

OPTION CONTRACT

FOR SALE AND PURCHASE

The SELLER and the BUYER (named below) hereby enter into this Option Contract for Sale and Purchase of real estate.

The SELLER, in consideration of the BUYER paying \$_____ (the "Option Deposit"), gives to the BUYER the exclusive option (the "Option") to purchase the property described below (the "Property"). In the event that the BUYER exercises this Option, the Option Deposit shall be applied towards the purchase price of the Property. The Option Deposit is non-refundable and will be forfeited in the event that BUYER fails to exercise the Option. The BUYER shall have the right to exercise this Option during a period of time beginning at 9:00 a.m. on _____, 200__ and lasting until 5:30 p.m. on _____, 200__. The BUYER shall exercise this Option by giving written notice by certified or registered mail to the SELLER at the address indicated above (the letter must be delivered to SELLER by the time and date indicated above) or by hand delivering written notice to the SELLER with the SELLER giving the BUYER a written receipt indicating the time and date of delivery). The date that the SELLER receives this notice shall be known as the "Effective Date. It is understood and agreed that time is of essence as to the payment of the purchase price under this provision. If the BUYER does not exercise the terms of this Option by ending date as specified above, then the right and option set forth herein shall immediately terminate and the Option Deposit shall be kept by the SELLER.

Subject to the BUYER exercising this Option, the SELLER and the BUYER hereby agree that the SELLER shall sell and the BUYER shall buy Property described below upon the following terms and conditions. SELLER fully agrees and acknowledges that the consideration given by the BUYER constitutes legal, adequate, and valuable consideration for the purposes of this Contract.

1. COMMENCEMENT DATE AND EFFECTIVE DATE: The "Commencement Date" shall be the date that the last of the parties to this Contract signs and executes below. The obligations of the Parties under this Option Contract begin on the Commencement Date. The "Effective Date" is the date that the SELLER receives notice from the BUYER that the BUYER is exercising its Option under this Contract.

2. DESCRIPTION OF PARTIES

SELLER: < **enter name here** >

BUYER: < **enter name here** >

3. DESCRIPTION OF PROPERTY TO BEING SOLD:

STREET ADDRESS: <enter data here>
FOLIO NO.: <enter data here>
LEGAL DESCRIPTION: <enter data here>

3. PURCHASE PRICE

Purchase Price \$ <enter data>

Option Deposit \$ <enter data>

Balance to be paid at closing \$ <enter data>

4. FINANCING AND INSPECTION PERIOD: The BUYER may cancel this Contract at any time within the first _____ days (the "Financing and Inspection Period") following the Effective Date by delivering written notification to the SELLER. If such notice is delivered the Contract shall be terminated and no party will have any further obligation under this Contract. In the event that the Contract is so terminated the BUYER shall be entitled to the a return of the Deposit. SELLER shall grant to the BUYER reasonable access to the property for purposes inspection (such as environmental testing, etc.)

begin optional sentence

The property is being sold "As Is" with regard to the physical condition of any improvements. Seller is giving no warranties to the BUYER.

end optional sentence

5. REPRESENTATIONS AND WARRANTIES: To induce the BUYER to enter into this Agreement, the SELLER makes the following representations, warranties, and covenants.

A. SELLER has good and marketable fee simple title to the Property, free and clear of all liens, property taxes, encumbrances, and restrictions, except for those restrictions appearing of record, taxes for the year of closing, encumbrances that will be cleared prior to closing, and encumbrances that will be cleared at the closing out of the SELLER's proceeds from the Purchase Price.

B. There are no condemnations or similar proceedings affecting any part of the Property and no such proceeding shall be pending on the Closing Date. To the best of the SELLER's knowledge, no such condemnations or other proceeds are threatened or planned.

C. There are no service contracts or agreements relating to the operation, maintenance, or security of the property under which the SELLER is bound and which will survive the closing.

D. The SELLER is not subject to any commitment, obligation, or agreement, including but not limited to, any right of first refusal or option to purchase, granted to a third party, which would or could prevent the SELLER from completing the sale of the Property as contemplated by this Agreement.

E. SELLER has sole and exclusive possession of the Property and will be able to deliver possession of the Property free of all leases on the Closing Date.

6. CONDITIONS PRECEDENT: The obligations of the BUYER to close this transaction are subject to the BUYER having given Notice to Purchase and that all representations and warranties of the SELLER shall be true and correct as of the Closing Date as is such representations and warranties were being made on such date. In the event that any of said conditions are not fulfilled on or as of the Closing Date, and notwithstanding anything to the contrary in this Agreement, the BUYER shall have the right to terminate this Agreement and to obtain a full refund of deposits (if any) made to the SELLER whereupon all parties shall be relieved of any further obligations hereunder.

