

*Ron LeGrand's*®

# **ACTS**

**PREPARED FOR THE LIVE  
SIMULCAST ON MARCH 13, 2014**



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# **The 6 Major Ways To Profit In Quick Turn Real Estate**

**1. WHOLESALING:** The business of locating houses, usually needing repairs, at bargain prices and quickly passing them to bargain hunters well below retail for all cash.

**2. RETAILING:** The business of locating houses at bargain prices, usually rehabbing them and selling to the end user for all cash with new financing.

**3. GETTING OWNERSHIP:** The business of owning pretty houses in lovely areas by taking over existing debt subject to, creating seller carry back financing or a combination of the two.

**4. LEASE OPTIONS:** Taking control of a property by leasing it from the seller and retaining the option to purchase at an agreed upon price and terms. And the right to sub-lease it to tenant/buyer, giving them the right to purchase from you.

**5. OPTIONS:** An agreement you may buy without the right to sublease.

**6. ACTS:** Assigning contracts with terms to a new buyer or tenant buyer.

**You Should Become a Transaction Engineer**

# **ACTS**

## **Assigning Contracts And Terms System?**

An exit strategy where you assign your rights to a tenant buyer for a fee or arrange an agreement between the buyer and seller if you have a license.

*You contract to buy with a purchase or option agreement involving terms:*

- Owner financing
- Lease option with the right to sublease
- Take over debt subject to
- Option for cash

You find a buyer or tenant buyer and either close yourself and then resell or simply assign your contract.

# Overleveraged

Example:

\$200,000          Value

\$220,000          Loan

**\$1,650 Mo – 27 Yrs Left**

**Payment Current**

**Good Condition**

**You agree to lease purchase for the loan balance, (\$220,000), with payment equal to sellers monthly payment, (\$1,650), beginning when you find a buyer to assign your contract.**

You then locate a tenant buyer and assign your contract with sellers approval and collect a **\$10,000** assignment fee

- **You never buy the house**
- **No closing cost**
- **No money needed**
- **No risk**
- **No costly entanglements**
- **You can do 2 or 3 a month**

# Debt With Some Equity

Example

<b>ARV</b>	<u>\$200,000</u>
<b>Loan</b>	<u>\$180,000</u>
<b>Payment</b>	<u>\$1,382</u>

*Good Condition – Current Seller Just Wants Out.*

## Sandwich Lease Purchase or Subject To

**You Buy From Seller**

<b>Value</b>	\$200,000
<b>Down</b>	\$0
<b>Loan</b>	\$180,000
<b>Pmt*</b>	\$1,382

**You Sell To Buyer**

\$219,000	Sales Price
\$20,000	You collect
\$199,000	
\$1,800	Payment to you

**You Just Made \$20,000 In A Few Days Plus You'll Make \$418 A Month For Years  
( $\$1,800 - \$1,382 = \$418$ )**

Then When You Do Get Cashed Out You Get To Keep All The Cash Above The Loan Payoff.

### 10 Year Profit Recap

- \$20,000 Original Down
- \$1,800 First Months Payment Received
- \$50,160 Monthly Cash Flow (10 years)
- \$35,000 Approximate back end cash

**\$106,960 Net Profit**

**On a house you got for free**

- No Money
- No Credit
- No Risk
- No Repair
- No Banks
- No Realtors
- No Short Sales

**Plus, All Responsibility For 100% Of The Repairs Is Passed On To The Buyer  
Taxes And Insurance Already Escrowed**



# Free And Clear Houses \$200,000 Value

	Buy	Sell
<b>Purchase</b>	\$175,000	sell \$200,000
<b>Down</b>	\$10,000	\$25,000
<b>Note To Seller</b>	\$165,000	\$175,000
<b>Payment</b>	\$1,000	\$1,500
<b>Results</b>	<b>\$15,000</b>	Quick Cash
	<b>\$500</b>	Per Month For Years
	<b>\$10,000</b>	Back End

## But Ron!

What If The Seller Wants Full Price And More Down?

## Give It To Them

Your agreement says:

\$200,000 Price

\$25,000 Down

\$1,500 Month

And Then Assign Your Contract For A \$10,000 Assignment Fee  
And Let An Owner Occupant Buyer Close

# ACTS

# What You Need To Do Business

1. Transportation
2. A telephone
3. A mobile phone (optional)
4. A few agreements
5. A few dollars for binder deposits
6. A few dollars to spend on a lead generating campaign to get sellers to call with potential acquisition prospects or to pay someone to call them.

## Where Will This Work?

Everywhere people have homes to sell. It's especially useful in cases where sellers won't give up ownership until they are paid in full or where underlying loans prevent a sale in fear of the lender calling the loan due to transfer of ownership. Many people who won't agree to owner financing will work with either a lease option or option.

It works on a free and clear house, partially financed or over leveraged homes in excellent condition or needing repairs.

It works in all price ranges but you'll do better in a quality neighborhood rather than low income areas.

## How Do I Profit?

1. Collect non-refundable earnest money deposits from tenant/buyers.
2. Monthly spread between rent you collect payment to your seller.
3. Sales profit from the difference between my option price from the seller and my sales price to the tenant/buyer.
4. Assignment fees when using ACTS.

# Is This Lease Option Business Worth My Time?

Let's assume that each lease option deal produced at least \$10,000 net cash from deposits, \$250 per month on payment spread and \$15,000 additional profit upon sale within two years. That's a per deal value of approximately \$31,000 each. Therefore, to make \$100,000 in a year would only require 3 deals. That's one deal every 4 months.

## **What IF...**

- ◆ You net more than \$10,000 from deposit
- ◆ You make more than \$15,000 on sale
- ◆ You get serious and do one deal a month or more
- ◆ You do some options along the way and make a whole year's income on one deal
- ◆ You add in all the ACTS deals
- ◆ You quit making excuses, get off your duff and consider this a real bona fide business worthy of your focus

**How much is your job costing you?**

## **What Can I Make With This ACTS Plan?**

Let's assume each ACTs deal nets you only \$5,000. The good news is once you build a buyers list they'll be gone as fast as you can find them, so if you get serious you can do 3 a month, part-time.

That's \$15,000 a month while never buying a house.

Therefore to make \$100,000 you only need 20 deals a year or 1 ½ a month.

What if you...

- ◆ Net 10K a deal
- ◆ Do 6 a month
- ◆ Continue with sandwich leases, options, subject to deals, wholesaling and retailing

# **Do I Need a Real Estate License To Do ACTS Or Lease Options?**

First, this author is not an attorney and doesn't practice law and even if he did, certainly not in 50 states and Canada.

It is a generally accepted fact that if you have an equitable interest in a property and are acting on your own behalf, not conducting a service for others for a fee, that a license is not required.

However, the brutal truth is the answer to the above question can really only be determined by litigation and even then is subject to be over turned.

Some states do appear to require a license to assign an option so you have to adapt by using land contracts, doing all sandwich leases where no option is assigned or add a Realtor to your team. You are advised to seek your own counsel's opinion.

If your counsel disagrees with the author's opinion I'd suggest you request a copy of the exact law in question and documentation to back up any opinions.

Be careful you don't let an unqualified, uneducated opinion stop you from implementing this very lucrative business.

# 5 Steps To Success

1. Locate Prospects
2. Prescreen Prospects
3. Construct and Present Offers
4. Follow Up
5. Close Quickly

These are the steps to success in any business. One out of order can kill the business. This manual is laid out in step by step order but may be discussed out of order.

# Step 1

## Generate Leads From Motivated Sellers

**Step 1:** Generate leads from motivated sellers. Crank up the buying-machine.

The following are a few examples of things you can do that work to get sellers to call you or you contact them. When they call you they're more motivated than when you call them. Focus your lead generating campaign on getting your phone to ring instead of you chasing unmotivated sellers if possible. This will require a little operating capital so if that's an issue call FSBO's until you can get someone else to do it.

For a more detailed marketing campaign complete with all the marketing tools prepared and ready for you to use, refer to the Quick Start Real Estate School at [www.RonsQuickStart.com](http://www.RonsQuickStart.com)

1. Call FSBO's
2. Run Ads
3. Yellow Letters (*Covered in Quick Start and Pretty House Cash Flow System*)
4. Signs - Yard & Vehicle
5. Cards
6. Website

You should also have a website to buy and sell as soon as possible. We can provide that service upon request.

# Lead/Property Information Sheet

Student \_\_\_\_\_  
 Date \_\_\_\_\_ Owner's Name \_\_\_\_\_  
 Source \_\_\_\_\_ Cell Phone \_\_\_\_\_ Evening \_\_\_\_\_  
 Address \_\_\_\_\_ ★ Asking Price \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ★ Sellers Estimated Value \_\_\_\_\_  
 Area of town \_\_\_\_\_ ★ Your comps \_\_\_\_\_

Existing Mortgage Information (must have)			
★	1 <sup>st</sup> - \$ _____	Lender _____	_____ % Pmt _____
	2 <sup>nd</sup> - \$ _____	Lender _____	_____ % Pmt _____
Is Payment PITI ___ Yes ___ No Current? ___ Yes ___ No \$ _____ in Arrears			

**If asking price and loan balance are within \$35,000:**  
 Will you sell the house for what you owe on it? \_\_\_ Yes \_\_\_ No

**If the house has a Mortgage:**  
 If we can agree on a price and we accept all responsibility for future repairs would you consider a lease purchase? Yes No *(circle one)*

→ YES – OK, I'll have my boss call to discuss terms. When is the best time? \_\_\_\_\_  
*(get info below)*

→ NO – So you're saying if you don't get full price and all cash you won't sell? Yes No *(circle one)*

→ YES – OK, I understand but that wouldn't make sense for us. Thanks *(stop here)*

→ NO – OK, I'll have my boss call to discuss several ways he can buy your home. What's the best time to call? \_\_\_\_\_  
*(get info below)*

**If the house is Free & Clear:**  
 If Yes – Will you consider taking monthly payments for your equity? Yes No *(circle one)*

→ If No – Would you consider a lease purchase making us responsible for all repairs? Yes No *(circle one)*

→ YES – I'll have my boss call to discuss terms. When is the best time? \_\_\_\_\_  
*(get info below)*

→ NO – So you're saying if you don't get full price and all cash you won't sell? Yes No *(circle one)*

→ YES – OK, I understand but that wouldn't make sense for us. Thanks *(stop here)*

→ NO – OK, I'll have my boss call to discuss several ways he can buy your home. What's the best time to call? \_\_\_\_\_  
*(get info below)*

How did you arrive at your asking price? \_\_\_\_\_ Reason for selling? \_\_\_\_\_  
 Does it need repairs? \_\_\_ Yes \_\_\_ No

★ When do you want to move? \_\_\_\_\_ Is the house listed? \_\_\_\_\_

### Description:

Bed/Bath: \_\_\_\_\_ Square Feet: \_\_\_\_\_ Lot Size: \_\_\_\_\_  
 Construction: Frame \_\_\_ Brick \_\_\_ Block \_\_\_ Stucco \_\_\_ Other \_\_\_\_\_  
 Garage: 0 1 2 Carport: \_\_\_ Basement: \_\_\_ Refrigerator \_\_\_ Range \_\_\_ Dishwasher \_\_\_\_\_  
 Is the house Vacant \_\_\_ Occupied \_\_\_ Is this a house or a Condo? Yes/No Association fee \$ \_\_\_\_\_  
 Notes: \_\_\_\_\_

# **Script to Capture Mortgage Info on Property Info Sheet**

**Seller:** That's none of your business

I understand your concern but we buy houses using several methods and all will require that information for us to analyze if your house fits any.

- ◆ Sometimes we pay all cash but if you owe more than we can pay obviously that won't work.
- ◆ Sometimes we buy with terms or lease purchase and of course that has to be structured around your debt.

What we won't do is pay all cash at full market value so if you tell me now that's the only way you wish to sell then I won't need the information because we're out. But if you're flexible enough to let us offer you one or more options at no cost or risk to you I will need this information.

Should we proceed or not?

**Get this info or get off the phone.  
Without it the deal is dead.**



# Classified Ads

The days of running ads in newspapers are about over since most people shop online.

There are numerous websites you can visit where people are advertising houses for sale and you'll use the same sites when you're selling.

You don't need a fancy ad, you just need to get it out there.

There are a few from the newspaper on the next page, but here's a simple ad that works:

**I Buy Houses  
Any Condition Or Area  
Cash – Confidential – Close Quickly  
Even if Over Financed  
Email Address  
Phone**

*Here's a list of sites:*

## **CLASSIFIED AD SITES**

[Ad2go.com](http://Ad2go.com) (FREE Advertising And Internet Marketing Resources)

[Classifiedflyerads.com](http://Classifiedflyerads.com) (Selling Houses)

[Craigslist.org](http://Craigslist.org) (also Canadian)

[Adleaf.com](http://Adleaf.com) (Classified Ads And Blogging Ads)

[Walmart.oodle.com](http://Walmart.oodle.com) (Buying And Selling Ads)

[Lycos.oodle.com](http://Lycos.oodle.com) (Buy And Sell)

[Vast.com](http://Vast.com) (Searches Free Classifieds – pulls from other sites)

## **FOR SALE BY OWNER SITES** – (Most But All Are Free)

[Flatfeeking.com](http://Flatfeeking.com) (Seller Site – List Property on MLS)

[Valuemls.com](http://Valuemls.com) (Seller - No Lookup Capability – List on MLS For Fee)

[ByOwnerMLS.com](http://ByOwnerMLS.com)

[Foresalebyowner.com](http://Foresalebyowner.com)

[Virtualfsbo.com](http://Virtualfsbo.com)

[Fsbo.com](http://Fsbo.com)

[Homesalewizard.com](http://Homesalewizard.com)

[Fsbofreedom.com](http://Fsbofreedom.com) (Looks Like Directory Of FSBO Resources)

[Homesbyowner.com](http://Homesbyowner.com) (Pulls From Other Sites)

[Iggyshouse.com](http://Iggyshouse.com) (Seller - FREE MLS Listings – MUST OWN The House.  
Buyers are Connected With A Broker)

[Infotube.net](http://Infotube.net)

[Oodle.com](http://Oodle.com) (US & Canada)

[Owners.com](http://Owners.com)

[Postlets.com](http://Postlets.com) (Seller - Also Posts To Several Other Sites For You. Good  
For Posting Ads, Not Finding FSBOs)

[SaleByOwnerRealty.com](http://SaleByOwnerRealty.com) (Seller – Flat Fee For Listing Service)

[Trulia.com](http://Trulia.com) (Recently Reduced Home Prices – Mostly Pre-Foreclosures/  
Foreclosures)

[vFlyer.com](http://vFlyer.com) (Seller - Create One Flyer And It Posts To About 10 Other Sites  
For You, Not For Finding FSBOs)

[Zillow.com](http://Zillow.com) (High Traffic Site)

[Buyowner.com](http://Buyowner.com)

[Militarybyowner.com](http://Militarybyowner.com)

[Listwithfreedon.com](http://Listwithfreedon.com) (Seller - Flat Fee MLS Listing Service; No Lookup)

# Free Classified Listing Sites

- [Craigslist.com](http://Craigslist.com)
- [Classifiedflyers.com](http://Classifiedflyers.com)
- [Kijiji.com](http://Kijiji.com)
- [Craigswall.com](http://Craigswall.com)
- [Gipperslist.com](http://Gipperslist.com)
- [Dir.yahoo.com](http://Dir.yahoo.com)
- [Google.com](http://Google.com)
- [Classifieds.myspace.com](http://Classifieds.myspace.com)
- [Gumtree.com](http://Gumtree.com)
- [Backpage.com](http://Backpage.com)
- [Ebayclassifieds.com](http://Ebayclassifieds.com)
- [Usfreeads.com](http://Usfreeads.com)
- [Odle.com](http://Odle.com)
- [Adlandpro.com](http://Adlandpro.com)
- [Adpost.com](http://Adpost.com)
- [Vast.com](http://Vast.com)
- [Sell.com](http://Sell.com)
- [Domesticsale.com](http://Domesticsale.com)
- [Classifiedads.com](http://Classifiedads.com)
- [Chooseyouritem.com](http://Chooseyouritem.com)
- [Webclassifieds.us](http://Webclassifieds.us)
- [Freeadvertisingforum.com](http://Freeadvertisingforum.com)
- [Buysellcommunity.com](http://Buysellcommunity.com)
- [Classifiedsforfree.com](http://Classifiedsforfree.com)



## Ron LeGrand's Gold Club Membership

Our Virtual Assistants are fully trained on completing Property Information Sheets, whether from finding & calling FSBOs or from other marketing campaigns (yellow letters, ads, signs, etc.). We can also place your online ads, screen buyer calls, and many other tasks to save you more time to close your deals.

✓ *Yes, sign me up!* I understand I'll get will be charged a one-time set-up fee of \$500 if I elect the *Gold Elite VA* or the *Gold Plus VA* membership levels.

<input type="checkbox"/> <b>BEST DEAL: Gold Elite VA</b> <i>Includes All Gold &amp; Gold Plus Benefits Plus...</i> - Includes up to 40 hours of VA service - We'll Call FSBOs and Run Your Office - E-mail Real Estate Deal Hotline - Ron LeGrand's Automatic Lead Service <input type="checkbox"/> \$997 Per Month  1 <sup>st</sup> County _____ 2 <sup>nd</sup> County _____	<input type="checkbox"/> <b>GOOD DEAL: Gold Plus VA</b> <i>Includes All Gold &amp; Gold Plus Benefits Plus...</i> - Includes up to 20 hours of VA service - We'll Call FSBOs For You - Ron LeGrand's Automatic Lead Service <input type="checkbox"/> \$497 Per Month  1 <sup>st</sup> County _____ 2 <sup>nd</sup> County _____
<input type="checkbox"/> <b>Gold Plus Membership</b> <i>Includes All Gold Club Benefit Plus...</i> - Ron LeGrand's Automatic Lead Service <input type="checkbox"/> Pay in Full 1 Year - \$1,067 (1 free month) <input type="checkbox"/> Pay Monthly - \$97 monthly <input type="checkbox"/> You receive your choice of 2 Counties for Ron's Automatic Lead Service Select;  1 <sup>st</sup> County _____ 2 <sup>nd</sup> County _____	<input type="checkbox"/> <b>Gold Club Membership</b> - Gold Club Membership Website - Ron LeGrand's Lesson Videos - Webinars & Events: Calendar and Mailings - Open Line Monday Q & A Calls with Ron - The Gold Club Weekly Report - The Mentor Newsletter <input type="checkbox"/> Pay in Full 1 Year - \$649 (1 free month) <input type="checkbox"/> Pay Monthly - \$59 monthly

Name: \_\_\_\_\_ Master /Mentor **Y or N** VA Start Date: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: (\_\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_\_) \_\_\_\_\_ Email : \_\_\_\_\_

**Payment** - Please charge the following credit card as indicated above: Set-up Fee \$ \_\_\_\_\_ \$ \_\_\_\_\_ Per Month

Card # \_\_\_\_\_ Exp. Date: \_\_\_\_\_

Name on card: \_\_\_\_\_ Billing Address: \_\_\_\_\_

*I have read and understand the terms and conditions on the reverse side and authorize the charges referenced above.*

**Signature (Required):** \_\_\_\_\_ Date: \_\_\_\_\_

**Please Note:** Your credit card statement should reflect a purchase from **RONLEGRANDTRAINING.COM**

# **Script To Call Back A FSBO**

## **With a Yes on “Will you sell for what you owe?”**

Hi \_\_\_\_\_, this is \_\_\_\_\_ calling about your home you discussed with my assistant yesterday. Do you have a minute? OK, I’ve got all the facts here and you’ve indicated you’d sell the house for what you owe on it. Is that correct?

→ No! then what did you have in mind?

→ Yes! OK, I can come see the house and likely buy it and close as soon as you’re ready and pay closing costs, but the only way for me to do so is to take over your debt. That means I’ll buy your house and make the payments when you and I agree I’ll start, but the loan will stay in your name until sometime in the future when I get it cashed out. Will that be a problem for you?

→ No! Appointment script.

→ Yes! Well, if that’s an issue I can also lease purchase it and cover your payment with rent and handle all the repairs. Does that seem more appealing?

→ No! So you’re saying the only way you’ll sell is if your loan is paid off?  
(If yes, get off phone) (If no, appointment script)

→ Yes! Appointment script.

**LETTER OF INTENTION**

*Not over leveraged*

Re: \_\_\_\_\_, FL \_\_\_\_\_

The undersigned herewith offers to lease purchase your property described above, located in \_\_\_\_\_ County, State of \_\_\_\_\_, under the following basic terms and conditions:

1. Our intent is to obtain a leasehold and option to purchase your property. Once we have those, we intend to obtain a Tenant/Option Purchaser to install in the home who will ultimately qualify for a traditional loan to purchase the home. We may lease with an option from you and assign our rights to the tenant option buyer at a formal closing held at our attorney’s office or we may choose to sublease with an option and remain as a principal in the transaction.
2. The purchase price will be \$ \_\_\_\_\_, and will include any other liens such as taxes, condominium fees, association fees, and any other encumbrances on the real property at closing.
3. The monthly rent to you will be \$ \_\_\_\_\_, and will begin one month after the undersigned has installed the Tenant/Option Purchaser.
4. The term of the lease will be determined once a Tenant/Option Purchaser is located with your approval and based on the purchaser’s necessary timeframe to finance, and market conditions.
5. You agree to warranty the mechanical systems for the first 30 days from date of possession, after which time, all repairs, upkeep and maintenance will be the Tenant/Option Purchaser’s full responsibility.
6. Our primary payment will come from the Tenant/Option Purchaser in the form of a nonrefundable deposit.
7. This Letter of Intent (LOI) is not binding until a formal and detailed contract(s) is drawn and signed by both parties, but serves only to form a meeting of the minds to move forward.

Dated as of: \_\_\_\_\_, 20\_\_.

**Your Company**

By: \_\_\_\_\_

**Acceptance**

The above terms are accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_

ACTS

LETTER OF INTENTION

*Overleveraged house*

Re: \_\_\_\_\_

(Property Address or Parcel I.D. Number)

The undersigned herewith offers to lease/option your property described above, under the following basic terms and conditions:

1. My intent is to locate, screen and present to you a tenant/buyer to install in the home who will ultimately qualify for a loan to purchase the home when the equity returns. I will lease with an option from you and assign my rights to said tenant buyer once you approve. There is no cost to you. The agreement will be assigned at a formal closing at our attorney's office after you approve the tenant buyer and the agreement between you and I will be executed after you have reviewed and are ready to proceed.
2. The purchase price will equal any cash we agree you'll get at closing, if any, the payoff(s) of your existing property loan(s) and any other liens such as taxes, condominium and association fees, etc. encumbering the real property at closing. If your property is currently over leveraged you will not receive any proceeds of the sale when it occurs.
3. The monthly rent to you will be equal to your loan payment and will not begin until 30 days after the undersigned has located a tenant/purchaser you approve and my lease from you is assigned to them. The term of the lease will be a minimum of \_\_\_ years to allow the principal to pay down and value to increase to the point a buyer has enough equity to get financed and pay off the debt.
4. The terms of this letter (LOI) are not binding until a formal and detailed contract(s) are drawn and signed by both parties but serve only to form a meeting of the minds to move forward.

By: \_\_\_\_\_

**Acceptance**

The above terms are accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Owner

**ACTS**

**LETTER OF INTENTION**

*Buy With Owner Financing Over leveraged*

Re: \_\_\_\_\_

(Property Address or Parcel I.D. Number)

The undersigned herewith offers to lease/option your property described above, under the following basic terms and conditions:

1. My intent is to locate, screen and present to you a terms buyer to install in the home who will ultimately qualify for a loan to refinance the home when the equity returns. I will enter into an agreement to purchase from you and assign my rights to said tenant buyer once you approve. There is no cost to you. The agreement will be assigned at a formal closing at our attorney's office after you approve the tenant buyer and the agreement between you and I will be executed after you have reviewed and are ready to proceed.
2. The purchase price will equal any cash we agree you'll get at closing, if any, the payoff(s) of your existing property loan(s) and any other liens such as taxes, condominium and association fees, etc. encumbering the real property at closing. If your property is currently over leveraged you will not receive any proceeds of the sale or the refinance.
3. The monthly payment to you will be equal to your loan payment and will not begin until 30 days after the undersigned has located a purchaser you approve and a closing occurs. The term of the agreement will be a minimum of \_\_\_ years to allow the principal to pay down and value to increase to the point a buyer has enough equity to get financed and pay off the debt.
4. The terms of this letter (LOI) are not binding until a formal and detailed contract(s) are drawn and signed by both parties but serve only to form a meeting of the minds to move forward.

By: \_\_\_\_\_

**Acceptance**

The above terms are accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Owner



# **Script To Call Back A FSBO With a Yes on Lease Option Question on Property Info Sheet Not Over Leveraged**

Hi \_\_\_\_\_, this is \_\_\_\_\_ calling about your house you discussed with my assistant yesterday. Do you have a minute?

OK, I've got all the facts here and you've indicated you'd entertain a lease purchase if I cover your payment and maintenance. Is that correct? |

→ **NO! Are you saying you won't lease purchase?** |

→ **If yes – well would you rather I buy it with owner financing if we can work out the terms? Ok, what's the least you could accept if we can agree on terms? Is that the best you can do? May I assume you'll sell with nothing down? (If no) what's the least you could take down? What's the lowest monthly payment you could take?**

→ **If no — get off the phone**

→ **YES! Ok, I can probably lease it and cover your payment with rent and we can work on the price when I get there after I do a little homework. As long as I know you're flexible and realistic I'm ready to move forward. May I assume you are?**

**Appointment Script**

**Collect any missing facts you want**

**Make Appointment.**

# Script To Call Back A FSBO With a Free and Clear House with a Yes on Owner Financing Question Property Info Sheet

Hi \_\_\_\_\_, this is \_\_\_\_\_ calling about your house you discussed with my assistant yesterday. Do you have a minute?

OK, I've got all the facts here and you've indicated you'd entertain taking monthly payments if we can agree on a price and terms. Is that correct?

→ NO! So you're saying you won't? Well then would you consider a lease purchase if I accept all responsibility for repairs?

→ If no — So are you saying all cash is the only way you'll sell?

→ Yes — OK, the only way I can do that and get you anywhere near what you're asking is for you to refinance and keep the cash and I'll take over your debt or lease purchase from you immediately. Is that something you want to discuss further?

→ No—Get off the phone.

→ Yes—Appointment script.

→ YES—OK, I can lease your home with an option to buy and release you from all repairs after 30 days. We'd have to agree on a price and terms after I see the house. Should I come look?

No—Get off the phone.

Yes—Discuss terms and set appointment.

→ YES! Ok, what's the least you could accept if we can agree on terms? Is that the best you can do?

May I assume you'll sell with nothing down? (If no) what's the least you could take down? What's the lowest monthly payment you could take?

## Appointment Script

# **ACTS Script to Buy If Highly Leveraged**

Hi \_\_\_\_\_, this is \_\_\_\_\_ calling back about your house you discussed with my assistant yesterday. Do you have a minute to discuss a potential exit strategy?

Since you have no equity in the house I couldn't buy it, but fortunately I do have a plan to get you out if you wish. Would you like to hear it?

I'll lease your house with the option to buy it at the loan balance at the time it's purchased and relieve you of any repair responsibilities.

However, it must be a long term lease so the value has time to increase and the equity return.

I'll locate a quality tenant buyer to move in until they have enough equity to get a new loan or sell to someone else and pay off your loan.

They'll have a financial stake in the house and be responsible for all the repairs and you must approve them before they move in.

It costs you nothing, I'll do all the work and you have the final word.

I'll collect whatever I can from the buyers and locate them at my expense. So if that sounds ok, I'll come to your house, answer your questions and get the simple paperwork done while I'm there. OK?

# Appointment Script

Ok, but I have a couple more questions.

Are you the only owner of the house?

I'll need all owners present when I come and anyone else you need there involved in making the decisions, OK?

Ok, last question, if I come to your house and like what I see and we agree on the details are you ready to make a decision now and get some paperwork done while I'm there?

If you get all the right answers set the appointment.

If not, no need to go until the seller is ready.

I'm sorry, I just can't make two trips so I'd rather come when \_\_\_\_\_.

# **Your Posture**

Don't Beg, Plead or Even Ask Twice. They are either in or out. You shouldn't go on the defensive. You have nothing to defend yourself about. You're offering your clients a rare opportunity. It's your job to state your case and answer questions, work with those who get the message and get rid of those who don't.

## **Those Who Get The Message Will Be Begging You**

Don't expect everyone to jump in. Some people won't be interested, some will.

**SW Some Will**

**SW Some Won't**

**SW So What**

**SW Someone's Waiting**

When you get good at answering objections, you'll be amazed by how many times you'll get a... YES.

# **Caution**

**Never Make Promises You Can't Keep And  
Get It In Writing You Didn't Make Any!**

**If You... Tell It Like It Is And Don't Lie To Get Your  
Way, You Will Then Be Doing Business Only With Peo-  
ple Who Wish To Deal With You And You Won't Have  
To Remember Whom You Lied To Last.**

**It's Better To Lose A Deal Than Your  
Integrity Or A Court Battle.**

# **Handling Sellers Objections**

## **Lease Option Offer And ACTS**

When you can answer the seller's objections and make them feel comfortable, you've conquered 50% of the lease option business. The other 50% is locating and prescreening so you can then pick and choose the best prospects that produce the most profitable results for you.

