

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the “**Agreement**”) is made and entered into as of _____, 2020, by and between Tax Ease Funding 2016-1 REO, LLC, an Ohio limited liability company, whose address is 1235-E East Boulevard, Suite 188, Charlotte, North Carolina 28203 (hereinafter called “**SELLER**”) and _____, whose address is _____ (hereinafter called “**BUYER**”).

1. **The Property.** In consideration of the total agreed Purchase Price (as defined below), which the **BUYER** agrees to pay to the **SELLER** in the manner hereinafter provided, **SELLER** agrees to sell, transfer, and convey to the **BUYER** and the **BUYER** agrees to buy the parcel or parcels of real property described on **Exhibit A** attached hereto, together with all buildings, improvements, appurtenant rights, privileges and easements in connection with such real property (the foregoing shall be referred to as the “**Property**” and shall refer to multiple parcels of real property if more than one is being sold hereunder). The Property shall include without limitation, all fixtures in their present condition and the following items as are now on the premises: All electrical, lighting, heating, plumbing, mechanical and bathroom fixtures, screens, storm sashes, ceiling fans, window treatments; all landscaping; all built-in appliances; all manufactured homes, mobile homes, vehicles, spas, antennas, and satellite dishes. **SELLER** makes no representation or warranty as to the condition of any fixtures or personal property, title to any personal property, or whether any personal property is encumbered by any liens, mortgages, pledges or other encumbrances. Any personal property at or on the Property may be subject to liens or claims, and may be removed from the real property prior to closing. **BUYER** agrees that **SELLER** shall have no liability for any claim or losses that **BUYER** may incur as the result of any condition or other defect that may now or hereafter exist with respect to any personal property. Any items of personal property remaining after sale of the real property are deemed to add no value to the transaction and are not part of the transaction and/or Purchase Price (defined below), and are given to **BUYER** in “AS IS, WHERE IS” condition, with no **SELLER** representation or warranty regarding condition, value or ownership. No bill of sale will be provided for such personal property.

2. **Purchase Price and Payment.** The total purchase price for the Property shall be \$ _____ (the “**Purchase Price**”), which includes a 10% Buyer’s Premium, allocated to each parcel of Property as set forth on **Exhibit B**, and due and payable as follows:

(a) Earnest money (the “**Earnest Money**”) in the amount of \$_____ has been deposited with Escrow Agent (as defined below), which Earnest Money shall be held in trust by Escrow Agent, credited against the Purchase Price at closing and held and disbursed in accordance with Section 11.

(b) Balance due at closing: \$_____.

(c) **BUYER** shall pay the Purchase Price at closing in cash.

3. **Financing Contingency.** (Check only one)

☒ Cash closing. The purchase and sale of the Property is not contingent on **BUYER** obtaining any financing at or prior to closing.

☐ Conventional loan. The purchase and sale of the Property is contingent on **BUYER** obtaining a commitment for a ☐ fixed ☐ adjustable rate mortgage loan on the Property in an amount not to exceed [\$_____] [☐% of the Purchase Price] at a per annum interest rate not to exceed ☐% for a term of not less than ☐ years.

☐ Other financing. The purchase and sale of the Property is contingent on **BUYER** obtaining other financing as described below:

4. **Loan Application and Commitment.**

If this Contract is contingent upon **BUYER** obtaining financing, **BUYER** shall submit an application for such financing within calendar days of acceptance of this Contract, and **BUYER** shall make a diligent effort to obtain a loan commitment upon the terms set forth in Section 3 above. If such commitment is not obtained on or before _____ N/A _____, 20____, this Contract shall become null and void at the sole option of **SELLER**. **BUYER IS RELYING ON BUYER'S OWN UNDERSTANDING OF THE FINANCING TO BE OBTAINED, AS WELL AS THE LEGAL AND TAX CONSEQUENCES THEREOF, IF ANY.**

5. **Title, Closing, and Escrow Services.**

BUYER may have a survey of the Property made, perform title examinations with respect to the Property, and obtain owner's title insurance, all at no expense to **SELLER**. If **BUYER** elects to obtain title insurance (owner's, lender's or both) for any portion of the Property, all expenses, fees (including legal fees), costs and premiums for such title insurance and all related searches, investigations and title examinations, regardless of local custom, requirement or practice, shall be paid by **BUYER**. If **BUYER** elects to obtain title insurance, title, closing and escrow services shall be provided by: _____. For purposes of this agreement, the provider listed in this Section 5 shall be defined as "**Escrow Agent;**" if **BUYER** does not elect to obtain title insurance the parties shall mutually agree on a different Escrow Agent reasonably acceptable to both **BUYER** and **SELLER**.

Notwithstanding the foregoing, **BUYER** acknowledges and agrees that (a) **SELLER** is conveying the Property in its "as-is" order and condition, subject to any and all covenants, easements, reservations and restrictions of record, any violations of record or otherwise and/or actions relating thereto, any state of facts an accurate survey may show, any rights and/or interests of any person or entity not a party defendant to any foreclosure order, and the rights of any defendants to any foreclosure order (the "**Title Defects**"), (b) **SELLER** is conveying its interest in the Property by quitclaim deed without any representation, warranty or guaranty of any kind, whether express or implied, and **BUYER** waives, releases and relinquishes any right or recourse against **SELLER** with respect to the conveyance of the Property, including, without limitation, any Title Defects, the marketability or insurability of title to the Property, any claims from third parties with respect to the Property (including lienholders, tenants, occupants (legal or otherwise) and any person or entity claiming any rights by or through any previous owner of occupant of the Property, whether such interests appear in the public records or otherwise), and (c) **SELLER** shall have no obligation to discharge or release any lien or other encumbrance or claim with respect to the Property or to cure any title defect and **BUYER** waives, releases and relinquishes all claims against **SELLER** for the same.

6. Date of Closing, Transfer, and Condition of Property.

- (a) Closing of the purchase and sale of the Property pursuant to this Agreement shall occur on or before June 29, 2023 (the "**Closing Date**")
- (b) **SELLER** shall convey title by Quitclaim Deed.
- (c) Time is of the essence with respect to **BUYER's** obligations set forth in this Agreement, and any and all extensions of the Closing Date must be in writing and approved by **SELLER**.

7. **No Representations by SELLER.** BUYER acknowledges that (a) **SELLER** has acquired the Property pursuant to a the foreclosure of one or more tax liens, (b) **SELLER** has not occupied or inspected the Property and has limited knowledge regarding the Property, including, without limitation, the physical condition, compliance with applicable laws, and status of title with respect to the Property, and (c) **SELLER** is conveying, and the **BUYER** agrees to accept, by quitclaim deed only that interest in the Property which **SELLER** has obtained under the applicable Sheriff's or tax deed. Accordingly, **BUYER** acknowledges and agrees that (i) **SELLER** will deliver to **BUYER**, and **BUYER** will accept, the Property in its "AS IS, WHERE IS" condition without any representation, warranty or guaranty of any kind, subject to all faults and defects of whatever kind, whether apparent or not, (ii) **SELLER** makes no representation, warranty, guarantee or disclosure with respect to the working condition of any appliances or any HVAC systems, the compliance of the Property with any applicable local, State or Federal laws, codes or ordinances (including zoning, planned unit development or fire safety codes) and all other aspects of the Property, and **SELLER** shall have no obligation to alter, repair or maintain the Property in any manner, (iii) **BUYER** has inspected, or waives any right to inspect, the Property, and accepts the Property in its "as is" condition, and (iv) by accepting the Property in its "as is" condition, **BUYER** waives, releases and relinquishes all claims against **SELLER** for any and all faults and defects with respect to the Property, whether apparent or not, and waives any right to receive any disclosures or other information with respect to the Property, except to the extent required by applicable law.
8. **Closing Costs.** Closing costs of the transaction shall be paid as follows:
- (a) By **SELLER**:
- i. None.
- (b) By **BUYER**, all other closing costs including, without limitation:
- i. Preparation of the Quitclaim Deed, recording fees with respect to the Quitclaim Deed and any transfer taxes.
 - ii. Fees to the Escrow Agent;
 - iii. Recording fees for any mortgage(s);
 - iv. All costs, fees and expenses associated with any insurance, including title insurance and casualty insurance;

- v. All costs of obtaining any survey; and
- vi. All costs of any inspections of the Property.

9. Prorations.

(a) The real estate taxes for the Property for the current year may change as a result of the transfer of the Property, or as a result of a change in the tax rate and valuation. **BUYER** and **SELLER** understand that real estate valuations may be subject to retroactive change by governmental authority.

