

REAL ESTATE SALES AGREEMENT

To: **SELLER: Philip and Deborah Gardner**

From: **PURCHASERS:** _____

1. I/we hereby agree to purchase the described property being

A certain tract of land lying in the City of Chattanooga, Hamilton County, Tennessee, described to wit

Lot Seven (7), Watkins Fort Wood Addition, as shown by plat recorded in Plat Book 1, page 22 of the Registrars Office of Hamilton County, Tennessee. According to plat said lot fronts 55 five feet on the Northern line of Vine Street, extending back Northwardly, between parallel lines, 135 feet to an alley.

For prior title see deed book 5091, page 992 , in said Registrar's Office of Hamilton County, Tennessee.

PROPERTY ADDRESS: 1000 Hanover Street, Chattanooga, Tennessee 37405

2. **DEED: Deed to be made in the name of:** _____

3. **We will pay for said real estate:** \$ _____

4. **EARNEST MONEY:** The sum of \$ _____, as already paid to Sellers (the receipt of which is hereby acknowledged by Sellers) to guarantee the faithful performance of the Purchasers, which sum, if the sale is consummated, shall be credited on the purchase price and constitute a part of the cash payment for said property. This deposit is non-refundable unless Sellers default in the performance of their obligations hereunder.

5. **THE PURCHASE PRICE** shall be paid as follows (only subparagraphs checked apply):

____ **ALL CASH:** All cash at closing with no financing contingency.

____ **NEW LOAN:** This contract is subject to the Purchaser's ability to obtain a loan based on the lender's standard underwriting criteria in the amount of \$ _____, or _____% of the purchase price for a term of ____ years **at the interest rate prevailing at the time of closing.** The balance of the purchase price shall be paid in cash at closing. The new loan specified above will be ____ **CONVENTIONAL**, ____ **FHA LOAN***, ____ **VA LOAN***, ____ **OTHER.** *See attached FHA, VA, Addendum. (__Fixed Rate __Adjustable)

____ **ASSUMPTION OF EXISTING LOAN: ATTACH FHA, VA ASSUMPTION ADDENDUM.**

LOAN APPLICATION: Application for a new loan, or loan assumption shall be made within ____ days after acceptance of this offer and shall be diligently pursued. Loan discount points to be paid, if any, shall be paid by _____ and shall no exceed ____% of the loan amount. Purchasers will secure a written commitment forth discount points at the time of the loan application for a term of ____ days. **FOR INFORMATION PURPOSES ONLY, ASSUMING** an interest rate of _____% the monthly payment would be approximately \$ _____ (P&I).

6. **ITEMS THAT REMAIN** with the property at no additional cost to Purchaser:

No information or items listed in t Multiple Listing Book or other representations of the property outside of this Agreement are included in this Agreement unless specifically itemized.

7. **OTHER STIPULATIONS** to this Contract: _____

8. **POSSESSION:** Possession of the property shall be delivered to Purchaser on midnight on the date of closing.

9. **TIME:** If the offer is not accepted by the Sellers by _____, then this offer shall stand revoked. **Should the offer be accepted by the Sellers, the parties hereto agree to close the purchase when all terms and conditions are met, on or before _____.** This transaction will be closed by **SCENIC CITY TITLE AGENCY.**
10. **PROPERTY INSPECTION:** Sellers warrant that they own, and hereby sell, all fixtures and equipment attached to the property, and that all “mechanical equipment” will be in normal operating order as of the date of closing, unless otherwise specified by the Sellers and accepted in writing by the Purchaser. For purposes of this paragraph, the term “mechanical equipment” shall only include the electrical systems, septic systems, all appliances, plumbing system (including the water heater), and the heating and cooling units, attached to the property. Sellers give Purchaser access and the right to inspect the property (including conducting final “walk-through” at least 3 days prior to closing). Purchaser may, **within 10 calendar days** after acceptance of this Offer, inspect the property, or retain a qualified inspector of Purchaser’s choice at Purchaser’s expense to obtain any inspections of the “mechanical equipment”, or for verification of square footage, or for a structural or pest inspection of the property. All such inspections shall be made during normal working hours, and a copy of any written inspection report shall be delivered to the Sellers **within such 10 calendar day period.** Sellers shall cause all utilities to be operational so that Purchaser may complete such inspections. If Purchaser does not deliver a written statement specifying any items shown in the inspection report which are reasonably unacceptable to Purchasers **within such 10 calendar day period,** the property shall be deemed to be acceptable to Purchasers. If the inspection report reveals a material problem or problems affecting the structural soundness, square footage or “mechanical equipment” of the property, then either Seller or Purchaser may terminate this Agreement by delivering a written statement to the other party **within such 10 calendar day period.**

Purchasers understand and agree that by waiving the right to inspect the property Purchasers accept the property “as is” without exception. Purchasers understand and agree that inspections required by FHA, VA, or Purchaser’s lender do not necessarily eliminate the need for other inspections.

All of Sellers’ responsibility in connection with this paragraph shall cease at closing, and closing shall constitute the Purchasers’ acceptance of the property, its “mechanical equipment”, and other improvements to the property in their existing condition (unless otherwise specified in writing).

11. **SELLERS’ DISCLOSURE:** SELLER’S signed written property condition disclosure statement, or exemption certificate, is attached hereto as Exhibit “A”. If the residence on the property was built before 1979, SELLER has attached hereto as Exhibit “B” a signed “Lead Paint” warning, as required by Federal law.
12. **RISK OF LOSS:** Until date of closing, Sellers assume risk of loss or damage to the property by fire, windstorm or other casualty, but shall be entitled to recover from the Purchaser for any damage or loss caused by Purchaser’s negligence. Sellers warrant that the property will be in the same condition on the date of closing and possession as it is on the date of this Agreement, normal wear and tear excepted.
13. **DEFAULT:** Should the Purchaser fail or refuse to carry out the terms of this Agreement, the Sellers shall have the right to: (1) declare this Agreement canceled, and receive the Sellers’ portion of the earnest money as liquidated damages (see Paragraph 4 on the reverse side); or (2) to affirm this Agreement and enforce its specific performance; or (3) recover damages for its breach. In the latter event, the earnest money shall be retained and applied on the purchase price, or on the damages determined. The Purchaser shall be liable for and hereby agree to pay all costs and expenses incurred by the Sellers resulting from the Purchaser’s breach of the Agreement, including reasonable attorneys’ fees, court costs and other damages.
- Should the Sellers fail or refuse to carry out their obligations under this Agreement, the Purchaser shall have right to: (1) declare this Agreement canceled; or (2) affirm this Agreement and enforce its specific performance; or (3) recover damages for its breach. The Sellers shall be liable for and hereby agree to pay all costs and expenses incurred by the Purchaser resulting from the Sellers’ breach of this Agreement, including reasonable attorneys’ fees, court costs and other damages.
14. **NO REALTOR/BROKER:** Sellers and Purchaser each represent to the other that neither has retained or used the services of a Realtor or real estate Broker in this transactions.
15. **PRORATIONS AND EXPENSES:** Except as provided herein, the property taxes and homeowner or condominium fees, if any, are to be prorated from date of closing. All prior unpaid taxes or liens, if any, shall be paid by the SELLER. The cost of preparing the Deed shall be paid by BUYER. Other expenses shall be paid as follows: (a) closing/escrow fees shall be split evenly between PURCHASER and SELLER; (b) the premium for a standard ALTA Owner’s Title Policy and ALTA Lender’s Title Policy shall be paid

by the PURCHASER; and (c) PURCHASER shall pay all costs associated with any financing, all recording costs and all costs of any inspections or surveys.

16. **WARRANTY OF TITLE:** Conveyance of the Property, with all improvements thereon, is to be made by general warranty deed subject only to existing zoning ordinances and to any recorded restrictions, covenants and easements applicable to the property. In the event title to said property be defective and cannot be perfected within a reasonable time, Purchaser may terminate the Agreement and be entitled to a refund of the earnest money.
17. **EQUAL HOUSING: THIS PROPERTY IS BEING SOLD WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.**
18. **TERMINOLOGY:** All pronouns and the use of the singular, plural, masculine, feminine or neuter case or gender shall mean and include all persons, entities, firms, companies and corporations to which they relate as the context may require.
19. **LEGAL OBLIGATIONS CREATED:** This document creates legal obligations and each party to the Agreement must read carefully and fully understand the conditions and terms as set forth in this Agreement.
20. **SURVIVAL CLAUSE:** Any provision herein contained, which by its nature and effect, is required to be performed after closing shall survive the closing and delivery of the deed, and shall remain binding upon the parties to this Agreement and shall be fully enforceable thereafter.
21. **SURVEY AND FLOOD CERTIFICATIONS:** Survey work and flood certifications are the best means of identifying boundary lines and/or encroachments and easements or flood zone classifications. Purchaser has the option to have a boundary line survey or flood zone certification performed at Purchasers expense. If flood certification determines that land is lying in a flood plain, Purchaser is entitled to a full refund of the his deposit.
22. **TIME IS OF THE ESSENCE:** Time is of the essence relative to each deadline and time period set forth in this Agreement.
23. **THIS AGREEMENT IS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND THERE ARE NO OTHER REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSED IN WRITING AND SIGNED BY ALL PARTIES.**

Signed this the ____ day of _____, 2007.

PURCHASERS:

The foregoing proposition is ____ accepted, or ____ the Sellers have signed and accepted this offer according to the terms of the attached counter offer, this ____ day of _____, 2007.

SELLERS:

PHILIP C. GARDNER

DEBORAH P. GARDNER