

CONTRACT FOR THE LEASE AND MANDATORY PURCHASE OF REAL ESTATE

(Lease Purchase Agreement)

This CONTRACT FOR THE LEASE AND MANDATORY PURCHASE OF REAL ESTATE (hereinafter the "Agreement") entered into this the ____ day of __, 2010 by and between ____ (hereinafter "Seller") and ____, jointly and severally, (hereinafter individually and collectively "Purchaser").

NOW, THEREFORE, FOR AND IN CONSIDERATION OF mutual covenants and agreements contained herein, and other good and valuable considerations the receipt and sufficiency of all of which is hereby acknowledged the parties hereto do hereby covenant, contract and agree as follows, to-wit:

LEASE OF REAL PROPERTY

LEASE: Seller hereby demises and leases to Purchaser and Purchaser hereby takes and rents from Seller that certain real property located at ____, in the county of ____, Block: ____ and Lot: ____, being incorporated herein by reference, together with any improvements now situated thereon, and all easements, rights, licenses and appurtenances used in connection therewith or belonging thereto (hereinafter the "Property").

TERM: The initial term of this Lease shall be for 12 months, beginning on the 1st day of ____, 2010 and shall terminate on the 30th day of ____, 2011.

RENT: During the initial term of the Lease, Purchaser shall pay unto Seller the sum of \$1,500.00 per month as rent for the Property. The monthly rental shall be due on the 1st day of the month and if not paid by the 10th day, there shall be a 10% late charge due for such month. If this Lease shall begin on any day other than the first day of a month or terminate on any day other than the last day of a month, then the rent due under this agreement for such month shall be calculated on a pro rata basis.

USE OF PREMISES: The Property and improvements thereon are hereby leased for residential and related use. Purchaser agrees not to use or permit the use of the Property for illegal purposes.

UTILITIES: Purchaser agrees to maintain, repair, and pay for all water, fuel, gas, oil, heat, electricity, power, materials and services which may be furnished to it or used by it in or about the Property.

TAXES AND INSURANCE: Seller shall pay for all real property taxes and insurance costs during the term of this Lease. Insurance coverage does not include purchaser contents.

ALTERATIONS, TRADE FIXTURES, FINANCING: Purchaser shall have the right to make such alterations and improvements to the Property as it deems necessary or desirable upon giving written notice of same to Seller. Such alterations and improvements shall comply with all applicable construction laws and regulations and shall conform generally to any existing improvements on the Property. The Purchaser shall keep the Property free from any and all liens arising out of the work performed or materials furnished in making such improvements.

TENANT=S REPAIRS AND MAINTENANCE: The Tenant agrees to maintain the property in as good condition as it is at the start of this Lease except for ordinary wear and tear. The Tenant must pay for all repairs, replacements and damages caused by the act or neglect of the Tenant, the Tenant's household members or Tenant=s visitors. Tenant shall be responsible for lawn maintenance, winterizing the lawn sprinkler system, snow and/or ice removal.

INJURY OR DAMAGE: The Tenant will be responsible for any injury or damage caused by the said act or neglect of the Tenant, the Tenant's household members or their visitors. The Landlord is not responsible for any injury or damage unless due to the negligence or improper conduct of the Landlord.

CASUALTY OR LOSS: The Purchaser is responsible for any damage to the property. If the property is damaged by fire, vandalism, storm, flood, or any other casualty between now and the closing, the following rules apply:

- A. Buyer shall obtain an estimate from an established contractor of Buyer's choice of the cost of restoring the property and shall be responsible for restoring the property.
- B. See also "Insurance" which is made a part hereof.

ASSIGNMENT AND SUBLEASING: Purchaser shall not have the right to assign this Lease nor sublet the Property in whole or in part without first procuring the written consent of the Seller. After any consent to assignment or sublease, Purchaser shall remain fully liable for payment of rent and other covenants and obligations of the Purchaser herein contained.