7. CLEAR TITLE:

A. Within 14 days of the Commencement Date by the SELLER, the SELLER shall deliver to the BUYER any existing title insurance policies or abstracts of title for the property in that are in the SELLER's possession or which the SELLER might obtain possession by reasonable efforts. At closing, the SELLER shall pay for any update of the title information that might be necessary so as to enable the BUYER to obtain title insurance for the Property.

B. SELLER shall convey a marketable title, subject only to liens, encumbrances, exceptions, or qualifications set forth in this Contract and those which shall be discharged by SELLER at or before closing. Marketable title shall be determined according to applicable Title Standards adopted by authority of the Florida Bar and in accordance with law.

C. If the BUYER discovers that the title is defective, the BUYER shall notify the SELLER in writing shall specifying the defect(s). If said defect(s) render the title unmarketable or uninsurable the SELLER will have 120 days from receipt of notice within which to remove said defect(s), and if SELLER is unsuccessful in removing them within said time, the BUYER shall have the option of either accepting the title as it then is or terminating this Agreement and thereupon the SELLER shall return any deposits that might have been made to the BUYER and both parties shall be released as to one another of all further obligations under this Agreement. All expenses to clear title defects shall be paid by the SELLER.

8. CLOSING:

A. This transaction shall be closed and the deed and other closing papers delivered on or before the 30th day following the expiration of the "Financing and Inspection Period" (the "Closing Date") unless extended by other provisions of this contract or by the mutual consent of both parties. Closing shall be held in the county wherein the Property is located, at the office of the attorney or other closing agent designated by the BUYER.

B. At closing the BUYER shall pay the cash portion of the purchase price by bank cashier's check or certified check either of which shall be issued by and drawn on a local institution and the SELLER shall furnish the deed, an absence of lien affidavit, non-foreign status affidavit, and any corrective instruments that may be required in connection with perfecting the title. BUYER shall furnish the closing statement.

C. The SELLER shall pay the following closing costs: the cost of recording any corrective instruments (if needed) and the title update charges necessary for the title insurance. The BUYER shall pay the cost of recording the deed, state documentary stamps charges, and title insurance premiums.

9. CONVEYANCE: SELLER shall convey title to the Property by statutory warranty, trustee, personal representative, or guardian deed, as appropriate to the status of the SELLER, subject only to matters contained in the following and those otherwise accepted by BUYER.

10. RESTRICTIONS; EASEMENTS; LIMITATIONS: The BUYER shall take title subject to: zoning, restrictions, prohibitions, and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise common to the subdivision; public utility easements of record; taxes for year of closing and subsequent years; assumed mortgages and purchase money mortgages, if any, and any City of Miami or Miami-Dade County health and safety code violations.

11. SURVEY: BUYER, at BUYER's expense at any time within the Financing and Inspection Period may have the Property surveyed and certified by a registered Florida surveyor. If the survey shows any encroachment on the Property or that improvements intended to be located on the Property in fact encroach on setback lines, easements, lands of others, or violate any restrictions, Contract covenants, or applicable governmental regulations, the same shall be treated as a title defect.

12. LIENS: SELLER shall furnish to BUYER at time of closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statements, claims of lien or potential lienor known to seller and further attesting that there have been no improvements or repairs to the Property for 90 days immediately preceding the date of closing in a form satisfactory to the BUYER. If the Property has been improved, or repaired within said time, SELLER shall deliver releases or waivers of mechanic's liens, executed by all general contractors, subcontractors, suppliers, and materialmen, in addition to seller's lien affidavit setting forth the names of all such general contractors,

subcontractors, suppliers, and materialmen and further reciting that in fact all bills for work to the Property or Personalty which could serve as a basis for a mechanic's lien or a claim for damages have been paid or will be paid at closing.

13. SPECIAL ASSESSMENT LIENS: Certified, confirmed, and ratified special assessment liens as of the date of closing (and not as of Effective Date) are to be paid by the SELLER. Pending liens as of the date of closing shall be assumed by BUYER, provided, however, that if the improvement has been substantially completed as of Effective Date, such pending lien shall be considered as certified, confirmed, and ratified and SELLER shall, at closing, be charged an amount equal to the last estimate by the public body of assessment for the improvement.

