

Office Use Only

Scheduled Move-In Date: _____ Reviewed by (initial): _____

Copy to CLB _____ Date _____

LEASE PURCHASE AGREEMENT

This Agreement made and entered into on the _____ day of _____, 2007 between _____ ("Seller"), and _____ (collectively, "Buyer").

1. Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey, and Buyer agrees to purchase the real estate located in _____ County, Tennessee and described as _____ ("the property").

2. The purchase price for the Property is _____ and shall be paid as follows:

Buyer understands that any down payment made on property is in fact a down payment, and as such, is not refundable under any circumstances. Nor may the down payment be used by buyer for the purpose of satisfying any unpaid monthly lease payments, late fees, repairs, damages, or for any other reasons.

3. This Agreement is conditioned upon Seller being able to convey good and marketable fee simple title to the Property free and clear of all encumbrances except for taxes for the current year not yet delinquent, zoning and subdivision laws and ordinances, restrictive covenants and utility easements of record. Seller shall have a reasonable time to cure any defects in title. The down payment shall be returned to Buyer and this Agreement shall be null and void if Seller is unable to convey title as required by this Agreement and Buyer is unwilling to accept such title as Seller is able to convey.

4. Conveyance shall be made by Warranty Deed to Buyer. The closing shall take place on the first day of any month specified by Seller within at least fifteen (15) days notice, but not later than _____. If, for any reason, closing does not take place on or before date specified in Item #4, all other terms and conditions of this Lease Purchase Agreement remain in effect.

5. Seller shall pay for deed preparation and Seller's closing fees. Buyer shall pay Buyer's closing fees. Buyer agrees to use Title Insurance Company of Chattanooga, 7405 Shallowford Road, Suite 540, Chattanooga, TN 37421 for closing.

6. If Buyer wrongfully fails to perform Buyer's obligations under this Agreement, Seller may either (a) cancel this Agreement and retain the down payment as liquidated damages, or (b) seek specific

performance of this Agreement, in which event the down payment shall be applied to the sale price. If Seller wrongfully fails to perform Seller's obligations under this Agreement, Buyer may either (y) cancel this Agreement and receive a refund of the down payment, or (z) seek specific performance of this Agreement. If, as the result of an alleged event of a default, litigation ensues, the prevailing party shall be entitled to recover a reasonable attorney's fee and court costs from the other party.

7. Buyer has examined, inspected and investigated the Property and the improvements thereon. Buyer agrees that as of the date this Lease Purchase Agreement is entered into, they will accept the Property in its "as is" condition. Buyer further agrees that on the closing date they will accept the Property in its "as is" condition on the date hereof. Seller makes no warranty or representation regarding the condition of the Property or the suitability of the Property for any particular use.

8. Possession of the Property shall be delivered to Buyer as of the date the down payment and first month's lease payment are received. Between the date hereof and the closing date, Buyer shall lease purchase the Property from Seller on the following terms and conditions:

- (a) Buyer shall pay to Seller on the date hereof and the first day of each month thereafter until closing, payment in the amount of \$_____ per month. At the closing, _____ of each monthly payment made by Buyer shall be credited against the portion of the purchase price described in Section 2 above. Buyer understands that if closing does not occur by date specified in item 4, all monthly credits are rescinded, and are therefore not refundable to Buyer. Buyer shall pay to Seller a late fee of \$10 per day beginning with the sixth day until the lease payment for that month is paid in full. If payment is received after the sixth day of the month, Seller reserves the right to deduct the monthly credit toward the purchase price for that month. Payments should be taken or mailed to 11924 Burchard Road ~ Soddy Daisy, TN 37379.
- (b) Prior to closing, Buyer shall use the Property only as a residence and shall not make any changes to the property, make any changes to the improvements on the property or place additional improvements on the Property without written approval by Seller. Buyer shall promptly pay for all work done on the Property and hold Seller harmless from any liens arising from such work.
- (c) Real estate taxes for the closing year shall be prorated between Seller and Buyer as of the date of the closing.
- (d) Closing will be at Title Insurance Company of Chattanooga as specified in Paragraph #5.
- (e) Simultaneously with the execution of this Agreement, Buyer shall deliver to Seller evidence that contents insurance is in force in an amount and with a carrier reasonably acceptable to Seller during the time between the date hereof and the closing date.

- (f) From and after the date hereof, Buyer shall perform and pay for all repairs required to keep the improvements on the Property in a state of repair at least equal to the state of repair on the date hereof.
- (g) From and after the date hereof, in the event of any damage to property coverable by homeowner's dwelling policy, Buyer agrees to pay entire deductible for each occurrence. Deductible must be paid in full by Buyer at time claim is filed.
- (h) In the event Buyer fails to make any payment of lease or perform any other obligation hereunder for a period of ten (10) days after Seller has given Buyer written notice of such default, Seller shall have the right to terminate this Agreement, retain the down payment and pursue any other rights and remedies available at law or equity, including the recovery of court costs and reasonable attorney's fees. In the event seller has given the above-mentioned 10-day notice and buyer has not satisfied all obligations, buyer agrees to vacate premises without incident on or before the 10th day. Buyer also agrees to forfeit rights to and possession of any personal items remaining on property.
- (i) Seller has right to enter home for purpose of inspecting home to ensure it is being adequately maintained and kept in acceptable state of repair. Seller agrees to make reasonable effort by means of telephone call to provide buyer with 48-hour notice before entering home.
- (j) In the event there is an existing security system or a buyer purchases a security system, buyer must furnish the seller with the security code and notify seller if there are any changes made to the code.
- (k) Tenant is liable for any Neighborhood Homeowner's Association fees. Tenant is responsible for paying fees directly to Homeowner's Association.
- (l) By signing this Lease Purchase Agreement, Buyer authorizes Seller to obtain a credit report on Buyer every three months from the date of the inception of the Lease Purchase Agreement, as well as permission to share these credit reports with a third party, in order to evaluate Buyer's efforts and readiness to obtain financing on their own by the end of this Lease Purchase term, as required in item 4 of this Agreement. If any credit report shows that Buyer's middle credit score has decreased by 50 points or more from the current middle score of _____ attained by Buyer during the Lease Purchase application process, this Lease Purchase Agreement can be terminated by the Seller immediately and all monies paid to Seller are forfeited by Buyer.

9. Additional provisions and stipulations:

10. This Agreement contains the entire agreement of the parties and may be modified only by an agreement in writing executed by both parties. This Agreement shall be binding upon and enforceable by the parties, their heirs, successors and assigns.

11. Seller agrees to pay _____ at closing a commission in the amount of _____% of the purchase price for services rendered in securing Buyer. If Buyer refuses to close the purchase of the Property under circumstances constituting a default hereunder, the Earnest Money retained by Seller shall be divided equally with the above-named agent; provided, however, the agent's share of the Earnest Money shall not exceed the amount of the commission that would have been earned had the Buyer not defaulted hereunder.

IN WITNESS THEREOF the parties have executed this Agreement as of the date first above written.

SELLER:

BUYER:

