

BUYOUT AGREEMENT

WHEREAS, _____ as landlord/seller (hereinafter "OWNER") and _____ as tenant/buyer (hereinafter "INVESTOR") have entered into a certain Lease/Purchase Agreement dated _____, 20_____, a copy of which is attached hereto and incorporated by reference as Exhibit "A" (hereinafter "AGREEMENT"), for the lease and sale of certain real property located at _____ (hereinafter "PROPERTY") and

WHEREAS, INVESTOR has subleased the Property to _____ (hereinafter "BUYER") under a certain Lease Agreement dated _____, 20_____, a copy of which is attached hereto and incorporated by reference as Exhibit "B" (hereinafter "LEASE"), and

WHEREAS, INVESTOR, has offered BUYER a written option dated _____, 20____ to purchase the Property from INVESTOR for the sum of \$ _____, a copy which is annexed hereto as Exhibit "C" and incorporated by reference (hereinafter "OPTION"), and

WHEREAS, BUYER has given written notice of his/their option to purchase to INVESTOR and has made diligent application for an institutional loan, and

NOW, THEREFORE, the parties agrees as follows:

TERMINATION OF AGREEMENT

The AGREEMENT between Investor and Owner will hereby be terminated, and both parties shall be fully released from liability under said agreement.

ASSIGNMENT OF LEASE AND OPTION

INVESTOR's rights and obligations under the aforementioned LEASE and OPTION agreements between INVESTOR and BUYER are hereby assigned to OWNER. OWNER and BUYER agree to release, defend and indemnify INVESTOR from any and all liability or obligation arising under the LEASE and OPTION agreements.

CLOSING WITH BUYER

OWNER agrees to close escrow directly with, and transfer title to BUYER in accordance with the terms of the OPTION agreement. OWNER agrees to make all necessary efforts and take all reasonable efforts to cooperate with BUYER and/or his lender, mortgage

broker, appraiser or other parties involved with BUYER'S loan process, including, but not limited to any documents required to be executed by OWNER for the loan process.

CONSIDERATION

INVESTOR shall be paid the sum of \$ _____ in cash (hereinafter "CONSIDERATION") from the SELLER's proceeds as consideration for the termination of LEASE/PURCHASE AGREEMENT and assignment of LEASE and OPTION agreements to OWNER. In the event that BUYER does not complete his loan or otherwise does not complete the exercise of the OPTION agreement on or before _____, 20____, this BUYOUT AGREEMENT, the cancellation of the LEASE/PURCHASE AGREEMENT and the assignments of the LEASE and OPTION agreements shall become null and void, and all parties will be in the same position as they started before the commencement of this BUYOUT AGREEMENT.

DEFAULT BY OWNER

In the event OWNER fails to comply with the terms of this agreement, including, but not limited to the cooperation with BUYER, his lender, mortgage broker, appraiser or other parties in connection with BUYER's loan, or if OWNER fails to deliver marketable title as required by the OPTION agreement, OWNER shall be in default of this agreement. At such time, INVESTOR may, at his option, cancel this BUYOUT AGREEMENT, placing all parties in the same position as they started before the commencement of this BUYOUT AGREEMENT, which shall nullify the cancellation of the LEASE/PURCHASE AGREEMENT and the assignments of the LEASE and OPTION agreements. INVESTOR may also seek damages against OWNER, including, but not limited to, lost profits, courts costs, attorney's fees, and consequential damages. At a minimum, OWNER agrees that INVESTOR's loss in the event of OWNER's default will be the CONSIDERATION as stated above.

SECURITY AGREEMENT

As security for OWNER's performance under this BUYOUT agreement, OWNER agrees to execute a Performance Mortgage, Deed of Trust or other customary security instrument, which will recorded as a lien against the Property in an amount equal to the CONSIDERATION as stated above.

OWNER

BUYER

INVESTOR

EXHIBITS: Residential Lease/Purchase Agreement, Lease, Tenant's Purchase Option