property from becoming encumbered by any lien or charge having priority over, or on a parity with, the lien of this mortgage, and to comply with all statutes, regulations, covenants and restrictions relating to such property, and to protect the mortgaged property from waste, injury or unusual deterioration.

3. Default. At the option of the Mortgagee, payee, or the holder of the indebtedness, all sums secured hereby may be accelerated as provided herein and the lien of this instrument shall become subject to foreclosure by suit filed in any court of competent jurisdiction in the county in which the property is situated in any one of the following events:
- a. If default shall be made in the payment of any part of the indebtedness secured hereby or any interest accruing on such indebtedness as same becomes due and payable according to the terms of the original note or of any extension or renewal thereof.
  - b. Upon the filing of a voluntary or involuntary petition to subject Mortgagor to any bankruptcy, debt-adjustment, receivership or other insolvency proceeding.
  - c. If Mortgagor shall fail to comply with any agreement contained in Paragraph 2 of this mortgage.
  - d. If Mortgagor shall sell or convey the title to or any interest in the real property mortgaged hereunder without the prior written consent of the Mortgagee or holder of the indebtedness.
  - e. If Mortgagor shall cut commercial grade timber or remove sub-surface minerals.
  - f. If Mortgagor shall do anything to the property that, in the opinion of the Mortgagee, adversely affects the value of the property. Mortgagor specifically gives Mortgagee the right to enter the property for the purpose of inspecting same.

It is particularly understood that the foregoing provisions will be applicable not only to the maturities recited in the original mortgage note(s) but also to any substituted maturities created by an extension or renewal. The failure of the holder(s) of the secured indebtedness to declare an acceleration of maturities when a ground therefore exists, even though such forbearance may be repeated from time to time will not constitute a waiver of the right of such holder(s) to accelerate maturities upon a reoccurrence of the same ground therefore; nor will the act of such holder(s) in remedying any condition resulting from Mortgagor's default bar the holder(s) from declaring an acceleration of maturities by reason of such default.

4. Acceleration. Upon Mortgagors' breach of any covenant or agreement in this mortgage, the Mortgagee shall, prior to acceleration, mail to the Mortgagor's last known address by regular mail (1) notice of the breach, (2) the action required to cure the breach, (3) a date not less than thirty (30) days from the date the notice is mailed to the Mortgagor by which such breach must be cured and (4) that failure to cure such breach before such date may result in acceleration of the sums secured by this mortgage and foreclosure. If the breach is not cured on or before the date specified in the notice, Mortgagee at its option may declare all of the sums secured by this mortgage to be immediately due and payable without further demand and may foreclose the mortgage or sell the property pursuant to its terms.
5. Waiver. Mortgagor hereby waives any and all rights of appraisal or redemption under the laws of the State of Arkansas, and especially all right of redemption under the Act of May 8, 1899. On default, Mortgagor agrees to payment of all expenses of foreclosure including but not limited to all costs of documentary evidence, abstracts and title reports and reasonable attorney's fees, not to exceed ten per cent (10%) of the amount of principal due, plus accrued interest.

**WITNESS** our hand and seal on \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_(SEAL)  
**John Doe**

\_\_\_\_\_(SEAL)  
**Mary Doe**

**ACKNOWLEDGMENT**

State of \_\_\_\_\_

County of \_\_\_\_\_

On this the \_\_\_\_\_ day of \_\_\_\_\_, 2007, before me,

\_\_\_\_\_, the undersigned officer, personally appeared **John Doe and Mary Doe**, known to me ( or satisfactorily proven ) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the consideration and purposes therein contained.

In witness whereof I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires  
\_\_\_\_\_