NUISANCES: Purchaser shall promptly comply with all ordinances of any governmental body applicable for said premises and to all ordinances and requirements enforced by the state board of health, and applicable sanitary, fire or police departments for the correction, prevention and abatement of nuisances in and about or connected with the Property because of Purchaser's use thereof during the term of this Agreement, all at Purchaser's expense. Purchaser shall provide for the removal of its own trash, waste paper, boxes and cartons and shall not permit any accumulation of such materials. Purchaser shall not engage in any act which shall constitute a nuisance.

ENTRY AND INSPECTION: Purchaser shall permit Seller and/or his agents to enter the Property at all reasonable times for any of the following purposes or inspect the same: (i) to maintain the Property, (ii) to make repairs to the Property, and (iii) to post notices of non-responsibility for alterations or additions or repairs.

EVICTION: If the Tenant does not pay the rent within -15- days after it is due, the Tenant may be evicted. The Landlord may also evict the Tenant if the Tenant does not comply with all of the terms of this Lease and for all other causes allowed by law. If evicted, the Tenant must continue to pay the rent for the rest of the term. The Tenant must also pay all costs, including reasonable attorney fees, related to the eviction and the collection of any moneys owed the Landlord, along with the cost of re-entering, re-renting, cleaning, and repairing the House.

RENEWALS AND CHANGES IN LEASE: The Seller may offer the Purchaser a new lease to take effect at the end of the initial lease term. The new lease may include reasonable changes. The Purchaser will be notified of any proposed new lease terms at least 30 days before the end of the initial lease term.

Lease Renewal - _____ - _____ Month Extension(s). Renewal Monthly Rent Rate: \$ _____

Rent/Lease Payment Credit toward Purchase* - : No : Yes %10 - of Monthly Rent Rate

*Applied for Every On-Time Monthly Payment.

LEAD-BASED PAINT DISCLOSURE (Rental): HOUSING BUILT BEFORE 1978 MAY CONTAIN LEAD-BASED PAINT. LEAD FROM PAINT, PAINT CHIPS, AND DUST CAN POSE HEALTH HAZARDS IF NOT MANAGED PROPERLY. LEAD EXPOSURE IS ESPECIALLY HARMFUL TO YOUNG CHILDREN AND PREGNANT WOMEN. BEFORE RENTING PRE-1978 HOUSING, LESSOR(S) MUST DISCLOSE THE PRESENCE OF KNOWN LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS IN THE DWELLING. LEASES MUST ALSO RECEIVE A FEDERALLY APPROVED PAMPHLET ON LEAD POISONING PREVENTION.

Landlord states as follows: [Landlord check one]

The leased premise was constructed in 1978 or later.

The leased premise was constructed prior to 1978. Landlord has conformed with all federal requirements regarding lead-based paint disclosure including the completion and mutual signing with Tenant and any agents, of the Lead-Based Paint Disclosure Form (for Rentals) attached hereto and incorporated into this lease as a part hereof. All associated information required by the Disclosure form (if any) was furnished to Tenant, and Tenant received the EPA pamphlet "Protect Your Family from Lead in Your Home."

MANDATORY PURCHASE OF REAL ESTATE

AGREEMENT TO PURCHASE REAL PROPERTY: Seller agrees to sell and Purchaser agrees to purchase on the terms and conditions set forth herein that certain of real property located at _____, in the County of _____, being more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, together with all improvements now situated thereon.

EARNEST MONEY: In conjunction with the execution of this Agreement, Purchaser has delivered to Seller earnest money in the amount of \$_____ to secure and guarantee Purchaser's duties and obligations hereunder. In the event Purchaser shall default in any of its duties or obligations hereunder, Seller shall be entitled to said earnest money as liquidated damages. Liquidated damages are not deemed full satisfaction of all claims for damages and injuries, and Seller may maintain any and all actions permitted under the laws of the State of New Jersey, including, but not limited to, injunctions, specific performance and actions for damages.