Most of the objections we are about to cover will never be mentioned but when they are you'll be prepared with a little practice

## **I Need To Let My Attorney See The Agreement**

Ok, I'll leave you with a copy of the agreement I use you can take to your attorney. (Leave blank lease option agreement to sell.) When will you be calling me back?

## **What If The Buyer Never Closes?**

You simply call me if the buyer moves out. I'll find another and keep doing so until you're cashed out or don't want me involved. It's up to you. Is that fair?

## **When Will You Sell The House And Get My Loan Paid Off?**

I won't! I'll find you a tenant buyer you'll approve, and the market conditions and buyer's needs will determine when they buy. That's all I can promise you. We'll know the answer better when we learn the facts from the buyer, OK?

# **Over leveraged** **Why Do You Want Such A Long Lease Option Term?**

## **ACTS**

**Your Response:** First, it's not me that wants a long term, it's the tenant buyer who'll have no interest unless he/she can stay in the house long enough for the equity to return so they can sell or refinance. We cannot accept your house unless we get a long term because it's unmarketable without it. Would you buy it for what you owe now?

**Seller:** **Yes!:** Ok, I get it. (write it up)  
**No!:** Ok, but have you looked at your options?  
(You can work with a 10 year lease on highly leveraged homes.)

# **Not Over leveraged** **Why Do You Want Such A Long Lease Option Term?**

**Your Response:** The longer term I can offer to the market the easier it will be to attract a good buyer. However, this is flexible and we can conclude after I locate the buyer and find out what they want but for now I'll need a term to put in our agreement, OK?



# How Do I Know I Can Trust You?

## ACTS

**Your Response:** I'm not leasing your home. You will approve the tenant buyer or they won't move in and it will close with an attorney. Then I'll be on call if it doesn't work out. Is that fair?

# What If The Tenant Tears Up My House?

## ACTS

(Ron's Short Answer) **Your Response:** It's possible but unlikely, but a risk you must be willing to take. Should we go forward?

remember, you get to approve them before we let them in the house. These are not the normal tenants. They act like owners and in my experience, don't damage houses but it is always a possibility so you must accept that risk for us to move forward. If you have a better option, it is your choice. Should we go forward?

**Seller:**

**YES:** Write it up.

**NO:** Make sure you keep my number handy if it doesn't work out.

# **Lease Option Agreement Between You & Seller**

Use this agreement to take control when the intent is to sandwich lease to a tenant/buyer. This is not the agreement to use for a straight option or if you intend to assign the lease. If you intend to assign your lease use the same agreement shown in the selling section. It's more favorable to your seller.

Get as long a term as possible, but don't guarantee more than 12 months payments. You should use a corporation or LLC to eliminate liability totally. Read and use paragraph 2 to your advantage to limit liability.

You should know this agreement thoroughly before actually using it.

Feel free to add any needed addendum or use paragraph 13 for additional provisions.

Get an "Authorization To Release Information" signed with the agreement. You won't be able to get information on the loan without it. You should print out this agreement on 8.5 X 14, double-sided or you can use it as is in this manual. It's on your Gold Club Membership site so you can send it electronically to your attorney. I usually complete the blanks before sending.

Note the code LOATB at the bottom. It means Lease Option Agreement To Buy. Make sure you don't confuse it with the one to sell.

**All Agreements Should Be Approved By  
Your Attorney Before Use**

# Use This When You Intend To Lease And Sublease Do Not Use If You Intend To Assign

This LEASE AGREEMENT WITH OPTION TO PURCHASE REAL ESTATE (hereinafter referred to as the Lease/Option) is made this 15 day of June, 2013, by and between the following parties: You and Your Corporation located at \_\_\_\_\_ (hereinafter referred to as the Tenant/Buyer); and John Seller located at \_\_\_\_\_ (hereinafter referred to as the Landlord/Seller). In consideration of the mutual promises and covenants hereinafter stipulated, the parties hereby agree as follows

(1) **DESCRIPTION:** The Landlord/Seller agrees to lease, and, the Tenant/Buyer agrees to rent the real property and improvements, hereinafter called property; located at: Address as more fully described as follows: Legal Description

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(2) **TERM:** The term of this Lease/Option shall be for a period of 12 months commencing on 6/15/2013, and ending on 6/14/2014. The term will be automatically extended for 4 periods of 12 months, unless the Tenant/Buyer gives notice to the Landlord/Seller of its intent to terminate this Lease/Option, by mailing a written notice to the last provided address of the Landlord/Seller. Liability for payment will not extend beyond notice to terminate this agreement. Possession shall be given to Tenant/Buyer on 6/15/2013.

(3) **RENT:** Tenant/Buyer agrees to pay to the Landlord/Seller, the sum of \$ 972.00 per month, with the first payment beginning 8/10/2013 as rent for the property, for the term of this Lease/Option, and during any extensions thereof. All rental payments shall be due and payable in advance on the 10<sup>th</sup> day of each and every month. An amount equal to \$ 200.00 for each month in which rent was paid, shall be credited to the Tenant/Buyer and applied to the purchase price of the property in the event that the Tenant/Buyer exercises its option hereunder; otherwise, this credit shall be non-refundable and considered forfeited if the option is not exercised.

(4) **OPTION TO PURCHASE:** The Tenant/Buyer, as part of the consideration herein, is hereby granted the exclusive right, option and privilege of purchasing property at any time during the term of this Lease/Option agreement or any extension thereof. The Tenant/Buyer shall notify the Landlord/Seller in writing of the exercise of this option at least ten (10) days prior to the expiration of the initial term of this Lease/Option or the expiration of any extension thereof, by mail to the last-provided address of Landlord/Seller.

(5) **COVENANTS OF TENANT/BUYER:** Commencing with and during the term of this agreement, including extensions, the Tenant/Buyer hereby covenants and agrees as follows:

(A) That the Tenant/Buyer will pay all utility charges and bills, including, but not limited to, water, sewer, gas, oil, and electric, which may be assessed or charged against the property;

(B) That the Tenant/Buyer will not use the property for any unlawful purpose; and that the Tenant/Buyer will conform to and obey all laws, bylaws, ordinances, *rules*, *regulations*, requirements and orders of all Federal, Provincial, and Local governmental authorities, agencies, departments, bureaus, boards or officials, respecting the use of the property; and

(C) That the Tenant/Buyer will surrender and deliver up the property, at the end of the term or any extensions thereof, should the option herein not be exercised, in as good order and condition as the same now exists, reasonable use and natural wear and tear excepted.

(6) **COVENANTS OF LANDLORD/SELLER:** The Landlord/Seller hereby covenants and agrees as follows:

(A) That the Landlord/Seller shall pay for and maintain fire and extended coverage insurance on said property in the minimum amount of \$ 150,000.00 . The Tenant/Buyer shall be named as an additional insured or loss-payee on the insurance policy and copy of which shall be provided to Tenant/Buyer.

(B) That the Tenant/Buyer shall peaceably and quietly hold, occupy, use and enjoy the property, without any let, hindrance or molestation by Landlord/Seller or any person associated therewith.

(7) **BREACH BY TENANT/BUYER:** If the Tenant/Buyer shall fail to keep and perform any of the covenants, agreements, or provisions of this Lease/Option, or If the Tenant/Buyer shall abandon the property; it shall be lawful for the Landlord/Seller to enter into said property and again have, repossess, and enjoy the same as if this Lease/Option had not been made, and thereupon this Lease/Option and everything herein contained on the part of the Landlord/Seller to be done and performed shall cease, determine and be utterly void, except as set forth in paragraph (8), below.

(8) **COSTS OF IMPROVEMENTS:** In the event the Tenant/Buyer exercises the option to purchase set forth in paragraph (4), above, and through no fault of the Tenant/Buyer, the Landlord/Seller fails to convey said property to Tenant/Buyer in accordance with the terms of this Lease/Option, the Tenant/Buyer, *in addition to any other rights which Tenant/Buyer may have in law or equity for the enforcement of Tenant/Buyer's option to purchase*, shall be entitled to reimbursement for the cost of all repairs, maintenance and improvements.

(9) **FURTHER ENCUMBRANCES:** The Landlord/Seller hereby warrants that the total of the leases, options, mortgages, liens, and any other encumbrances against the property, whether of public record or not, are as follows:

(A) A first mortgage in favor of 1<sup>st</sup> National Bank in the approximate amount of \$ 108,500.00 .

(B) Current taxes for escrowed in the amount of \$ \_\_\_\_\_ due on \_\_\_\_\_.

(C) \$5,000 IRS Tax lien

The Landlord/Seller agrees not to lease to another third party, nor to assign, sell, option, transfer, pledge or otherwise to convey any or all rights or interests had by Landlord/Seller in the property or in this Lease/Option agreement, nor to further encumber the property nor allow the same to occur. All third parties are hereby put on notice that any leases, assignments by the Landlord/Seller, liens, options, mortgages or any other conveyances or transfers occurring subsequent to the date of this Lease/Option are hereby declared by the Landlord/Seller to be null and void and of no force and effect. The Landlord/Seller further agrees to keep all mortgages, liens, taxes or other encumbrances on the property, current and in good standing. Tenant/Buyer shall have the right to make payments on same in the event that Landlord/Seller becomes non-current or other-wise defaults thereon and said payments will be deducted from any equity due seller or recovered from future rent due seller.

(10) **RIGHT OF ASSIGNMENT:** The Tenant/Buyer shall have the unqualified right to sublet the property, and/or to assign, sell, transfer, pledge or otherwise convey any or all rights or interests which the Tenant/Buyer may have in the property or in this Lease/Option Agreement. Any such assignment will release original Tenant/Buyer from liability and substitute assignee in his/her or its place.

(11) **MAINTENANCE AND REPAIRS:** The Tenant/Buyer accepts the property "as is" on the date of execution of this Lease/Option except for items listed in paragraph (13). The Tenant/Buyer shall henceforth be responsible for all maintenance and repair upon said property, both interior and exterior. The Tenant/Buyer shall have the right to make such repairs, maintenance, and improvements as Tenant/Buyer shall deem necessary proper or desirable. The Tenant/Buyer shall be solely liable for payment for said improvements and shall hold the Landlord/Seller nameless therefrom, except that any electric, plumbing, heating or cooling system that is out of order or any repairs exceeding \$ 1,000 at the commencement of this lease or within 30 days after occupancy will be repaired by the

Landlord/Seller at his/her expense. If the Landlord/Seller can not or will not make the repairs necessary the Tenant/Buyer will have the option of either voiding this agreement by written notice to the Landlord/Seller or making such repairs and, a) receiving a reimbursement from the next monthly payment or payments due the Landlord/Seller or, b) receiving a credit against the purchase price plus interest at 10% per annum from date of payment.

**(12) BINDING AGREEMENTS:** The parties hereto agree that this Lease/Option comprises the entire agreement of the parties and that no other representation or agreements have been made or relied upon, and that this Lease/Option agreement shall inure to the benefit of and shall be binding upon the parties, their heirs, executors, administrators, personal representatives, successors or assigns.

**(13) SPECIAL PROVISIONS:**

(A) The landlord/Seller will complete the following by 6/30/2015 or this Lease/Option will become null and void and all monies disbursed by Tenant/Buyer will be immediately refunded by Landlord/Seller or, at Tenant/Buyers option, these items will be completed by Tenant/Buyer and the cost of same will be recovered as provided for in paragraph (11) in which case this lease will continue in force. paint the living room  
Other provisions \_\_\_\_\_

(B) A TITLE SEARCH will be ordered immediately by the Tenant/Buyer: This cost will be borne by the Tenant/Buyer unless it is discovered that Landlord/Seller has unmarketable title in which case the Landlord/Seller will reimburse Tenant/Buyer the cost of the search. If the title is unmarketable the Tenant/Buyer will then have the option to void this agreement or proceed as agreed herewith.

**OPTION TO PURCHASE TERMS**

**(14) PRICE AND TERMS:** The Tenant/Buyer agrees to pay for said property the sum of \$ \_\_\_\_\_\*\_\_\_\_\_ less any sums for which the Tenant/Buyer is entitled to claim reimbursement or offset in accordance with this agreement; the net sum to be paid by bank draft, certified cheque or solicitors trust cheque at closing.

*\*Purchase price equals loan balance plus, 10,000 cash plus payoff IRS tax lien not to exceed \$123,500. Over that amount will be deducted from any money due seller.*

**(15) INCLUDED IN THE PURCHASE:** The property shall also include all land, together with all improvements thereon, all appurtenant rights, privileges, easements, buildings, fixtures, heating, electrical, plumbing and air conditioning fixtures and facilities, window shades, venetian blinds, awnings, curtain rods, screens, storm windows and doors, affixed mirrors, wall to wall carpeting, stair carpeting, built in kitchen appliances, bath-room fixtures, radio and television aerials, landscaping and shrubbery, water softeners, garage door openers and operating devices, and all utility or storage buildings or sheds, range and refrigerator. The property shall also include the following items: washer, dryer

**(16) TITLE:** The Landlord/Seller shall provide a transfer of land on or before closing; title to be free, clear, and unencumbered except for existing mortgages restrictions and permitted encumbrances shown in paragraph (9). Title to be conveyed to the Tenant/Buyer and/or assigns.

**(17) CLOSING:** The completion date shall be no later than sixty (60) days after notification to the Landlord/Seller of the Tenant/Buyer's exercise of the option.

**(18) COSTS AND PRORATIONS:** There shall be prorated between the Landlord/Seller and the Tenant/Buyer, as of date of closing, the following items: (a) All real estate taxes and assessments; (b) Interest on encumbrances assumed or taken over by Tenant/Buyer with the Tenant/Buyer having responsibility for such items as follows:

Landlord/Seller will pay

Tenant/Buyer will pay

Transfer Tax, Title insurance,

Recording

survey, appraisal

All other closing costs

**(19) INSURANCE:** While this option shall remain executory and up until the time of closing, the Landlord/Seller shall maintain fire and extended coverage upon the property, and immediately convert the owner occupied (if applicable) policy to a non owner occupied policy. In the event of loss or destruction in whole or in part of said property, the Tenant/Buyer shall have the option to proceed with the closing and accept the insurance proceeds for said damage, or to declare this Lease/Option null and void, releasing both parties from any obligations hereunder, except for the return of reimbursable expenses previously paid by Tenant/Buyer which amounts shall become immediately due and payable from the insurance proceeds. Upon closing, the Tenant/Buyer shall be responsible for fire and extended coverage from that date forward.

**(20)** In the event this agreement is placed in the hands of an attorney for enforcement the prevailing party shall be entitled to recover party and party costs as well as legal fees on a solicitor and his own client basis.

