

OPTION AGREEMENT

When using this Option Agreement, the following must be included in the Purchase and Sale Agreement Special Stipulations of which this is a part:

“This Purchase and Sale Agreement shall become binding upon the parties only when the Buyer exercises Buyer’s option to purchase under the Option Agreement entered into by the parties simultaneously with the execution of this Purchase and Sale Agreement.”

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and among _____ (“Buyer”), and _____ (“Seller”), and _____ (Broker(s)).

For the Purchase of Property described as _____ (Address).

Legal Description: _____

WITNESSETH: FOR AND IN CONSIDERATION of the sum of _____ U.S. Dollars (\$_____) (the “Option Consideration”), and other good and valuable consideration in hand paid to Seller, the receipt and sufficiency whereof are hereby acknowledged by Seller, Seller hereby grants and conveys unto Buyer for the term hereof an exclusive and irrevocable option (the “Option”) to purchase that certain real property (together with all improvements, fixtures, equipment, plants, trees and shrubbery thereon and all appurtenances thereto) in County of _____, State of _____, which is more particularly described in the Purchase and Sale Agreement attached hereto. The executed Purchase and Sale Agreement, attached hereto and incorporated herein by reference, sets out the terms and conditions by which Property shall be conveyed in the event this option is timely exercised by Buyer. The said executed Purchase and Sale Agreement shall become binding only upon the Buyer’s timely exercising this option. The Option Consideration shall be paid by Buyer to Seller in cash contemporaneously with the execution of this Agreement. The term of the Option shall begin on the date of this Agreement and shall end at __o’clock __.m. on the ____ day of _____, 20____. If the Option has not been exercised prior to such time, then the Option shall lapse and shall thereafter be of no further force or effect, whereupon Seller shall retain the Option Consideration and Buyer and Seller shall have no further rights or obligations under this Agreement. Should Buyer default on any other Agreements pertaining to lease, use, or purchase of the Property, Seller shall keep all monies paid as liquidated damages.

If Buyer elects to exercise the Option, then Buyer shall deliver to Seller, prior to the expiration of the Option, at the address of Seller set forth below or by fax or email with delivery confirmation and or time-stamped delivery written notice of Buyer's election to exercise the Option.

Upon exercising this option, the attached Purchase and Sale Agreement shall be in full force and effect. Upon closing of the sale and purchase of Property pursuant to the Purchase and Sale Agreement, the Option Consideration shall be credited against the purchase price of Property.

Broker is made a party to this Agreement in order that Broker may enforce its rights hereunder. For services rendered in connection with this Agreement, Seller agrees to pay to Broker a fee in the sum of _____ U.S. Dollars (\$_____) payable contemporaneously with the execution of this Agreement. Buyer and Seller represent and warrant to each other that each has not engaged any real estate broker or agent other than Broker in connection with this Agreement, and Buyer and Seller shall hold each other harmless from and against all loss and damage (including without limitation court costs and reasonable attorney's fees) suffered or incurred by the other on account of any claim by any broker or agent other than Broker for any commission or other compensation relating to this Agreement.

All parties acknowledge that Buyer may record a Notice of Option in the County of _____ immediately upon acceptance of this Agreement.

The Seller hereby warrants the total of the leases, options, mortgages, liens, and any other encumbrances against the Property, whether of public record or not, at the time of this Agreement, are as follows:

- A) A first mortgage in favor of _____ in the approximate amount of \$_____
- B) Current taxes for _____ in the amount of \$_____ due on _____.
- C) Other liens (specify):

Seller shall not lease to any other third party, nor to assign, sell, option, transfer, pledge, or otherwise to convey any or all rights or interests had by Seller in the Property, nor to further encumber the Property nor allow the same to occur. Violations of this paragraph shall be considered a material breach of this Option Agreement. Seller further agrees to keep all mortgages, liens, taxes, or other encumbrances on the Property current and in good standing. Buyer shall have the right to make payment on same in the event that Seller becomes delinquent or otherwise defaults on such payments. Should Buyer elect to do so, Buyer may at their option subtract the amount of the payments from the purchase price agreed upon in the Purchase and Sales Agreement.

All parties acknowledge that a title search will be ordered immediately by the Buyer. This cost will be borne by the Buyer unless it is discovered that the Seller has unmarketable title in which case the Seller will reimburse the Buyer for the cost of the search. If the title is unmarketable the Buyer will then have the option to void this Agreement or proceed as agreed herewith.

The Buyer accepts the property "as-is" on the date of execution of this. All parties acknowledge that Buyer may make improvements, maintenance, and or repairs deemed necessary, proper, or desirable upon the property at their own risk, cost, and responsibility during the Option period and prior to exercising the Option. This does not include any electric, plumbing, heating or cooling system that is not in workable condition at the inception of this Option and such will be repaired by the Seller at their expense within sixty (60) days notice from Buyer. If the Seller refuses to make such repairs Buyer will have the option of either voiding this agreement by written notice to Seller or making such repairs and agreeing that the cost of said repairs will be subtracted from the purchase price agreed upon in the Purchase and Sales Agreement. Buyer does not warrant that improvements will be made. Buyer further acknowledges that any improvements made to the property will stay with the property should Buyer not exercise their option. In the event the Buyer exercises their option and through no fault of the Buyer, the Seller fails to convey said Property to Buyer in accordance with the terms of this Agreement, the Buyer, in addition to any other rights which Buyer may have in law or equity for the enforcement of Buyer's option to purchase, shall be entitled to reimbursement for the cost of repairs, maintenance, and improvements.

While this Option is in effect the Seller shall maintain fire and extended coverage upon the Property and immediately notify the insurance provider of owner occupant status. In the event of the entire or partial loss, damage or destruction of the Property, the Buyer may at its option proceed with the closing and accept the insurance proceeds for said damage or declare this Option void, releasing both parties from any obligations hereunder, except for the return of reimbursable expenses previously paid by Buyer which amounts shall become immediately due and payable from the insurance proceeds.

Buyer may assign, sell, transfer, pledge, or otherwise convey any or all rights or interest which the Buyer may have in the Property or in this Option. Any such assignments will release original Buyer from any and all liability and substitute assignee in his, her or its place.

SPECIAL PROVISIONS:

_____ Mark here if additional provisions are included as exhibit

In the event that any legal proceeding is brought to enforce any right or obligation under this Option Agreement, the parties each agree to waive their right to a jury trial. In addition, the prevailing party shall recover its reasonable court costs and attorney fees from the non-prevailing party.

Time is of the essence of this Agreement. This Agreement comprises the entire agreement of the parties and supersedes all prior agreements or understandings. This Agreement may not be amended except in writing executed by all the parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, and successors.

IN WITNESS WHEREOF, all of the parties hereto affix their hands and seals this ____ day of _____, 20____. As to Seller, Signed, sealed and delivered in the presence of:

Buyer's Signature

Seller's Signature

Buyer Print or Type Name

Seller Print or Type Name

Buyer's Signature

Seller's Signature

Buyer Print or Type Name

Seller Print or Type Name

Buyer Email / Phone

Seller Email / Phone

Address: _____

Address: _____

Buyer's Broker Signature

Listing Broker Signature

Name

Name

Firm

Firm

Phone

Phone

License # _____

License # _____