PURCHASE PRICE: Purchaser agrees to pay Seller and Seller agrees to accept as total consideration for the purchase and sale of said property the total sum of \$_____. Purchaser shall have the option to deduct from the Purchase Price the "Earnest Money" and "Additional Credits Towards Purchase" pursuant with that all such amounts to be applied first to accrued interest, if any, and then toward principal. Purchaser shall deliver to Seller, at Closing, cash or a promissory note, in a form satisfactory to Seller, for the balance of the Purchase Price. If Purchaser has failed to make all said rental payments or if other amounts shall be due Seller hereunder, and Seller has not terminated this Agreement, then the balance of the Purchase Price shall be modified to reflect such additional amounts due, including any accrued interest, and such amounts shall be included in calculating the number of payments due to Seller from Purchaser under the promissory note. As security for said indebtedness, Purchaser shall executed in favor of Seller a first Deed of Trust or mortgage, in a form satisfactory to Seller, covering all of the Property hereof. Earnest Money, Additional Credits, including any and all improvements and rent payments are non-refundable.

DOWN PAYMENT AND ADDITIONAL CREDITS TOWARD PURCHASE: Actual amounts to be determined prior to closing. Credits shall be applied: : Toward Purchase Price, or : Applied as Down Payment at Closing.

\$_____ - Down Payment / Ernest Monies

10% - of Every On-Time Monthly Rent/Lease Payment, Not to Exceed **\$3,600.00**

0% - of Approved Renovations/Improvements, Not to Exceed **\$0.00**

0% - of Purchase Price, Seller Assist Funds Provided at Closing, Value **\$0.00**

SETTLEMENT/ CLOSING: Closing will be held before, on or about _____. Closing will be held at _____.

CLOSING COSTS: Unless otherwise mentioned below, each party (buyer and seller) shall pay their respective closing costs.

At settlement, : Buyer : Seller shall pay \$ _____ to be applied toward : Buyer's : Seller's escrow items, closing costs, and/or points, if closing occurs within thirty _____ days after execution of the Contract by all parties.

CONDITION OF PROPERTY AT TIME OF CONTRACT: The Purchaser has inspected/survey or has had the property inspected/survey by others, and the Purchaser accepts the property "as is". The Seller makes no statement or promise about the condition or value of the property.

TITLE: Seller agrees to provide Purchaser at closing a Certificate of Title acceptable to Purchaser and a Warranty Deed. Seller shall convey title to Purchaser by Warranty Deed without exceptions or restrictions other than taxes for the current year, mineral reservations of record and such easements and rights of ways of record or shown on the survey.

PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents, if any, will be prorated through the Closing Date. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If a loan is assumed and the lender maintains an escrow account, the escrow account must be transferred to Buyer without any deficiency. Buyer shall reimburse Seller for the amount in the transferred account. Buyer shall pay the premium for a new insurance policy. Buyer will be obligated to pay taxes for the current year if taxes are not paid at or prior to closing

DEFAULT: If either party defaults in compliance with any term, covenant, representation or warranty on their part herein contained, the non-defaulting party shall give the defaulting party ten (10) days written notice to cure the default. If the defaulting party, prior to the expiration date of the notice, has neither cured the default nor given the non-defaulting party adequate security for the remedy thereof, then the non-defaulting party may, at its option, terminate this Agreement and take any other such action available in law or equity and as the non-defaulting party deems appropriate to remedy or compensate it for the defaulting party's breach or default. Purchaser agrees that his/ their default hereunder, and in particular, default in the mandatory purchase obligation, will result in irreparable harm to Seller and Seller shall be entitled to specific performance of this agreement.

INDEMNITY: Seller and Purchaser shall indemnify and save harmless the other from any and all losses, fines, suits, damages, expenses, claims, demands and actions of any kind resulting from their negligence, breach, or violation or non-performance of any condition hereof. The parties agree to seek recovery under this section: only if the losses suffered are not covered by the policies of insurance provided and payment is not made under said policies.

WAIVER OF SUBROGATION: Seller and Purchaser covenant and agree that all policies of insurance carried by either of them upon the Property or the building of which the Property are located, or the contents, furniture, furnishings, fixtures and other property located therein, or business interruption or loss of rentals, shall include both the Seller and Purchaser as insureds and shall also include a clause or endorsement whereby the insureds waive all rights of subrogation against the other. No waiver of subrogation is required for liability policies; however, both the Seller and Purchaser shall be named as insureds. If such waiver can be secured only by the payment of an additional premium, the party benefited thereby shall have the option of paying such additional premium or waiving his right to such protection.