IN WITNESS WHEREOF: the parties hereto, have set their hands to this Lease/Option Agreement on this 15<sup>th</sup> day of June, 2013.

WITNESS:

\_\_\_\_\_ John Seller \_\_\_\_\_

Landlord/Seller

\_\_\_\_\_ \_\_\_\_\_

Landlord/Seller

\_\_\_\_\_ You or you as pres \_\_\_\_\_

Tenant/Buyer

\_\_\_\_\_ \_\_\_\_\_

Tenant/Buyer



# **CYA Letter (Cover Your Assets)**

This document is to be signed every time you lease purchase or buy subject to from a seller. Give it to your attorney to be part of the package he/she completes when you install a tenant buyer. The attorney will send it to the seller with all other docs to be signed.

This document will make it very difficult for a seller to come back later and make unfounded claims they were taken advantage of.



## Seller's Acknowledgements

I, \_\_\_\_\_ (Seller), on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, have agreed in writing to sell the property commonly known as \_\_\_\_\_, (The Property) to \_\_\_\_\_ (Buyer) and or assigns, according to the terms and conditions contained in the Purchase and Sale Agreement and or Option to Purchase Agreement (The Agreement) of even date, a copy of which is attached hereto. I further state as follows:

\_\_\_\_\_ 1. **OWNERSHIP OF THE PROPERTY:** I am the owner of the Property (or I have an equitable interest in The Property) and am able to contract for its sale.

\_\_\_\_\_ 2. **ACCEPTANCE:** I have reviewed the terms and conditions contained in The Agreement and have accepted Buyer's offer to purchase The Property.

\_\_\_\_\_ 3. **GOOD AND VALUABLE CONSIDERATION:** I have received good and valuable consideration in signing The Agreement, and I acknowledge both the receipt and the sufficiency of the consideration.

\_\_\_\_\_ 4. **IN MY BEST INTEREST:** I am satisfied with The Agreement and have agreed to sell The Property because it is in my best interest to do so.

\_\_\_\_\_ 5. **FULLY INFORMED AND NOT CONFUSED:** I have signed The Agreement being fully informed and with sufficient understanding of all terms and conditions contained therein. I am not confused about any aspect of The Agreement.

\_\_\_\_\_ 6. **SATISFIED WITH THE SALES PRICE:** I understand I may be selling The Property for less than market value buy have chosen to do so because circumstances dictate that an immediate sale, even at a discounted price, is in my best interest. I am satisfied with the sales price I have negotiated.

\_\_\_\_\_ 7. **SALE IS FINAL:** I understand by signing The Agreement, I have agreed to sell The Property to Buyer and am now bound by the terms and conditions described in The Agreement. I further understand that I cannot change my mind or cancel the contract at some later date, nor can I continue to market The Property to any other buyer.

\_\_\_\_\_ 8. **NOT A LOAN:** I understand The Agreement I have signed is for the outright sale of The Property and is not intended to be a loan of any kind.

\_\_\_\_\_ 10. **AGREEMENT MAY BE ASSIGNED:** I understand Buyer may assign The Agreement to another party and I may be closing the sale with someone other than Buyer.

\_\_\_\_\_ 11. **NO ESCROW:** I understand Buyer may choose to close this transaction without the use of an escrow company and may record the conveyance documents himself.

\_\_\_\_\_ 12. **CLOSING DOCUMENTS:** I understand there will be additional closing documents to sign and upon receipt, agree to sign and deliver the closing documents either into Escrow or directly to Buyer, as Buyer may direct, in a timely manner.

\_\_\_\_\_ 13. **COPIES OF THE PAPERWORK:** I understand that copies of the paperwork I've signed will be provided to me in a timely manner and I acknowledge that circumstances dictate that copies may not be immediately made available to me.

\_\_\_\_\_ 14. **BUYER ENTITLED TO MAKE A PROFIT:** I understand Buyer may resell Option to Purchase Contract, the Purchase and Sale Agreement, or The Property and may realize a profit in doing so. I agree Buyer is entitled to any profit that may ultimately result from the subsequent resale of Option to Purchase Contract, the Purchase and Sale Agreement or The Property.

\_\_\_\_\_ 15. **LEGAL COUNSEL ADVISED:** I acknowledge Buyer has advised me to seek independent legal counsel to review The Agreement.

\_\_\_\_\_ 16. **FINANCIAL REVIEW ADVISED:** I acknowledge Buyer has advised me to seek an independent financial advisor to review The Agreement.

\_\_\_\_\_ 17. **FAIRLY NEGOTIATED:** I understand Buyer has negotiated on his own behalf and likewise, I have negotiated on mine. I acknowledge The Agreement has been negotiated fairly and Buyer has not taken advantage of me or my current situation.

\_\_\_\_\_ 18. **PROPERTY IS NOT LISTED WITH REALTOR:** I acknowledge that the property is not listed with a Real Estate Agency at this time.

\_\_\_\_\_ 19. **NO PRECLUDING AILMENTS:** I have no physical, mental or emotional ailments that preclude me from signing The Agreement.

\_\_\_\_\_ 20. **Approval of Buyer:** The decision to accept these particular Tenant(s)/Buyer(s) was a joint decision I fully approve and agree with the selection of the Tenant(s)/Buyer(s) for this transaction.

\_\_\_\_\_ 21. **Failing to Make Timely Payments:** I acknowledge and understand that upon the completion this transaction I still remain primarily liable on my mortgage and this transaction does not affect my legal obligation to continue to make full and timely payments on my mortgage. I acknowledge and understand that the Tenant(s)/Buyer(s) failure to make full and timely payments to me or my Lender does not relieve me of my obligation to make said mortgage payments. I further hereby acknowledge and understand that I remain subject to the terms of the mortgage and that in the event of a default I may be subjected to foreclosure proceedings.

\_\_\_\_\_ 22. **NOT UNDER THE INFLUENCE:** I am not now under the influence of alcohol or any other mind-altering substance, nor am I taking medication that would cloud my judgment or make me unable to think clearly.

\_\_\_\_\_ 23. **NO OTHER PROMISES:** I have not been promised anything other than what is described in The Agreement. There are no unresolved issues, no side agreements, nor are there other terms not disclosed in The Agreement.

\_\_\_\_\_ 24. **NOT UNDER DURESS:** I am not under duress and have signed The Agreement of my own free will, without any undue financial pressure. Buyer has in no way pressured me into signing The Agreement.

\_\_\_\_\_ 25. **FULLY SATISFIED WITH AGREEMENT:** I am fully satisfied with all terms and conditions contained in The Agreement.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_ Seller (Signature)

\_\_\_\_\_ Seller (Signature)

On this, the \_\_\_\_\_ day of \_\_\_\_\_, 2011, before me, a Notary Public, personally appeared \_\_\_\_\_ known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

(SEAL)

# **Authorization To Release Information**

I/We hereby authorize you to release to  
\_\_\_\_\_ any and all information they may require  
for the purpose of a credit transaction or loan transfer.  
You may reproduce this document to acquire reference  
from more than one source.

Thank You.

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Signature	Soc. Sec. #	Date
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Signature	Soc. Sec. #	Date
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# **Check The Title**

Here you are with your first deal under contract to buy. Only a few days or weeks from cashing in. That's great, but before we start the process of selling, there is a very important step we must complete.

Either a title company or an attorney must do a title search to verify there are no liens on the property other than disclosed by the seller. They will also verify the current owner is the only owner and there are no other parties of interest. Until this process is complete, you're not ready to sell or install a tenant buyer.

You'll need the address and they'd like the legal description. Ask for a file number and how long it will take. Three days should be ample time. Once the search is complete ask your attorney or the title company if there are any issues stopping you from selling.

# **Selling Houses Fast**

One of the most common things people fear about getting into real estate is they're afraid they can't sell the house and somehow they'll get stuck with it.

I can understand why this would create anxiety for a beginner because they simply don't have enough facts to overcome the fear.

However, if you're not a beginner and this is still a problem, there's no excuse for it. So let's get it fixed right now.

The truth is...

## **Selling Should Be The Easiest Part Of Your Business!**

The best way to make a house easy to sell is to make it easy to buy. You'll do that by offering terms acceptable to buyers that likely can't qualify for a loan.

- ◆ **Lease Purchase**
- Or
- ◆ **Owner Finance**

If you own the house you can offer either.

If you leased the house with the option to buy you can only sublease it with an option to your tenant buyer or assign your lease.

If you've optioned the house for all cash you must find a qualified buyer or change the terms to one of the above when you find an interested buyer and learn what he/she has to work with or assign your option.

# **How To Never Talk To A Buyer Until They've Seen The House And Prescreened Themselves**

The last thing I want you to do is to have your life sucked up into taking calls from worthless suspects who couldn't buy a house if you gave them the money. Unfortunately, this kind of caller will be the majority, not the minority. Here's how you fix it.

Set up a voicemail box system with PATLive or any provider you choose to take the calls from all offline prospects and send them to the house with instructions on what to do when they get there. There's no need to capture information from suspects until they become prospects. They aren't prospects until they've seen the house.

## ***Here's what you want on your voice mailbox.***

- A simple greeting.
- A short description of the house.
- Simple directions.
- The lock box code to get in or you can instruct them to call the phone number on the sign for the code when they arrive at the house.
- Tell them instructions will be in the house if they like what they see.
- Your website address.

# **Recorded 24 Hour Info/Voicemail Script For Buyers**

- Hi and thank you for calling about our homes for sale.
- You can also visit our website at [www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com). That's [www.XXXXXXXXXX.com](http://www.XXXXXXXXXX.com).
- If you're like most people, you dream about owning a nice home in a nice neighborhood. Here's your chance to make your dreams come true.
- If you can afford a reasonable down payment and monthly payments, you could easily qualify for one of our exciting purchase programs.
- We offer owner finance with no bank qualifying and lease purchase.
- We also offer down payment assistance and work for equity programs.
- We are confident that nobody will work harder than us to get you into a home.
- Listen to the following driving directions carefully and call the number on the sign in the front yard when you get to the home. We will give you the lock box code so you can view the inside of the home at your convenience.
- (Driving Instructions)
- When you get inside the house, you'll find a lot of information and instructions on what to do next if you like what you see.
- Thank you for calling. We hope to work with you soon!

# Ads To Sell With A Lease Purchase

**Key Words:** "Rent to Own" or "Lease Purchase"

Start your ad with these words and you shouldn't have to worry about getting calls. They will come unless the rest of your ad scares them away.

Things to avoid mentioning: "Deposit", "Payment"

**Example:**

## **Lease Purchase**

**Dunwoody, 3/2, 1689 SF,  
2-Car Gar, Pool, \$149,000**

**No Credit No Banks**

**381-3649 or [easyhomedeals.com](http://easyhomedeals.com)**

Don't over-use abbreviations.

You'll get a lot more calls if you leave out the deposit. Some will have the money, most will not. If you have several houses or you're building a buyer list you will want the calls. You can also use a voice mailbox or answering service to let callers leave their name and number only if they pass your prequalifying message. You should also set up a website to display your houses and collect buyers info. Most people would rather go to a site before talking with anyone - at the very least put a page on craigslist.com for each house

**Remember – don't ever name the down payment or monthly payment. How much do you have to put down? How much can you pay monthly?**



# When To Display Signs

In the case of pretty houses you're not rehabbing, the sign should go up the minute you take possession of the house or even sooner with the seller's permission.

I've sold over 2,000 houses and have yet to have a fancy sign made at a sign shop. I've always used simple signs, made from plastic or fiberboard, with the keywords only. No logos or company names. State only the bigger benefit to your customer you can put on one sign.

Several other pointer signs with arrows should be displayed in key areas to guide prospects to your house.

You may also put an 'I Buy Houses' sign in the mix as well. It costs nothing extra to pick up another house while selling yours.

Your phone number and website should be on at least two of the signs, one of which should be placed inside the front window of the house if possible. This one won't be stolen by the neighbor's kids.

Your signs should be checked every few days to make sure they're still there and standing if the house is vacant.

# **Yard Signs**

Here's where you can really stand out from your competition and draw a lot of attention to your house. There is no prospect calling with more interest than those calling from a sign. They have already seen the house and are interested enough to call. That's much better than calling from an ad or flyer, sight unseen.

## **What Signs**

There should be at least three different signs in the front yard and one in the window. The more signs, the more attention. One should say 'For Sale By Owner' with your phone number. Another could say 'Owner Financing' or Lease Purchase.

Your USP, phone number and website should be on the signs.

**Make Sure They're Easy To Read  
And Not Over Crowded.**

**Don't Use Graphics Or Fancy Script. Big, Bold,  
Easy To Read Letters Only.**

**All Signs Must Be Hand Written  
And UGLY**

Work for Equity  
Easy Financing  
421-0197  
Jaxhomedeals.com

Lease Purchase  
No Banks  
421-0197  
Jaxhomedeals.com

Over Financing  
Your Credit Approval  
421-0197  
Jaxhomedeals.com

# Pointer Signs

By far the most important tool for attracting buyers is numerous pointer signs - at least 10, posted all over the area pointing to the house. They're very simple and the most effective ones are those that appear to be handmade. You should get 3 calls from these signs to every one you get from any other advertising.

The good news is they work. The bad news is they disappear quickly and must be replaced often. It's worth it.

## ***Here are your steps, in order:***

1. Place the large yard signs we just discussed in the front yard.
2. Make up a handwritten sign on paper like you'd like to see it reproduced onto fiberboard so the sign maker can make your signs. The uglier they look, the better, as long as they are easily readable from a distance.
3. Have at least 30 signs made for each house you're selling so you'll have plenty of replacements. The normal size is 9" x 24", so two signs can be cut from one 18" x 24" board.
4. Post the signs as high as possible when you can. No telephone poles please.
5. Replace as needed. Must be checked every two to three days.

## Pointer Sign Sample



- Make sure you get signs with arrows pointing both ways or you can have both sides printed with arrows pointed in opposite directions.
- Make sure to add your phone number or your competition will appreciate the donation.
- Make the hand drawn lines bold and easy to read. You draw out one and any sign shop can make as many as you like.

**Must look hand written**  
**No computer version.**





# Prescreening Prospects

Prescreening buyers is really simple and can be done in seconds. One of two critical ingredients, preferably both, must be present with a buying prospect.

1. They must have fair to good credit.
- OR**
2. They must have a few thousand dollars.

If neither ingredient is present, you have a suspect, not a prospect and you should discard them immediately. Do not waste time with suspects. Spend it looking for prospects.

**Credit:** Prospects with credit are candidates to cash you out, even if they have little or no money. There are plenty loan programs available to get 100% financing for credit worthy buyers. Your job is to find the prospect and then let your mortgage broker find them a loan.