SELLER shall pay or credit at closing:

Yes No (Check appropriate box for each item)

- ☐ ☒ All assessments which are a lien on the Property as of the date of this Agreement;
- ☐ ☒ Property taxes, water, all sewer assessments, sewer charges, fuel oil, rents as when collected, insurance premiums, if applicable, and other assessments, including homeowner's association fees, shall be adjusted as of the date of closing. Tax prorations pursuant to this Agreement are to be based on the tax information available on the Closing Date, and are to be prorated on that basis. **BUYER IS RESPONSIBLE FOR APPLYING FOR ANY APPLICABLE TAX EXEMPTIONS.**
- ☐ ☒ All community development charges imposed on any Property pursuant to Chapter 349 of the Ohio Revised Code which are a lien on the Property as of the date of this Agreement; and
- ☐ ☒ Such assessments, taxes, community development charges and other adjustments for the year of closing shall be prorated through the Closing Date based on a 365 day year.

(b) The community development charge, if any, applicable to any Property was created by a covenant in the following instruments:

- i. [Name of instrument] recorded at (insert county) _____,
Vol. _____, Page number _____ or Instrument
number _____.
- ii. [Add additional instruments if applicable]

(Note: If the foregoing blanks are not filled in and a community development charge affects the premises, this Agreement may not be enforceable by the SELLER or binding upon the BUYER pursuant to Section 349.07 of the Ohio Revised Code.)

10. **Risk of Loss.** BUYER shall bear the risk of loss due to (a) any taking by condemnation or eminent domain of any portion of the Property, and (b) any damage to any portion of the Property caused by fire or any other casualty, provided that BUYER receives all condemnation and casualty insurance proceeds, as applicable. The occurrence of any of the foregoing shall not affect BUYER's obligation to purchase the Property in accordance with this agreement.

11. **Earnest Money.**

If SELLER fails or refuses to perform and close the sale of the Property in accordance with this Agreement, all Earnest Money deposited hereunder shall be returned to BUYER. If BUYER fails or refuses to perform and close the sale of the Property in accordance with this Agreement, the Earnest Money deposited hereunder shall be paid to the SELLER. In any event, all Earnest Money deposited hereunder shall be subject to the following provisions:

(a) If the sale of the Property closes in accordance with this Agreement, on the Closing Date the Earnest Money deposited hereunder shall be applied to the Purchase Price.

(b) BUYER and SELLER shall provide the Escrow Agent with written instructions that specify how the Escrow Agent is to disburse the Earnest Money deposited hereunder and the Escrow Agent shall act pursuant to those instructions.

(c) If the Escrow Agent receives a copy of a final court order that specifies to whom all Earnest Money deposited hereunder is to be awarded, the Escrow Agent shall act pursuant to such court order.

(d) In the event of a dispute between **SELLER** and **BUYER** regarding the disbursement of any Earnest Money, the Escrow Agent is required by Ohio law to maintain such funds in Escrow Agent's trust account until the Escrow Agent receives (i) written instructions signed by both **SELLER** and **BUYER** specifying how the Earnest Money is to be disbursed or (ii) a final court order that specifies to whom the Earnest Money is to be awarded. If within 2 years from the date the Earnest Money was deposited in the Escrow Agent's trust account, both **SELLER** and **BUYER** have not provided the Escrow Agent with such signed instructions, or the Escrow Agent has not received written notice that legal action to resolve the dispute has been filed, the Escrow Agent shall return the earnest money to the **BUYER** with no further notice to **SELLER**.

The return or payment of the Earnest Money in accordance with this Section 11 shall in no way prejudice the rights of the **SELLER** or **BUYER** in any action for damages or specific performance.

12. **Default.** If **SELLER** or **BUYER** fails to perform any covenant of this Agreement, the other may elect to seek any remedy provided by law or terminate this Agreement with a 5 day written notice to the other party. If terminated, both parties shall execute a written release of the other from this Agreement. If termination is because of default by **BUYER**, **SELLER** shall have the option of pursuing any remedy provided by law. If termination is because of default by **SELLER**, **SELLER** shall be liable to **BUYER** for only the Actual Costs Incurred by **BUYER**. "Actual Costs Incurred" shall mean all reasonable, out-of-pocket costs and expenses incurred by **BUYER** in connection with this Agreement, including the cost of any appraisal(s), survey(s), inspections and reports, and title examination.
13. **Real Estate Commission.** **BUYER** and **SELLER** each represent to the other that, except with respect to the services of _____ engaged by ☐ **SELLER** ☐ **BUYER** (for which ☐ **SELLER** ☐ **BUYER** shall be responsible to pay), neither have entered into any agreement or incurred any obligation which might result in the obligation to pay a sales or brokerage commission or finder's fee with respect to this transaction. If a broker or other real estate professional has been engaged by either party, the amount of any commission or fee owed to such broker or other professional is \$ _____ % of the Purchase Price.
14. **Ohio Fair Housing Law.** It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section 4112.02 of the Revised Code, and the Federal Fair Housing Law, 42 U.S.C.A.

