

# LOT SALES AGREEMENT

RECEIVED OF the undersigned Purchaser, the sum of \$\_\_\_\_\_ per lot as an Option Fee for total of \$\_\_\_\_\_ and as in part payment for the purchase of the following described lots: \_\_\_\_\_ (“Property”), For a Total Purchase Price of \_\_\_\_\_ (\$\_\_\_\_\_ ) which is/are a part of Phase \_\_\_\_\_, Section \_\_\_\_\_ of Subdivision (“Subdivision”), on the \_\_\_\_\_ in \_\_\_\_\_ County, City of \_\_\_\_\_, State of \_\_\_\_\_.

1. Seller covenants and agrees to sell and convey the Property as individual “Lots”, with all improvements thereon, or cause it to be conveyed, by good and sufficient warranty deed (“Deed”), to Purchaser only, unless Seller specifically agrees to an assignment in writing. Purchaser covenants and agrees to purchase and accept the Lots at the price and upon terms stated herein. The Purchase Price for the Property is the sum of the prices for individual Lots, and shall be paid in cash at Closing of each Lot and which separate Lot Prices are: \_\_\_\_\_.
2. Purchase of Lots is further contingent upon Purchaser obtaining financing acceptable to Purchaser and notifying Seller of same in writing on or before \_\_\_\_\_ (“Said Date”). Application for such financing is to be made within \_\_\_\_\_ days from the effective date of this agreement. If acceptable financing is not received by Purchaser on or before Said Date, Purchaser may declare this Contract null and void and the Option Fee will be returned to Purchaser. If Seller does not receive notice from Purchaser that Purchaser has acceptable financing on or before Said Date, then Seller may declare this Contract null and Void and the Option Fee shall be returned to Purchaser.
3. The Closing shall be on or before \_\_\_\_\_ in the office of the \_\_\_\_\_ . Time is of the essence.
4. The Option Fee shall be applied pro-rata, at the Closing of each lot. If Purchaser fails to close on or before the date specified above, then, at Seller’s option, either: a) the price of each Lot not Closed shall increase at a rate of \$\_\_\_\_\_ per day for each day that Purchaser is late in Closing or b) Seller may elect to cancel this Contract.
5. In addition to all other amounts required hereby, it is agreed that Purchaser shall also pay at Closing the sum of \$\_\_\_\_\_ per Lot into the Builder’s Advertising Fund, as its pro rate share of common advertising costs, brochures, and signage. The Builder’s Advertising Fund shall be controlled and administered by Seller.
6. The following specific matters are agreed to by the parties, and shall be memorialized by clauses to that effect in the Warranty Deed(s) conveying the Lots to the Purchaser:
7. Purchaser acknowledges that Seller and Developer both have the right and authority to approve the size and exterior design, parking arrangement, materials, paint colors, brick, and roofing of all structures built on each lot, such approval shall not be unreasonably withheld. The Lots shall be subject to all Covenants and Restrictions of record at time of lot Closing. Purchaser covenants and agrees that no construction of any improvements shall be commenced before both Seller and Purchaser have given written approval of Purchaser’s plans and specification, whether the plans and specifications are “approved”

or “disapproved”. Purchaser further agrees that this covenant may be specifically enforced.