**Money:** Buyers with some cash may make good lease purchase or owner financing buyers, even if their credit is weak. In fact, this is your Unique Selling Proposition and what separates you from the builders and Realtors® looking for the perfect buyer. It's what makes your houses easy to sell.

## 4 Exit Strategies

1. Buyers who qualify for new financing.
2. Selling on a Lease Purchase.
3. Selling with Owner Financing.
4. Assign your contract (ACTS)



# Telephone Script For All Potential Buyers

When answering the phone always sound friendly, flexible and excited

Phone Rings!!

Date: \_\_\_\_\_ Source Of Call: \_\_\_\_\_  
Name: \_\_\_\_\_  
Phone: \_\_\_\_\_ Cell: \_\_\_\_\_ Work: \_\_\_\_\_  
Email: \_\_\_\_\_

**You:** "Hello" (Cheerful)  
Customer "I am calling about your ad."  
**You:** "Which ad were you calling about ( Sir/Ma'am )?" (If applicable)  
Customer "Owner Financing" or "Lease Purchase"  
**You:** "Are you calling for yourself or someone else?" (If calling for someone else, **Stop Here** have the actual buyer call for personal information from the specific buyer) **If calling for self, continue with script.**  
Customer "Where is the home located?"  
**You:** "We have several houses, may I ask you a few questions so I can determine which ones might fit your needs?"  
Customer "What kind of questions?"  
**You:** "Well (Sir/Ma'am), are you looking to rent or are you looking to buy?"  
Customer (Customer's answer): \_\_\_\_\_  
**You:** "How much money do you have to invest in your new home?"  
Customer "How much do I need?"  
**You:** "That varies depending on the house and your abilities?"  
Customer "What do you mean abilities?"  
**You:** "Well (Sir/Ma'am) depending on the amount of cash you have to invest, your credit strength and/or ability to do cleaning and cosmetic repairs."  
Customer "OK, so how much money do I need and how good does my credit need to be?"  
**You:** "Well (Sir/Ma'am) the more money you have the better the terms we can create which will determine your total down payment as well as your monthly obligation. How much do you have to work with?"  
\_\_\_\_\_ (You must get an answer)

**Note:** If the customers do not have a minimum of 10% down (if selling) or 3% deposit (if leasing)

A) Do they have a credit card that you can get cash from?

B) Do they have family or friends that can help with the down payment?

If none of these options generate the minimum down payment or deposit, politely have them call you back when they have the funds to work with.

**You:** “Would you consider your credit good, fair or poor?”  
**Customer:** *(Customers answer)*

---

**You:** “(Sir/Ma’am), would you be interested in a home that needs some repair if we can help you with financing and make it easy for you to buy?” (Optional)

**Customer:** “Yes, but what kind of repairs?”

**You:** “Some of our homes may require cleaning and some cosmetic repairs, others extensive rehab”

**(Regardless of the answer, make notations here).**

**You:** (Sir/Ma’am) have you ever tried to buy a home before?”

**Customer:** Yes: \_\_\_\_ No: \_\_\_\_ What stopped you?

---

**You:** “What kind of monthly payment do you feel your family can afford for your new home?”

**Customer:** *(Customers answer)* \_\_\_\_\_

**You:** “How Many bedrooms do you need?”

**Customer:** *(Customers answer)* \_\_\_\_\_

**You:** Then are you saying that the two bedroom house is out of the question?

**Customer:** *(Customers answer)* \_\_\_\_\_

**You:** “Do you have any other requirements?”

**Customer:** *(Customers answer)* \_\_\_\_\_

**You:** “Do you have pen and paper ready so I might give you the address(es)? Or would you prefer I email them?”

**Customer:** *(Customers answer)* \_\_\_\_\_

**You:** (Giving address(es) and directions to house(s)) and lock box code.

“Go by the house(s), to see if you are interested.

Then please call me back and we’ll make arrangements to iron out the details and get you in the house if you like it.”

“If your seriously interested in buying (leasing) now, I suggest you go immediately. Based on the number of calls I’ve been receiving I don’t expect the house(s) to last long.”

## Use This To Record Answers

CSR \_\_\_\_\_

Date \_\_\_\_\_ Source \_\_\_\_\_

Name \_\_\_\_\_ Spouse \_\_\_\_\_

Email \_\_\_\_\_ Cell \_\_\_\_\_

Called About \_\_\_\_\_

Down \_\_\_\_\_

Payment Request \_\_\_\_\_

Credit    Good    Fair    Ugly    Score \_\_\_\_\_

WFE Candidate            Yes    No

Tried To Buy Before    Yes    No

What Stopped Them? \_\_\_\_\_

Bedrooms \_\_\_\_\_ Bathrooms \_\_\_\_\_

Other Requirements \_\_\_\_\_

Gave Lock Box Code    Yes    No

Agreed To Call Back On \_\_\_\_\_

Notes \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Applicant Information Sheet

## Primary Applicant (A)

Property Address: \_\_\_\_\_

Name: \_\_\_\_\_

D.O.B.: \_\_\_\_\_

S.S.No#: \_\_\_\_\_

Drivers License No. : \_\_\_\_\_

Home Phone: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

How Long At This Address: \_\_\_\_\_  
(Months/Years)

## Employment:

Employer's Name: \_\_\_\_\_

Employer's Address: \_\_\_\_\_  
\_\_\_\_\_

Work Phone: \_\_\_\_\_

How Long on Present Job: \_\_\_\_\_

Gross Monthly Salary: \_\_\_\_\_

Other Monthly Income: \_\_\_\_\_

Source: \_\_\_\_\_

By my signature below, I hereby give my permission for the lender to investigate my credit and employment history and I authorize release of all credit related information to them:

\_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

## Joint Application (B)

Name: \_\_\_\_\_

D.O.B.: \_\_\_\_\_

S.S.No#: \_\_\_\_\_

Drivers License No.: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Employer's Name: \_\_\_\_\_

Employer's Address: \_\_\_\_\_  
\_\_\_\_\_

Work Phone: \_\_\_\_\_

How Long on Present Job: \_\_\_\_\_

Gross Monthly Salary: \_\_\_\_\_

Other Monthly Income: \_\_\_\_\_

Source: \_\_\_\_\_

By my signature below, I hereby give my permission for the lender to investigate my credit and employment history and I authorize release of all credit related information to them:

\_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

# **How To Sell Houses Faster Than You Can Buy Them... Build A Buyers List**

**Step 1:** Build and maintain a buyers list on every type of sale you make.

- All Cash Deals – Qualified Buyers
- Owner Financed or Lease Purchase Deals
- Wholesale Deals

**Step 2:** Segment these lists into the categories above and have someone call and update monthly.

**Step 3:** Find out what and where your buyers want and give it to them.

***That's It. It's Really That Simple.***

This will save you thousands of dollars a year in advertising, cut your holding costs down 75% and eliminate numerous hours of talking to bad prospects and answering the phone. It will also tell you what and where the market wants to live.

# Qualifying Your Buyers For Lease Purchase Or Seller Financing

There are only a few things I care about when choosing my buyers. Good credit is not required; in fact, the lack of it is what will attract most buyers to you. However, atrocious credit is a concern and you should not sell until you know what their credit looks like. A long history of evictions and/or foreclosures will eliminate your buyer, regardless of how big the down payment. Nowadays, anyone can pull their own credit report, or you can get your mortgage broker to do it for you for free.

## ***The other considerations are:***

1. **Income:** If they can't afford the payment, you shouldn't set them up to fail. Use a 50-50% total debt ratio as a gauge. Beyond that is almost certain default. Note this does not include items like insurance, food, recreation, medical bills and a long list of other monthly expenses. That's why a 50-55% cap is important. A home is not their only expense. Even then, you must apply common sense and a little math. Someone making \$2,000 a month cannot afford a \$1,000 house payment; therefore, 50% won't apply. Someone making \$10,000 a month may afford a \$5,000 payment, but only if their other fixed expenses are very low, because after income taxes and non-fixed costs are added, it doesn't leave much to live on.
2. **Down Payment:** This is at the top of my list and the easiest qualifier. I will not sell for less than 10% down, and you can get much more than that on nice houses if you're patient. This is your front end profit center and the easiest money you'll make in real estate. Don't underestimate it.
3. **Criminal Record:** It's easy to get a report on your buyer to look for undisclosed issues, such as a criminal record. You can't learn too much, and from there common sense will guide you. [ATS.com](http://ATS.com), [screeningreports.com](http://screeningreports.com)
4. **Size Of Family And Pets:** A family with six kids and four dogs can only mean the house will take a beating. You have to assume you'll get it back, so are you getting enough down to justify the risk?
5. **Meganslaw.com** to find registered sex offenders.

# **The Meeting**

Once you've determined you have a lease purchase or seller financing prospect, it's time to call a meeting with both husband and wife. That means they have either money or credit or both and have seen the house and want it. You should know how much they can pay monthly and any other facts that would help you determine if they can pay as we discussed earlier.

The purpose of the meeting is to see if you can get more down, more per month and meet face to face to prescreen and confirm the facts. Make sure you tell them to bring a check book for the deposit.

When the meeting is over, you should have an executed Letter of intent and Deposit and Receipt Agreement, a deposit of at least \$1,000, the items on the next page and a good feeling about your buyers. If your gut tells you to turn them down, your gut is correct.

# Checklist For Buyer Meeting

This meeting should not take place until you know how much the buyer has to put down and if you accept their credit and income. Here's a list to acquire and items to cover.

## Things To Collect:

- Application (You should have by now)
- Pay check stubs
- Copy of drivers license
- Deposit check
- Deposit And Receipt Agreement and an LOI.

## Things To Discuss:

- Answer all questions
- Down payment and ways to increase or trades
- Maximum monthly payment (if Sandwich Lease or Owner Financing)
- Term of lease
- Closing procedure and time frame. You can set closing time while at the meeting.
- 30 day repair warranty or home warranty plan if you wish to offer and their repair responsibilities thereafter.
- Late penalty
- Assignment fee and how it works if assigning
- All applicable details surrounding an ACTS deal if not already discussed



**For Non ACTS Deals**  
**LETTER OF INTENTION**

Re: 5400 Magnolia St., Atlanta, GA

(Property Address or Parcel I.D. Number)

The undersigned herewith offers to lease/option the property described above, located in Atlanta, State of GA under the following basic terms and conditions:

1. The monthly rent will be \$ 1,500, payments will begin July 1, 2013 and continue for 120 months.
2. The purchase price will be \$ 228,000.
3. A more formal and detailed contract will be drawn and signed by both parties. The non-refundable option deposit is \$ 10,000. I'm paying \$ 1,000 now and the balance of \$ 9,000 at closing plus the first month's rent and \$ 300 attorney fee.
4. I can pay an additional \$ 300 per month above the rent toward my down payment and will receive an additional credit of \$ 150 each month deducted from the purchase price.

John Buyer

Buyer – Print Name

Mary Buyer

Buyer – Print Name

**Acceptance**

The above terms are accepted this 22 day of June, 2013.

Frank Seller

Owner

**LETTER OF INTENTION**

**ACTS Deals Only on Over leveraged house**

Re: 5400 Magnolia St Atlanta, GA\_\_\_\_\_

(Property Address or Parcel I.D. Number)

The undersigned herewith offers to lease/option your property described above, located in Atlanta\_\_\_\_\_, State of GA\_\_\_\_\_ under the following basic terms and conditions:

1. The monthly rent will be \$ 1,500\_, which payments will begin July 1, 2013\_\_\_\_\_ and continue for 120 months. The rent will adjust upwards if the payment on the owners underlying loan goes up.
2. The purchase price will be the loan balance at the time I get financing and my option to purchase will expire June 30, 2023\_\_\_\_\_.
3. The non refundable assignment fee is \$10,000\_. I'm paying \$2,500\_\_\_\_\_ now and the balance of \$ 7,500\_\_\_\_\_ at closing plus the first month's rent and \$1,500\_\_\_\_\_ attorney fee.
4. I understand I am accepting an assignment of a contract or lease purchase agreement and am bound by the terms of that agreement as stated above.

John Buyer\_\_\_\_\_

Buyer – Print Name

Mary Buyer\_\_\_\_\_

Buyer – Print Name

**Acceptance**

The above terms are accepted this 22 day of June\_\_\_\_\_, 2013\_\_\_\_\_.

# **What To Do If The Buyer Wants To Get A Loan Within The Next Year Or Two And Wants Credit For The Assignment Fee Toward Their Down Payment!**

As assignment fee is not an option deposit and can't be shown as one. When the buyer applies for a loan the lender will want to see proof I was paid if it shows on the contract. So if you assign your lease option and you collect the money as an assignment fee the buyer will have a problem. Here's how to fix it.

1. Your company lease options from the seller.
2. You then locate a tenant buyer with 10k who's ready to get financed soon.
3. Your company lease options to the buyer with a new agreement with the same terms as yours with the seller except you raise the price 10k and show the 10k as an option deposit.
4. You then assign your lease to the seller and get a release from your original lease.
5. Now the seller stays involved like any other ACTS deal until the buyer is ready to get a loan. The tenant can use the agreement to give to the lender or the buyer and seller can write a new contract at that time showing the purchase price as the reduce principal amount plus \$10,000 and show receipt of the money. If you're called upon to produce proof you can do so and a clean paper trail exists to satisfy lender.

# **What To Do If My Buyer Is Ready To Get A Loan And There's Still More Owed Than The Worth!**

If your buyer brings this up you can easily fix it.

Simply get the seller to sign a statement that they will cooperate with a short sale upon the buyers request.

The buyer can then make an offer at the then market value, write a new purchase agreement at the price and submit to the bank.

The bank will likely accept it since it won't be a big discount most likely. If they don't the buyer can simply wait it out until the equity returns or walk.

This is why the agreement for the seller to sign should clearly state there can be no guarantee of a short sale, only best efforts.

# Short Sale Addendum

The parties agree that should the payoff of the existing mortgage that now encumbers the aforescribed real property exceed the assigned/lender-appraised value at the time of the exercise of the Option, as determined by the appraiser chosen by the Buyer's lender, Seller shall pursue a short sale to Buyers. There is no money due Seller, whether or not closing is conducted as a regular sale or a short sale. Both parties understand there is no guarantee the lender will accept an amount less than the mortgage balance.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Print Name

## Acceptance

The above terms are accepted this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Assignor

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

# The Magic Agreement

The Application Receipt Agreement attached is a work of art I wish I had years ago. In a nutshell, here's what it does...

Allows you to take a deposit from a buyer and bind them to an agreement to purchase without you taking the house off the market.

It's simply an agreement to keep their deposit if you accept them and return it if you don't, but nowhere does it say you must sell them the house.

You can literally take several applicants at the same time and release all but the winner with no risk to you.

A Purchase And Sale Agreement is then initiated only when the underwriter needs it for a cash out. If you're selling on a lease option, the agreement will be prepared by your attorney so all you need from the meeting is an LOI and this agreement.