3601, as amended, to refuse to sell, transfer, assign, rent, lease, sublease, or finance housing accommodations; refuse to negotiate for the sale or rental of housing accommodations; or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in Section 4112.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services.

It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.

15. **Residential Property Disclosure Form.** With respect to the sale of real property that has from one to four dwelling units, most sellers will be required to provide the buyer with a completed Property Disclosure Form complying with the requirements of Ohio law. If such disclosure is required but is not provided by the time **BUYER** enters into this Agreement, **BUYER** may be entitled to rescind this agreement by delivering a document of rescission to **SELLER**, provided such document of rescission is delivered prior to all three of the following dates: (a) the Closing Date, (b) 30 days after **SELLER** accepted **BUYER's** offer, and (c) within 3 business days following the receipt by **BUYER** of the Property Disclosure Form or amendment of that form.
16. **Ohio's Sex Offender Registration and Notification Law.** If a sex offender resides in the area of the Property, Ohio's Sex Offender Registration and Notification Law requires the local sheriff to provide written notice to certain members of the community. The notice provided by the sheriff is a public record and is open to inspection under Ohio's Public Records Law. **BUYER** acknowledges that any information disclosed may no longer be accurate. **BUYER** assumes responsibility to obtain accurate information from the sheriff's office. **BUYER** shall rely on **BUYER's** own inquiry with the local sheriff's office and shall not rely on **SELLER** for this information.
17. **Lead-Based Paint Disclosure.** With respect to housing constructed prior to January 1, 1978, **BUYER** must be provided with the pamphlet entitled "*Protect Your Family from Lead in Your Home*" and the "*Lead-Based Paint and Lead- Based Hazard Disclosure Form.*" Every buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning.

Lead poisoning in young children may produce permanent neurological damage including learning disability, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

18. **Notices.** Notices required or permitted under this Agreement shall be deemed to be sufficiently given when made in writing and (a) if hand delivered to the addressee, the date such notice is accepted by addressee, and (b) if sent by United States Certified or Registered Mail or a national overnight or express courier, on the date received by such addressee. Notices and correspondences shall be addressed to the parties at the addresses set forth above.
19. **Entire Agreement.** This Agreement constitutes the entire agreement between **SELLER** and **BUYER**. Both **SELLER** and **BUYER** hereby acknowledge that they have not received or relied upon any statements or representations which are not expressly stipulated herein. The benefits and obligations shall inure to and bind **SELLER** and **BUYER** hereto and their heirs, assigns, successors, executors, or administrators. Any amendment to this Agreement shall only be effective if made in writing and signed by both **SELLER** and **BUYER**. Each party acknowledges that each party has read this Agreement and that each party has had the opportunity in connection with this Agreement to consult the experts of each party's choice, including legal experts, and that the execution of this Agreement is the free and voluntary act and deed of each party.
20. **Special Provisions and/or Contingencies.** Any special provisions and/or contingencies are set forth on **Exhibit C** attached hereto. If there is a conflict between the provisions set forth in this Contract and **Exhibit C**, **Exhibit C** shall control.

ALL TERMS AND CONDITIONS OF THIS AGREEMENT DO NOT SURVIVE CLOSING UNLESS OTHERWISE SPECIFICALLY STATED HEREIN.

IN WITNESS WHEREOF, this Agreement has been duly executed by **SELLER** and **BUYER**.

BUYER: _____

SELLER:

TAX EASE FUNDING 2016-1 REO, LLC

By: Tax Ease Funding 2016-1, LLC Its Manager and Sole Member

By: Cazenovia Creek TE Investment Management, LLC, Its Manager and Sole Member

By: Caz Creek Tax Lien Fund, LLC, Its Manager and Sole Member

By: Cazenovia Creek Investment Management, LLC, Its Manager and Sole member

By: _____
Gregory Murphy
Vice President

EXHIBIT A

The Property

1. Address: 366 E Canal St., Newcomerstown, OH 43832

Tax Parcel No.: 45-00155-000, 45-00154-00 & 45-02488-00

EXHIBIT B

Allocation of Purchase Price

Property: 366 E Canal St., Newcomerstown, OH
43832

Purchase Price: _____

EXHIBIT C

Special Provisions and/or Contingencies