CONDEMNATION: If, during the term of this Agreement, the Property shall be taken or condemned, either in whole or part, by competent authorities for public or quasi-public use, Seller shall have the option to terminate this Agreement as of the date of taking. If Seller elects not to terminate this Agreement, then this Agreement shall continue in full force and effect.

REMOVAL OF TIMBER OR MINERALS: Purchaser agrees and covenants that no timber or minerals shall be cut, mined or otherwise removed from the Property without the prior written consent of Seller. In the event Purchaser desires to remove any such timber or minerals from the Property and Seller consents, Purchaser agrees and covenants that all proceeds, payments or other money received there from shall be paid to Seller to be

applied against Purchasers purchase obligations hereunder until such time as Purchaser shall paid all amounts due pursuant to this agreement or any subsequent promissory note.

RELATIONSHIP OF PARTIES: It is understood and agreed that the relationship of the parties hereto is strictly that of Seller and Purchaser and that the Seller has no ownership in the Purchaser's enterprise and the Agreement shall not be construed as a joint venture or partnership. The Purchaser is not and shall not be deemed to be an agent or representative of the Seller.

AGREEMENT BINDING ON ASSIGNS: All covenants, conditions and agreements and undertakings contained in this Agreement shall extend to and be binding on the respective heirs, successors and assigns of the respective parties hereto the same as if they were in every case named and expressed.

ATTORNEY'S FEES: It is further understood and agreed by and between the Seller and Purchaser that, on account of breach or default by either party of any of their obligations hereunder, it shall become necessary for the other party to employ and/or consult with an attorney to give advice, or to enforce or demand any of either party's rights or remedies hereunder, then, and in any such event, the defaulting or breaching party shall pay all attorney fees, court costs and other expenses occasioned by such default(s) or breach(es).

NOTICES: Until further written notice to Purchaser, all rent checks and all notices from Purchaser to Seller shall be served or sent to:

All notices to be given under this Agreement shall be in writing and shall be served personally or sent by United States certified or registered mail.

ENTIRE AGREEMENT: This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner other than by agreement in writing signed by all parties hereto or their respective successors in interest.

PARTIAL INVALIDITY: If any section, paragraph, sentence or portion of this Agreement or the application thereof to any party or circumstance shall, to any extent, be or become invalid or illegal, such provision is and shall be null and void, but, to the extent that said null and void provisions do not materially change the overall agreement and intent of this entire agreement, the remainder of this Agreement shall not be affected thereby and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent provided by law.

GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

LEAD-BASED PAINT DISCLOSURE (Sale): EVERY PURCHASER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY ON WHICH A RESIDENTIAL DWELLING WAS BUILT PRIOR TO 1978 IS NOTIFIED THAT SUCH PROPERTY MAY PRESENT EXPOSURE TO LEAD FROM LEAD-BASED PAINT THAT MAY PLACE YOUNG CHILDREN AT RISK OF DEVELOPING LEAD POISONING. LEAD POISONING IN YOUNG CHILDREN MAY PRODUCE PERMANENT NEUROLOGICAL DAMAGE, INCLUDING LEARNING DISABILITIES, REDUCED INTELLIGENCE QUOTIENT, BEHAVIORAL PROBLEMS, AND IMPAIRED MEMORY. LEAD POISONING ALSO POSES A PARTICULAR RISK TO PREGNANT WOMEN. THE SELLER OF ANY INTEREST IN RESIDENTIAL REAL PROPERTY IS REQUIRED TO PROVIDE THE BUYER WITH ANY INFORMATION ON LEAD-BASED PAINT HAZARDS FROM RISK ASSESSMENTS OR INSPECTIONS IN THE SELLER'S POSSESSION AND NOTIFY THE BUYER OF ANY KNOWN LEAD-BASED PAINT HAZARDS. A RISK ASSESSMENT OR INSPECTION FOR POSSIBLE LEAD-BASED PAINT HAZARDS IS RECOMMENDED PRIOR TO PURCHASE.

Seller states as follows: [Seller check one]