# APPLICATION RECEIPT AGREEMENT

A non-refundable application fee of \$ \_\_\_\_\_ and reservation/earnest money fee of \$ \_\_\_\_\_ are required for processing the application, and is being paid herewith \_\_\_\_\_. This Application Receipt Agreement must be signed by all adults who will occupy the property before the Application can be considered by Management \_\_\_\_\_. The undersigned expressly agree that if Application is approved they herewith agree to purchase the property located at:

ADDRESS: \_\_\_\_\_, CITY: \_\_\_\_\_, STATE: \_\_\_\_\_, ZIP: \_\_\_\_\_

Applicant(s) further agree that if Applicant(s) are accepted by Management and then decide, for any reason, not to move into the premises, then all monies paid herewith shall be retained as liquidated damages since other prospective purchases may have been turned away and it will be necessary for Management to re-advertise the property and evaluate other applicants. Processing of Application shall be timely as possible and the results may be delivered via telephone, fax or mail. Once approved, Applicant(s) agree to pay the balance of funds and complete the paperwork within 48 hours, otherwise, Management will assume that Applicant(s) have decided to forfeit the reservation/earnest money payment and will begin re-marketing the property. If Applicant(s) are not approved, all monies given herewith, less application fee shown above, shall be returned to Applicant.

A PHOTOSTAT COPY OF MY (OUR) DRIVER'S LICENSE(S) OR PICTURE IDENTIFICATION CARD(S), SOCIAL SECURITY CARD(S), LATEST PAY CHECK STUB(S) AND LAST YEARS W-2(S) OR COPY(IES) OF LAST YEARS INCOME TAX RETURN(S) ARE ATTACHED TO THE APPLICATION [..] OR WILL BE PROVIDED [..]. I (we) declare that the Application is complete, true and correct and I (we) herewith give my (our) permission for anyone contacted to release the credit or personal information of any of the undersigned Applicant(s) to Management and their Authorized Agents, at any time, for the purposes of entering into and continuing to offer or collect on any agreement and/or credit extended. I (we) further authorize Management or their Authorized Agents to verify all application information including but not limited to contacting creditors, present or former landlords, employers and personal references, whether listed or not, at the time of the Application and at any time in the future, with regard to any agreement entered into with Management. Any false information will constitute grounds for rejection of the Application, or Management may be at any time immediately terminate any Agreement entered into in reliance upon misinformation given on the Application.

*I/WE HAVE BEEN PROVIDED A COPY OF THIS APPLICATION RECEIPT AGREEMENT AND HEREWITH AGREE TO THE TERMS STATED HEREIN. ACCEPTANCE OF APPLICATION AND ANY MONIES HEREWITH ARE NOT BINDING UPON MANAGEMENT UNTIL APPLICATION IS APPROVED BY MANAGEMENT.*

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant (Print Name): \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant (Print Name): \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Do Not Write Below This Line - To Be Filled Out By Management

Receipt of \$ \_\_\_\_\_ form Applicant(s) is herewith acknowledged.

\_\_\_\_\_, As Agent \_\_\_\_\_

..... Management Company ..... Date

# REAL PROPERTY POSSESSION AND LEASE AGREEMENT

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## EXHIBITS

Lease Rider      Exhibit "A"



**REAL PROPERTY POSSESSION AND LEASE AGREEMENT**

**THIS REAL PROPERTY POSSESSION AND LEASE AGREEMENT**, (hereinafter referred to as the "Agreement") made as of the 24th day of June, 2014, by and between ABC Homes, LLC, (hereinafter referred to as "lessor"), and:

Lessee 1:

Lessee 2:

Name: John Buyer

Name: Mary Buyer

Address: 1233 Park Street

Address: 1233 Park Street

City, State, Zip: Atlanta, GA 42093

City, State, Zip: Atlanta, GA 42093

(Hereinafter referred to (and if applicable, collectively) as "lessee").

In consideration of the rents and mutual covenants herein set forth, lessor and lessee agree:

1. **PREMISES**. The lessor leases to the lessee and the lessee rents from the lessor the premises described in **Exhibit "A"** attached hereto, together with all improvements thereon, (herein referred to as the "premises"), under the following terms and conditions.

2. **INITIAL TERM**. The initial term of this Agreement shall commence on and continue until the dates set forth in **Exhibit "A"**, unless extended or sooner terminated as hereinafter provided.

3. **POSSESSION AND OCCUPANCY**. The premises shall be used only as a residence by lessee. The premises will not be used or allowed to be used for any unlawful purposes, or for any purposes deemed hazardous by lessor or lessor's insurance company because of risk. Lessee will conform with and obey the laws, ordinances, rules, regulations, requirements and order of all governmental agencies having jurisdiction on said premises and the use and occupancy thereof.

4. **LEASE PAYMENT**.

A. **Lease Payment**. The lessee agrees to pay to the lessor a lease payment/rent for the premises during the term hereof in monthly installments on the 1st day of each month in advance and without notice which lease payment/rent shall be payable to lessor in the amount and at the address shown on **Exhibit "A"** or at such other place as lessor may hereafter specify in writing. The annual lease payment/rental shall be the amount set forth on **Exhibit "A"** and which is paid by the # monthly installment amount set forth in **Exhibit "A"**. Said installment shall be paid for each and every month during the "Term" of this Agreement. **MAILING THE LEASE PAYMENT/RENT BY THE DUE DATE DOES NOT CONSTITUTE PAYMENT. RENTS MUST BE RECEIVED AT THE OFFICE OF THE LESSOR BEFORE 5:00 O'CLOCK P.M. ON THE DUE DATE OF EACH MONTH TO BE CONSIDERED PAID. MONIES RECEIVED ARE APPLIED FIRST TO CLEAR OUTSTANDING BALANCES, IF ANY, AND THEN TO THE CURRENT LEASE PAYMENT/RENT. CASH WILL NOT BE ACCEPTED.**

B. **Security Deposits**. There shall be no security deposit.

5. **CONDITION AND IMPROVEMENTS**. Lessee accepts premises in its present "AS IS" condition. Lessee accepts all risks attendant with possession of the premises. Lessee waives any and all claims whatsoever against lessor based upon the condition of the premises at the time of the execution of this Agreement and lessee's possession thereof.

Lessor warrants during only the first thirty (30) days of this Lease the heating, cooling, plumbing and electrical systems.

6. **USE**. The premises may be used for residential purposes only and shall be occupied only by the lessee. The premises shall be used so as to comply with all state, county and municipal laws and ordinances and shall be kept in a clean and orderly condition. Lessee shall not use the premises or permit it to be used for any disorderly or unlawful purpose or in any manner so as to interfere with neighbors. Lessee shall be responsible and fully liable for the conduct of lessee's guests. Acts of guests in violation of this Agreement or lessor's rules and regulations may be deemed by lessor to be a breach by lessee.

7. **SMOKE DETECTORS**. Lessee acknowledges the requirement for working smoke detectors in the premises, and agrees to install if necessary and in all events, test all detectors weekly for proper operation, and further agrees to replace any batteries (if so equipped) when necessary. Lessee further acknowledges an ability and understanding of how to test the smoke detector. Lessee also agrees to repair or replace any inoperative smoke detector immediately should it fail to operate properly during any test.

8. **MAINTENANCE, REPAIRS.** Lessee acknowledges the premises are in good order and repair and habitable. Lessee agrees to keep the inside of the premises in good repair, including the plumbing, electrical, wiring, air conditioning and heating equipment and all appliances, and to paint walls if necessary and be responsible for all glass and casualty damage. Any and all work done or to be done by lessee in or about the premises shall only be done by lessee directly and the individual industry thereof or pursuant to written contracts or contractor's proposals by third parties and contractors approved in advance by lessor. Upon any termination of this Agreement, lessee shall surrender possession of the premises in good and tenable repair, reasonable wear and tear excepted. If lessee's repair, replacement, installation and/or maintenance responsibilities conflict with any state laws to the contrary, then lessee as allowed by law, agrees expressly to waive and relinquish fully any protections so provided or to the extent so allowed by law. Lessee shall be responsible for damages caused by lessee's failure to perform completely or in a workmanlike manner, the required repairs, replacements, installations and/or maintenance to and of the premises and for lessee's negligence and of lessee's family, invitees, licensees and guests. Lessee shall mow, irrigate, fertilize, treat for insects, and maintain any surrounding grounds, including lawns, shrubbery and gutters, and keep the same clear of rubbish, trash, weeds or leaves if such grounds are part of the premises and are available for the use of lessee. Should lessee fail to do so, lessor, after attempting to notify lessee, may, but is not required to, maintain lawns and/or shrubbery by using a professional yard maintenance company. Lessee agrees to pay the cost of any such yard maintenance as additional rent. It is a condition of this Agreement and partial and valuable consideration for the Option Agreement that Lessee be responsible for all maintenance to the premises, including, without limitation, after the aforesaid thirty (30) day warranty period the heating, cooling, plumbing and electrical systems.

9. **APPLIANCES.** All appliances of any kind, including but not limited to, window air conditioners, are excluded specifically from this Agreement. Such appliances remain as a convenience to lessee and lessor assumes no responsibility for their operation. No part of the monthly rent is attributable to them upon move-out. Any appliance installed on or placed upon the premises after the signing of this Agreement shall belong to lessor if this Agreement is terminated or if lessee vacates, surrenders or is evicted from the premises. This shall include but not be limited to, refrigerators, water heaters, dryers, well-pumps, irrigation pumps and or air conditioning units and/or compressors.

10. **ALTERATIONS.** Lessee will not make, or allow to be made, any other alterations, repairs, replacements, installations or redecoration of any kind to the premises without prior written permission of lessor; provided, however, and notwithstanding such consent, lessee agrees all alterations including, without limitation, any items affixed to the premises, shall become the property of lessor upon the termination of this Agreement. This includes, but is not limited to, appliances, HVAC systems and units, ceiling fans, mini blinds, carpeting, fencing, lighting fixtures, shrubs, flowers, etc. Removal of these items shall be considered theft subject to civil and criminal prosecution.

11. **RULES AND REGULATIONS**

11.1 Locks and Burglar Alarms. Lessee is prohibited from adding locks to or changing or in any way altering locks installed on the doors of the premises without written permission of lessor and upon written permission, lessee shall immediately provide lessor with keys to such locks. Lessee is prohibited from installing a burglar alarm to or changing or in any way altering any existing burglar alarm installed on the premises without written permission of lessor. If the installation or changing of such burglar alarm is permitted, lessee shall immediately provide lessor with all codes to such burglar alarm. Lessee agrees lessor is not liable for any unauthorized entry into the premises of any kind whatsoever.

11.2 Utilities. Lessee is responsible for payment of all utilities, to include water, sewage, garbage collection, cable TV, electricity, gas, local telephone service; even if the utilities remain in lessor's name. Failing to pay a utility bill is interpreted as a default hereunder and a violation of this Agreement. Any installation costs are the responsibility of lessee. Any wall jacks, telephone or cable installation shall remain with the premises.

11.3 Telephones. Lessee shall obtain a home telephone and shall supply lessor immediately with home and work telephone numbers and agrees to notify lessor within forty-eight (48) hours of any change of numbers during the term of this Agreement.

11.4 Storage. No goods or materials of any kind or description which are combustible or would increase fire risk shall be stored on the premises. Any storage shall be at lessee's risk and expense and lessor shall not be responsible for any loss or damage.

11.5 Good Housekeeping Expected of Everyone. Lessee agrees to keep the premises in a clean and sanitary condition and to remove any trash or rubbish as it accumulates.

11.6 Pest control. Lessee agrees to provide pest control as needed. Any infestation shall constitute a default of this Agreement.

11.7 Furnace maintenance. Lessee shall change HVAC furnace and A/C filter(s) monthly.

11.8 Kerosene Heaters and Appliances. Lessee agrees not to use any form of Kerosene space heater in the premises.

11.9 Water beds. No water bed may be kept in the premises without prior written permission of lessor. A condition of any approval is a waterbed insurance policy paid by lessee with lessor listed as loss payee.

11.10 Vehicles. Vehicles shall NOT be parked on the lawn at any time. Non-operative vehicles are not permitted on the premises. Any such non-operative vehicle may be removed by lessor at the expense of lessee, for storage or public or private sale, at lessor's option, and lessee shall have no right of recourse against lessor thereafter.

11.11 Yard care. Lessee will be responsible for maintaining the lawn, bushes, and trees in a neat and attractive manner. If not cared for, lessor may cause same to be done professionally and lessee shall to pay for same.

11.12 Gutters. Lessee must keep gutters cleaned each fall or as otherwise needed.

11.13 Basements. Lessor in no way warrants any basement against any leakage of any kind at any time, if applicable.

11.14 Septic. If the premises uses a septic tank, lessee shall not abuse system, e.g., do not deposit cooking oil, tobacco, coffee grounds or unnecessary food or other wastes or materials, including diapers and sanitary napkins, down sinks or commodes. Lessee shall add septic tank treatment regularly, as is available at home supply stores and to keep the system operating properly and efficiently and to make any and all necessary repairs or improvements. Lessee is prohibited from adding a garbage disposal to any house which has a septic system.

12. **PETS.** No pets, birds, fish, or other animals of any kind, permanent or visiting, indoor or outdoor, shall be permitted on the premises without prior written consent of lessor. Any such pet, if allowed, requires the payment of a non-refundable pet fee of \$150.00 per pet, plus additional rent of \$10.00 per pet per month' (this amount may not be included in paragraph 4 above). In no instance will more than two (2) pets be allowed. Authorized pets must be listed below. By this listing, lessee agrees to be liable fully for damages and injuries to property and/or people which might be caused by pets. Lessee agrees that if said pets should at any time become annoying, bothersome, or in any way a nuisance to neighbors, lessee will, upon notice of lessor, immediately remove said pets from the premises. Any unauthorized pets found on the premises shall be removed by lessor, and above stated pet fees, retroactively to the date of the Agreement, shall be paid immediately to lessor. **Only** the pets listed on **Exhibit "A"** are authorized on premises.

13. **PROPERTY LOSS & LIABILITY.** Lessor is not liable for damage, theft, vandalism, or other loss of any kind to lessee's personal property or the personal property of lessee's family members, invitees or guests. Lessor shall not be responsible or liable for any injury, loss or damage to any person or property of lessee or any other person.

14. **RENTER'S INSURANCE.** Lessee agrees to purchase comprehensive insurance, known as a Renters' Insurance Policy, against all perils, including but not limited to insurance on personal property or property of other persons from protection of loss due to or caused by theft, vandalism, bursting or breaking pipes, by or from fire, windstorm, hail, flooding, leakage, steam, snow or ice, by or from running water, backing up of drainage pipes, seepage or the overflow of water or sewage on the premises. Said policy shall include general liability coverage of \$300,000.00 minimum. With respect to any renewal policy, a duplicate original policy shall be furnished to the lessor by lessee not less than ten (10) days prior to the expiration date of the then existing policy.