8. All taxes for the current year are to be prorated as of date of Closing based on the last known assessment, and all prior unpaid taxes or liens including front foot assessments are to be paid by Seller, unless otherwise specified. Seller shall be responsible for any roll back taxes. All casualty insurance policies covering the Property will be canceled as of the Closing.
9. Seller represents that at Closing the Property will be unencumbered by liens, easements, deeds of trust or any other encumbrances other than those which shall be reflected on the subdivision plat or survey and title commitment. Title is to be conveyed subject only to real estate taxes for the current year; easements and covenants of record; restrictive covenants; Homeowners Association dues and assessments, if any; and subject to all ordinances and laws of all governmental entities having jurisdiction of the property. Purchaser agrees that he had an opportunity to read the Conditions, Covenants, and Restrictions; accepts them; and acknowledges that he will be liable for annual dues and assessments to the Homeowner’s Association.
10. Possession of each Lot will be given with delivery of the Deed. Settlement and payment of the balance of the Purchase Price for each Lot shall be made upon presentation of a good and valid warranty deed with the usual covenants and conveying good and merchantable title, subject only to current real estate taxes, and Subdivision restrictions and easements of record and any other matters of record, after allowing five days from completion of title search or the delivery of abstracts for examination of title. Seller agrees to furnish, for examination only, either title search or adequate abstracts of title, taxes and judgments, covering Property, or at Seller’s option, a policy of title insurance by one of the title companies having an office in Shelby County for the purchase price, insuring marketability of title and paid for by Seller. Adequate abstracts of title, taxes, and judgments are those required by a title insurance company with an office in Shelby County, as the basis for the issuance of an insurance policy covering Property for the above purchase price, and containing only the standard printed exceptions, shall constitute and be accepted by Purchaser as conclusive evidence of good and merchantable title.
11. If, after examination of the title commitment or abstract, Purchaser notifies Seller in writing that the title commitment or abstract contains an exception which would cause Purchaser’s title to the Lots to be unmarketable and which the issuing title company either refuses to delete or provide coverage against, Seller, at Seller’s option, shall have a reasonable period of time to (I) have any such exception removed or to provide assurances to Purchaser that such exception will be removed upon issuance of the final policy or (II) to deliver a commitment from another title insurance company with an office in Shelby County to issue a title policy with such exception to be deleted or insured over upon issuance of the final title policy. If after a reasonable period of time Seller is unable to have any such exception removed, to provide Purchaser with assurances that the exception will be removed upon issuance of the final policy, or to procure a commitment from another such title company to delete such exception or insure over it upon issuance of the final policy. Purchaser may terminate this agreement only as to any specific Lot so affected, upon written notice to Seller. If Purchaser fails to give written notice to Seller of any objections to title defects within five (5) days of receipt of record

of the title commitment or abstract, Purchaser will be deemed to have waived such objection and shall accept title with such defects. If the title is good and Purchaser fails to pay for any Lot(s) as specified herein, Seller shall have the right to elect to declare this contract canceled, and upon such election, the Option Fee may be retained by Seller as liquidated damages and shall be Seller's sole remedy.

12. Seller will pay for preparation of the warranty deed, title search or abstract, and notary fee on the deed. Seller authorizes Purchaser to order only the previously prepared master title search or master abstract for which Seller has paid. Purchaser will pay for the recording of the deed, state tax and Register's fee on the deed, and the expense of title examination or title insurance, if any. If there is any purchase money debt or if Purchaser otherwise finances the purchase of any or all of the Lots, Purchaser will pay for the preparation of any note, trust deed, notary fee recording fee related thereto and the state tax thereon, including Tennessee indebtedness tax. Seller and Purchaser will pay their respective document preparation fees and closing fees as charged by their settlement agent or attorney. Seller will only pay for one set of closing papers and one warranty deed per scheduled Closing. Purchaser will pay for any additional warranty deeds and settlement statements. If Purchaser obtains a loan on Property, it will pay all expenses related to same. Purchaser will reimburse Seller at the closing for any tax, insurance, or other accrual items on deposit with the holder of any debt secured by property and assumed by Purchaser.
13. This instrument when signed only by the prospective Purchaser shall constitute an offer which shall not be withdrawable in less than 48 hours from the date hereof.
14. Time is of the essence in the Contract. Seller and Purchaser further agree that there is a commission due an agent(s), at Closing only, which is specified in the separate listing agreement between the Seller and Agent. As used herein, "Seller" and "Purchaser" include the plural, the masculine gender includes the female or neuter.

WITNESS execution of this contract as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PURCHASER:

By: \_\_\_\_\_  
Title/Date

SELLER:

By: \_\_\_\_\_  
Title/Date