15. **RADON GAS DISCLOSURE AND DISCLAIMER. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN BUILDINGS IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN PUBLIC BUILDINGS IN \_\_\_\_\_.** ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY HEALTH UNIT. THE LESSOR DID NOT TEST FOR RADON GAS AT THE PREMISES AND THEREFORE MAKES NO REPRESENTATION REGARDING THE PRESENCE OR ABSENCE OF SUCH GAS. LESSEE HEREBY WAIVES ANY AND ALL ACTIONS AGAINST LESSOR RELATED TO THE PRESENCE OF SUCH GAS.

16. **FIRE.** If the premise is made uninhabitable by fire or other casualty, not the fault of lessee, this Agreement shall be voidable by either party.

17. **RIGHT OF ACCESS.** During reasonable hours, lessor may enter the premises without notice to lessee for inspection and maintenance. If locks were changed without providing lessor with a key, lessor may enter forcibly without being liable for damage or unlawful entry. Lessor may enter at any time in case(s) of emergency. During the last sixty (60) days of occupancy, or upon notification of intent to vacate, lessor may place a sign on the premises and/or may install a lock-box and show the premises during reasonable hours. Lessor will attempt to notify lessee, but is not obligated to do so.

18. **COMPLIANCE WITH LAWS.** Lessee will comply promptly with and abide by all applicable laws, ordinances, and regulations of federal, state, county, municipal, and other lawful authority pertaining to the use and occupancy of the premises.

19. **ASSIGNMENT AND SUBLETTING.** Lessee may not assign this Agreement or sublease the whole or any part of the demised premises without the prior written consent of the lessor.

20. **EMINENT DOMAIN.** If all of the premises are taken under the power of eminent domain or conveyed by voluntary deed in lieu of condemnation proceedings, or if only a part of such premises is so taken or conveyed and the remainder thereof is inadequate or unsatisfactory for lessee's purposes (the determination of which shall not be made arbitrarily or capriciously) then, in either such event, this Agreement shall terminate effective as of the date lessee is required to vacate the premises. The termination of this Agreement as above provided shall not operate to deprive lessee of the right to make claims against the condemning authority for any damage suffered by lessee, but lessee possesses no right to make any claim against lessor because of such termination. If this Agreement is not terminated as above provided, lessor and lessee shall agree upon an equitable reduction of rent for the remaining portion of the premises, but no reduction of rent shall occur if the taking does not include any of the building. If the parties fail to agree upon such reduction within sixty (60) days from the date of the final payment for the part of the leased premises so taken or conveyed, then either lessor or lessee may give thirty (30) days' notice of termination.

21. **ATTORNEYS' FEES AND COSTS: ARBITRATION.** In the event of any controversy or claim concerning this Agreement or the Option Agreement the prevailing party therein shall be entitled to recover from the other party, all its costs and expenses, including attorney's fees. If lessor engages an attorney, or if suit is brought to enforce any covenant of this Agreement, or for the breach of any covenant or condition herein contained, the lessee agrees to pay lessor's attorney's fees and all costs of collection of rent and other sums due hereunder, regardless of whether incurred before, during or after arbitration, whether suit is brought, and regardless of whether incurred before, during or after any notice of claim, arbitration, mediation, trial, or appellate proceedings.

22. **DEFAULT AND CROSS-DEFAULT.** If lessee fails to pay any installment of rent as provided herein within five (5) days from the date due, or if the lessee fails to cure any other default under this Agreement within twenty-four (24) hours after receipt of the written notice of such default by the lessor, then lessor may terminate this Agreement without further notice and may (i) recover immediately from lessee all rent and other sums due by lessee hereunder; (ii) cure such default and the expense of the curative action be added to the rent otherwise due; or (iii) enforce performance in any manner provided by law. In any such event of default, lessor may (i) resume possession of the property and relet the same for the remainder of the then operative term; (ii) in lieu of terminating the Agreement, from time to time or at any time bring an action or actions for recovery of the rent due and unpaid or for any installment or installments thereof; or (iii) terminate Lessee's right to possession of the premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the premises to Lessor. In such event, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default, including, but not limited to, the cost of recovering possession of the premises; expenses of reletting; reasonable attorney's fees; the present worth (at the time of award) as determined by the Court having jurisdiction thereof of the amount by which the unpaid rent and other charges called for herein for the balance of the term after the time of such award exceeds the amount of such loss for the same period that Lessee proves could be reasonably avoided; and that portion of any leasing commission if any paid by Lessor and applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum legal rate of interest under Georgia law. However, Lessor shall use its best efforts to mitigate damages, or (iv) the lessor may re-enter and relet the premises in lessor's name, but for the account of the lessee, as agent, for a period equal to or greater or less than the remainder of the term hereof for any sum or sums which lessor may deem reasonable to any tenant or tenants and apply the sums received from such reletting to the rents due hereunder by the lessee. In latter event, if there is any surplus amount received by the lessor over and above the rent and other sums due by lessee hereunder and the expenses, including attorney's fees, for such reletting, lessor shall be entitled to same. Any deficit after deduction for costs, fees and expenses, including lessor's attorney's fees, shall be recoverable by the lessor by suit against the lessee in appropriate proceedings. Lessor enjoys a "landlord's lien" upon the fixtures, and other personal property belonging to the lessee which are on the premises, as security for unpaid rent and other sums due by lessee hereunder and shall be entitled to all of the remedies available to lessor under the laws of Georgia. If lessee enters into any other agreements with lessor concerning the premises of lessor and lessee defaults on any provisions thereof, then this Agreement shall also be considered in default.

23. **QUIET ENJOYMENT.** Lessee, upon paying the rent and performing the covenants and Leases of this Agreement, shall have, hold and enjoy the premises quietly and all rights granted lessee in this Agreement during the term hereof.

24. **ABANDONMENT OF PREMISES.** The premises will be considered abandoned if left unoccupied for more than ten (10) days while rent remains unpaid without notice to lessor. Lessor may declare this Agreement forfeited and re-rent the said premises without any liability whatsoever. Lessee's obligation will be based on the balance of the Lease Agreement. If lessee removes or attempts to remove any personal property from the premises other than in the usual course of continuing occupancy, without first paying lessor all monies due, then lessor may obtain, without notice, an injunction to stop removal under an attachment interest in the personal belongings of the non-paying lessee. Lessor may also remove, store or dispose of any of lessee's personal property remaining on the premises after the termination of this Agreement. Such personal property shall become lessor's property and all right and title thereto vested in Lessor.

25. **INDEMNIFICATION.** Lessee shall indemnify and hold lessor harmless from and against any and all penalties, claims, demands and liability of whatsoever kind or nature including attorney's fees, all as may be made or sought against lessor or the premises arising out of or in any way connected with lessee's repair to habitability, occupancy, use, maintenance or operation of the premises and lessee shall defend lessor from and against each and every such claim.

26. **HOLDING OVER.** If lessee remains in possession of the premises after expiration of the term hereof; lessee shall be a tenant at will and there shall be no renewal of this Agreement by operation of law. The monthly rent during any period beyond the term or after default hereof shall be twice the then annualized remaining rent.

27. **NET LEASE.** This Agreement is intended to be and the rent hereinbefore set forth shall be net absolutely to the lessor so this Agreement shall yield-net to the lessor the rent specified and all costs, expenses and obligations of every kind and nature, whether now existing or hereafter arising, including without limitation, maintenance fees and expenses, and all utility and operational costs, shall be the exclusive obligation of and paid by the lessee.

28. **LATE PAYMENT PENALTY.** In the event any rent or other payment due hereunder shall not be paid within five (5) days after such payment is due, then, in addition to any and all other rights or remedies lessor shall have, lessee shall pay lessor a late payment penalty of ten percent (10%) of the amount of such late payment.

29. **EXCULPATORY CLAUSE.** The lessor's liability under this Agreement shall be limited to lessor's ownership interest in the premises.

30. **EVICITION:** If rent is not paid when due, then lessor may assert immediately any and all legal, equitable, and contractual remedies to enforce this Agreement. Without limitation to any other remedy, lessor may petition for a Writ of Summary Possession and evict and remove lessee and any other occupants. Should lessee answer petition, lessee hereby agrees to pay into the registry of the trial court all monies and all rent due through the court date. Whenever lessor is entitled to possession of the premises: (i) lessee will surrender same to lessor in as good condition as at present, ordinary use and wear excepted, and lessee will remove all lessee's effects, and lessor may re-enter the premises and repossess same and remove all persons and effects therefrom using such force as necessary without being guilty of forcible entry or detainer, trespass or other tort. Lessee is hereby advised if such action is necessary, a judgment may be rendered against lessee for full damages including rent, eviction costs, and any additional costs and fees. Lessee shall also be responsible for the early termination fees as contained in Section 21 and 22 of this Agreement. If said costs and fees are not paid as ordered, monies may be collected through garnishment against wages and judgments may be recorded with credit bureaus and may be assigned to a collection agency for collection with all costs of collection being the responsibility of lessee.

31. **FAILURE OF LESSOR TO ACT.** Failure of lessor to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of any right, nor shall any acceptance of a partial payment of rent or partial acceptance of lessee's repair, replacement, installation and/or maintenance, be deemed a waiver of lessor's right to full amount or full performance.

32. **REMEDIES CUMULATIVE.** All remedies under this Agreement or by law or equity shall be cumulative. In the event either lessor or lessee brings legal action to enforce the terms hereof or relating to the rental of the premises or whether suit be brought and whether incurred before, during or after any claim, notice civil action, the prevailing party shall be entitled to all costs incurred in connection with such action including attorney's. If the services of a collection agency are necessary to collect any amounts due hereunder, lessee agrees to pay said commission. If any term or provision of this Agreement or application thereof to any person is determined invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

33. **NO ESTATE IN LAND.** This Agreement shall create the relationship of landlord and tenant between lessor and lessee, respectively; no estate shall pass out of lessor.

34. **NON-RECORDATION:** The Agreement shall not be recorded by lessee or any of lessee's respective heirs or legal representatives.

35. **LESSOR'S PERMISSION OR CONSENT.** If any provision of this Agreement requires the written permission, approval, or consent of lessor as a condition to any act of lessee, such written permission or consent may be granted or withheld in the sole discretion of lessor and/or may contain such conditions as lessor deems appropriate and shall be effective only so long as lessee complies with such conditions.

36. **ACCURACY AND RESPONSIBILITY.** Lessor relied materially upon the information contained in lessee's Application in drafting this Agreement and the Option Agreement and all Exhibits attached hereto. Lessee warrants the Lease Application is true, complete and accurate. If the Lease application is false, lessor may terminate this Agreement and the Option Agreement immediately. Lessor shall be entitled to retain any improvements to the premises, and performance fee and any prepaid rents. If lessor exercises any option or right to terminate this Agreement, all persons and possessions are to be removed from the premises within 24 hours of notification by lessor. Lessee further agrees to indemnify lessor for any damages to the premises and waives any right of "set-off" and same shall be forfeited. This Agreement is between lessor and lessee who shall always be jointly and severally liable for the performance of every understanding and promise made herein with and to lessor.

37. **SUBORDINATION.** The Agreement hereunder is subordinate automatically to any mortgage now or hereafter placed on the premises; provided, as a condition to such subordination as to mortgages hereafter entered into, such mortgagee shall expressly covenant, or such mortgage shall provide expressly, that so long as the lessee is not in default under the respective Agreement, the lessee's quiet possession of the premises shall remain undisturbed.

38. **NOTICES.** Any notices required or permitted hereunder shall be in writing and delivered by United States mail, postage fully prepaid or other package delivery and to the following addresses (or to such other address as either party may designate in writing and deliver as herein provided):

- (a) LESSOR: To the address contained in **Exhibit "A"**,
- (b) LESSEE: To the premises or the last known address of lessee.

39. **INDEMNIFICATION.** Lessor is not liable for any damages or injury to lessee, or any other person, or to any property, occurring on the premises or any part thereof or in common areas thereof, unless such damage is the clear result of the Lessor's recklessness or unlawfulness. Lessee does hereby indemnify, release, and save harmless lessor and lessor's agents from and against any and all suits, actions, claims, judgments, and expenses arising out of or related to this Agreement or the use of the premises.

40. **SEVERABILITY.** If any part of this Agreement is construed as unenforceable, the remaining parts hereof shall remain in full force and effect as though the unenforceable part or parts were not written into this Agreement.

41. **GENDER.** All references to lessee herein employed shall be construed to include the plural as well as the singular, and the masculine shall include the feminine where the context of this Agreement may require.

42. **COMPLETE AGREEMENT.** This Agreement and all attachments and exhibits contain collectively the complete expression of the parties on the subjects herein and therein set forth and there are no promises, representations or inducements except such as are so provided, incorporated herein or referenced hereby.

43. **ADDENDA.** All exhibits are listed in the "Table of Contents" attached hereto and made a part hereof.

44. **MISCELLANEOUS.** Subject to the provisions hereof this Agreement shall be binding upon the lessee and all respective heirs and legal representatives and inures only to the benefit of Lessor and Lessee, and lessor's successors and assigns. It is a Florida contract and shall be construed in accordance with Georgia law.

**IN WITNESS WHEREOF**, this Agreement is executed as of the day and year first above written.

Signed and delivered  
in the presence of:

**LESSOR:** ABC Homes, LLC

Ron Smith  
AS TO LESSOR

Frank Seller

**LESSEE:**

Ron Smith  
AS TO LESSEE

John Buyer

Beverly Harding  
AS TO LESSEE

Mary Buyer

Signature : \_\_\_\_\_

Use this when installing a tenant buyer on a sandwich lease or on a house you own when rent is fixed.

**EXHIBIT "A"**  
**LEASE RIDER**

A. **PARTIES.**

(i) Lessor: Name: ABC Homes, LLC  
Address: 390 Peach St  
City, State, Zip: Atlanta, GA 42093

(ii) Lessee(s): Name: John Buyer  
Address: 1233 Park Street  
City, State, Zip: Atlanta, GA 42093

Name: Mary Buyer  
Address: 1233 Park Street  
City, State, Zip: Atlanta, GA 42093

B. **PREMISES DESCRIPTION.**

Legal: Lot 3, Block 12, Magnolia Gardens

Street: 5400 Magnolia St

City, State, Zip: Atlanta, GA 42133

C. **INITIAL TERM**

This lease shall commence on the 1st day of July, 2013, and end at midnight on the 30 day of June, 2023. The term of the lease purchase will be \_\_\_\_\_ years.

Possession will be given on or before \_\_\_\_\_, 20\_\_.

D. **LEASE PAYMENT**

The annual lease payment of \$ \_\_\_\_\_ shall be paid in monthly installments of \$ \_\_\_\_\_, beginning on the 1<sup>st</sup> day of \_\_\_\_\_, 20\_\_ and again at the first of each and every month thereafter.

LESSOR(S):

LESSEE(S):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

**EXHIBIT "A"**

**LEASE RIDER**

**A. PARTIES.**

(i) Lessor: Name ABC Homes, LLC  
Address 390 Peach St  
City, State, Zip Atlanta, GA 42093

(ii) Lessee(s): Name John Buyer  
Address 1233 Park St  
City, State, Zip Atlanta, GA 42093  
Name Mary Buyer  
Address \_\_\_\_\_  
City, State, Zip SAME

**B. PREMISES DECIPTION.**

Lot 3, Block 12, Magnolia Gardens  
Legal  
5400 Magnolia St  
Street  
Atlanta, GA 42133  
City, State, Zip

**C. INITIAL TERM.**

This lease shall commence on the 1st day of July, 2013 and end at the midnight on the 30 day of June,  
2023

**D. RENT.**

The current monthly rent is \$ \_\_\_\_\_ and will increase or decrease to equal the payment on the underlying loan for the term of the lease. The Lessor will notify the Lessee in writing with notice and evidence of increase or decrease at least 30 days prior to payment change date.

**LESSOR:**

**LESSEE(S):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Use this when price is fixed.

**REAL ESTATE PURCHASE OPTION AGREEMENT**

**THIS AGREEMENT** dated as of June 24, 2013, by and between ABC Homes, LLC, (hereinafter referred to as “Optionor”) and:

OPTIONEE 1	OPTIONEE 2
Name: <u>John Buyer</u>	Name: <u>Mary Buyer</u>
Address: <u>1233 Park Street</u>	Address: <u>1233 Park Street</u>
City, State, Zip: <u>Atlanta, GA 42093</u>	City, State, Zip: <u>Atlanta, GA 42093</u>

(Hereinafter referred to (if applicable, collectively) as “Optionee”);

**RECITALS:**

Optionor desires to grant to Optionee an option to purchase a certain parcel of real estate property owned by Optionor located in Cobb County, Georgia, more particularly described on Exhibit “A” attached hereto and made a part hereof (hereinafter referred to as the “Property”);

Optionor grants to Optionee an option to purchase the entire Property in Fee Simple Absolute conditioned on Optionee fulfilling all responsibilities under the Real Property Possession And Lease Agreement (hereinafter referred to as the “Lease Agreement”) executed of even date herewith, and by reference incorporated herein. Such responsibilities, include but are not limited to, Optionee’s duty to improve, repair, renovate or otherwise make habitable fully, the Property; and

Optionee, recognizing the value of being able to acquire a homestead property, desires to purchase the Property upon the terms and conditions hereinafter set forth.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and the payment of \$10,000 (a non-refundable option payment) good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Optionor hereby grants unto Optionee, all respective heirs and successors, an irrevocable and exclusive option and right to purchase (“Option”) the interest of Optionor in and to the Property at a purchase price of \$200,000. No portion of the rental payments as required in the aforesaid Lease Agreement shall be a credit against the purchase price. The option payment will be applied to the purchase price if this option is exercised. The Option shall continue until the expiration of the initial term of, or a breach under, the Lease Agreement. However, if prior to expiration of the initial term of the Lease Agreement, the Option hereof shall terminate should Optionee default under the Lease Agreement, or upon any extension granted beyond the initial term of such Lease Agreement.

Optionee shall exercise the Option by written notice to Optionor delivered to Optionor’s address contained in Exhibit “A” of the Lease Agreement and at least thirty (30) days prior to the expiration of the Option as provided above.

The closing of the purchase and sale of the Property shall be consummated not more than forty-five (45) days after the exercise of the Option. Within fifteen (15) days after receipt of a Notice of Exercise, Optionor at its expense shall provide to Optionee an owner(s) commitment for title insurance in the amount of the purchase price, covering the Property. All other costs of the closing shall be borne by the Optionee including but not limited to, closing attorney’s fees and appraisal fee. Optionor’s attorney’s fees shall be paid by Optionor. Optionor shall convey title to the Property by special warranty deed.

This Agreement is not assignable by Optionee to any other person or entity without the prior specific written consent or approval of Optionor, which shall not be reasonably withheld. This Agreement is executed within and shall be construed in accordance with the laws of the State of Georgia. No party shall record this Agreement and if Optionee does record same is a default hereunder and all option rights established herein shall terminate and be of no further force or effect.

If any party fails to perform any of the obligation or duties required under this Agreement or otherwise is in default or breach hereof, or if a dispute arises between the parties concerning the performance under, or meaning or interpretation of any provision of, this Agreement, then the defaulting party or the party not prevailing in such dispute, disagreement or action,

as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing the applicable rights or duties hereunder, including, without limitation, attorney's. The obligation to pay for such costs and expenses shall be binding regardless of whether incurred before, during or after trial, whether suit is brought or not, and regardless of whether incurred before, during or after any notice of claim, arbitration, mediation, trial, appellate or Bankruptcy proceedings.

IN WITNESS WHEREOF, the parties have executed the agreement as of the day and year first above written.

Signed and delivered

in the presence of: OPTIONOR(s):

As to Optionor (1) ABC Homes, LLC, Ron Smith, Manager Signature: \_\_\_\_\_

**OPTIONEE(S):**

As to Optionee John Buyer Signature: \_\_\_\_\_  
John Buyer

As to Optionee Mary Buyer Signature: \_\_\_\_\_  
Mary Buyer

ACTS Option For Overleveraged Houses

**REAL ESTATE PURCHASE OPTION AGREEMENT**

**THIS AGREEMENT** dated as of June 24, 2013, by and between ABC Homes, LLC, (hereinafter referred to as "Optionor") and:

OPTIONEE 1

Name: John Buyer

Address: 1233 Park Street

City, State, Zip: Atlanta, GA 42093

OPTIONEE 2

Name: Mary Buyer

Address: 1233 Park Street

City, State, Zip: Atlanta, GA 42093

(Hereinafter referred to (if applicable, collectively) as "Optionee");

**RECITALS:**

Optionor desires to grant to Optionee an option to purchase a certain parcel of real estate property owned by Optionor located in Cobb County, Georgia, more particularly described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Property");

Optionor grants to Optionee an option to purchase the entire Property in Fee Simple Absolute conditioned on Optionee fulfilling all responsibilities under the Real Property Possession And Lease Agreement (hereinafter referred to as the "Lease Agreement") executed of even date herewith, and by reference incorporated herein. Such responsibilities, include but are not limited to, Optionee's duty to improve, repair, renovate or otherwise make habitable fully, the Property; and

Optionee, recognizing the value of being able to acquire a homestead property, desires to purchase the Property upon the terms and conditions hereinafter set forth.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained herein and the payment of \$0 (a non-refundable option payment ) good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Optionor hereby grants unto Optionee, all respective heirs and successors, an irrevocable and exclusive option and right to purchase ("Option") the interest of Optionor in and to the Property at a purchase price of \*\*\*. No portion of the rental payments as required in the aforesaid Lease Agreement shall be a credit against the purchase price. The option payment will be applied to the purchase price if this option is exercised. The Option shall continue until the expiration of the initial term of, or a breach under, the Lease Agreement. However, if prior to expiration of the initial term of the Lease Agreement, the Option hereof shall terminate should Optionee default under the Lease Agreement, or upon any extension granted beyond the initial term of such Lease Agreement. **\*\* The purchase price equals the loan balance at the time of closing.**

Optionee shall exercise the Option by written notice to Optionor delivered to Optionor's address contained in Exhibit "A" of the Lease Agreement and at least thirty (30) days prior to the expiration of the Option as provided above.

The closing of the purchase and sale of the Property shall be consummated not more than forty-five (45) days after the exercise of the Option. Within fifteen (15) days after receipt of a Notice of Exercise, Optionor at its expense shall provide to Optionee an owner(s) commitment for title insurance in the amount of the purchase price, covering the Property. All other costs of the closing shall be borne by the Optionee including but not limited to, closing attorney's fees and appraisal fee. Optionor's attorney's fees shall be paid by Optionor. Optionor shall convey title to the Property by special warranty deed.

This Agreement is not assignable by Optionee to any other person or entity without the prior specific written consent or approval of Optionor, which shall not be reasonably withheld. This Agreement is executed within and shall be construed in accordance with the laws of the State of Georgia. No party shall record this Agreement and if Optionee does record same is a default hereunder and all option rights established herein shall terminate and be of no further force or effect.

If any party fails to perform any of the obligation or duties required under this Agreement or otherwise is in default or breach hereof, or if a dispute arises between the parties concerning the performance under, or meaning or interpretation of any provision of, this Agreement, then the defaulting party or the party not prevailing in such dispute, disagreement or action, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing the applicable rights or duties hereunder, including, without limitation, attorney's. The obligation to pay for such costs and expenses shall be binding regardless of whether incurred before, during or after trial, whether suit is brought or not, and regardless of whether incurred before, during or after any notice of claim, arbitration, mediation, trial, appellate or Bankruptcy proceedings.

IN WITNESS WHEREOF, the parties have executed the agreement as of the day and year first above written.

Signed and delivered

in the presence of: OPTIONOR(s):

As to Optionor (1) ABC Homes, LLC, Ron Smith, Manager Signature: \_\_\_\_\_

**OPTIONEE(S):**

As to Optionee John Buyer Signature: \_\_\_\_\_  
John Buyer

As to Optionee Mary Buyer Signature: \_\_\_\_\_  
Mary Buyer

GENERAL RELEASE

KNOW ALL MEN BY THESE PRESENTS: That I/we hereinafter called Frank Seller, Optionor for and in consideration of the sum of One and 00/100 (\$1.00) Dollars, or other valuable considerations, received from or on behalf of ABC Homes, LLC and all principals, hereinafter called Optionee, the receipt whereof is hereby acknowledged.

HEREBY remise, release, acquit, satisfy, and forever discharge the said Optionee, of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which said Optionor ever had, now has, or which any personal representative, successor, heir or assign of said Optionor, hereinafter can, shall or may have, against said Optionee, for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of these presents, and in particularly in regard to any lease, option, or contract regarding the real property located at:

5400 Magnolia St, Atlanta, GA.

IN WITNESS WHEREOF, I/we have hereunto set my/our hand(s) and seal(s) this day of June 24, A.D., 20 13.

Signed, sealed and delivered in presence of:

Rick Jones

Frank Seller

Beverly Harding

\_\_\_\_\_

State of GA

County of Cobb

I hereby certify that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared Frank Seller known to me to be the person(s) described in and who executed the foregoing instrument and acknowledged before me that he/she executed same. They produced Drivers License as identification or were personally known to me.

Witness my hand and official seal in the County and State last aforesaid this 24 day of June, A.D., 20 13.

NOTARY PUBLIC

Print Name

My commission expires:

GENERAL RELEASE

KNOW ALL MEN BY THESE PRESENTS: That I/we hereinafter called John Buyer and Mary Buyer, Optionees for and in consideration of the sum of One and 00/100 (\$1.00) Dollars, or other valuable considerations, received from or on behalf of ABC Homes, LLC and all principals, hereinafter called Assignor, the receipt whereof is hereby acknowledged.

HEREBY remise, release, acquit, satisfy, and forever discharge the said Assignor, of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which said Optionees ever had, now has, or which any personal representative, successor, heir or assign of said Optionees, hereinafter can, shall or may have, against said Assignor, for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of these presents, and in particular in regard to any lease, option, or contract regarding the real property located at: 5400 Magnolia St, Atlanta, GA.

IN WITNESS WHEREOF, I/we have hereunto set my/our hand(s) and seal(s) this day of June 24, A.D., 20 13.

Signed, sealed and delivered in presence of:

\_\_\_\_\_  
\_\_\_\_\_

John Buyer

Mary Buyer

State of GA

County of Cobb

I hereby certify that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared John Buyer and Mary Buyer known to me to be the person(s) described in and who executed the foregoing instrument and acknowledged before me that he/she executed same. They produced Drivers License as identification or were personally known to me.

Witness my hand and official seal in the County and State last aforesaid this 24 day of June, A.D., 20 13.

NOTARY PUBLIC

Print Name \_\_\_\_\_

My commission expires:

# ASSIGNMENT

This assignment is made and entered into this 24 day of June, 2013 by and between ABC Homes, LLC, with its principal place of business at \_\_\_\_\_ (“Assignor”), and John & Mary Buyer, residing at 5400 Magnolia St., Atlanta, GA (“Assignee”).

**WHEREAS**, Assignor is a party to the purchase and sale contract for real property located at 5400 Magnolia St., Atlanta, GA, (the “Property”), more specifically described in the contract which is attached hereto, and incorporated by reference, between Frank Seller (“Optionor”) and ABC Homes, LLC (“Optionee”) (the “Contract”); and

**WHEREAS**, Assignor desires to transfer his rights in the Contract to Assignee and Assignee desires to receive such rights under the Contract, and in consideration thereof, Assignee agrees to pay in the amount of \$ 7,000 upon execution of this Assignment.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby covenants as follows:

1. Assignee hereby accepts said assignment and assumes, covenants, and agrees to carry out and perform all of Assignor's obligations pursuant to the Contract.
2. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.
3. This Assignment shall be governed by and construed in accordance with the laws of the United States and to the extent applicable the laws of the State of GA exclusive of the choice of law provisions adopted thereby.

**IN WITNESS WHEREOF**, Assignor and Assignee have executed this Assignment as of the date first written above.

**ASSIGNOR:**

You

By:

Its:

**ASSIGNEE:**

John Buyer

Print:

**ASSIGNEE:**

Mary Buyer

Print:

# When to Get an Attorney Involved

All your transactions should be closed with a real estate attorney, especially those deals that contain any ongoing relationship with the seller or the buyer.

## Here's why:

- ◆ They handle the important agreements and disclosures so you comply with the law and sleep at night.
- ◆ They make the closing professional and get written disclosures to protect you. This will reduce or eliminate any challenges later and greatly increase your chances of prevailing if there are any.
- ◆ When selling the buyer pays their fee and sometimes the seller will too so why not use one?

## When Buying

**Sandwich Lease:** when you're ready to close the buyer but you or your attorney should do a title search as soon as you get an agreement from seller.

**ACTS:** when you've found buyer and are ready to do a simultaneous closing.

## When Selling

**Sandwich Lease:** send LOI from tenant and your version of the completed lease option agreement. Attorney should already have a copy of your lease agreement with buyer.

**ACTS:** send LOI from buyers with facts and completed lease option agreement after meeting with buyer.

**Note:** Your first closing will require your attorney to look over your agreements and add any documents he/she feels are needed. Give it a little more time.