14. PRORATIONS: Taxes and assessments (if any) shall be prorated through the day to the closing. Cash at closing shall be increased or decreased as may be required by said prorations. All prorations will be made through the day prior to occupancy if occupancy occurs before closing. Taxes shall be prorated based on the current year's tax with due allowance made for maximum allowable discount and homestead or other exemptions if allowed for said year. If closing occurs at a date when the current year's millage is not fixed, and current year's assessment is available, taxes will be prorated based upon such assessment and the prior year's millage. If the current year's assessment is not available, then taxes will be prorated on the prior year's tax; provided, however, if there are completed improvements on the Property by January 1st of the prior year, then taxes shall be prorated bases upon the prior years millage and at an equitable assessment to be agreed upon between the parties, failing which, request will be made to the County Property Appraiser for an informal assessment taking into consideration homestead exemption, if any. However, any tax prorations based on an estimate may at the request of either the BUYER or the SELLER be subsequently readjusted upon receipt of tax bill on condition that a statement to that effect is set forth in the closing statement.

15. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE:: Neither this Contract nor any notice thereof shall be recorded in any public records. This Contract shall bind and inure to the benefit of the parties hereto and their successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice given by or to the attorney for any party shall be as effective as if given by or to said party.

16. OCCUPANCY: Other than occupancy by the SELLER, the property shall be unoccupied at the time of closing. The BUYER, at its option, may choose to take the property to subject to one or more residential leases in which case the SELLER shall, not less than 15 days prior to closing, furnish to BUYER copies of any and all written leases and estoppel letters from each tenant specifying the nature and duration of the tenant's occupancy, rental rates, advanced rent, and security deposits paid by tenant. In the event SELLER is unable to obtain such letter from each tenant, the same information shall be furnished by SELLER to BUYER within said time period in the form of a SELLER's affidavit, and BUYER may thereafter contact tenants to confirm such

information. SELLER shall, at closing, deliver and assign all original leases to the BUYER.

17. PROCEEDS OF SALE; CLOSING PROCEDURE: The deed shall be recorded upon clearance of funds and evidence of title continued at BUYER's expense, to show title in BUYER, without any encumbrances or change which would render SELLER's title unmarketable from the date of the last evidence, and the proceeds of the sale shall be held in escrow by the SELLER's attorney or by such other escrow agent as may be mutually agreed upon for a period of not longer than five (5) days from and after closing date. If SELLER's title is rendered unmarketable, BUYER shall within said five (5) day period, notify SELLER in writing of the defect and the SELLER shall have 30 days from the date of receipt of such notification to cure said defect. In the event that SELLER fails to timely cure said defect, all monies paid hereunder shall, upon written demand therefor and within five (5) days thereafter, be returned to BUYER and, simultaneously with such repayment, BUYER shall vacate the Property and reconvey the same to the SELLER by special warranty deed and return the Personalty. In the event that the BUYER fails to make timely demand for a refund, BUYER shall take title as is, waiving all rights against the SELLER as to such intervening defect except as may be available to BUYER by virtue of warranties, if any, contained in the deed. In the event a portion of the purchase price is to be derived from institutional financing or refinancing, the requirements of the lending institution as to place, time of day, and procedures for closing, and for disbursement of mortgage proceeds, shall control anything in this contract to the contrary notwithstanding. Provided, however, that the SELLER shall have the right to require from such lending institution at closing a commitment that it will not withhold disbursement of mortgage proceeds as a result of any title defect attributable to the BUYER-mortgagor.

18. ESCROW: Any escrow agent receiving funds or equivalent is authorized and agrees by acceptance thereof to deposit promptly and to hold same in escrow and subject to clearance thereof to disburse the same in accordance with the terms and conditions of this Contract. Failure of clearance of funds shall not excuse performance by the BUYER. In the event of doubt as to the escrow agent's duties or liabilities under the provisions of this Contract, the escrow agent may in the agent's sole discretion, continue to hold the subject matter of this escrow until the parties mutually agree to the disbursement thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or the escrow agent may deposit the same with the clerk of the circuit court having jurisdiction of the dispute, and upon notifying all parties concerned of such action, all liability on the part of the escrow agent shall fully terminate, except to the extent of accounting for any items theretofore delivered out of escrow. If a licensed real estate broker, the escrow agent will comply with the provisions of Chapter 475, F.S. (1996), as amended. In the event of any suit between BUYER and SELLER wherein the escrow agent is made a party by virtue of acting as an escrow agent hereunder, or in the event of any suit wherein the escrow agent interpleads the subject matter of this escrow, the agent shall be entitled to recover reasonable attorney's fee and costs incurred, said fees and cost to be charged and assessed as court costs in favor of the prevailing party. All parties agree that the escrow agent shall not be liable to any party

or person whomsoever for misdelivery to BUYER or SELLER of items subject to this escrow, unless such misdelivery shall be due to willful breach of this Contract or gross negligence on the part of the agent.

19. OTHER AGREEMENTS: No prior or present agreements or representations shall be binding upon BUYER or SELLER unless included in this Contract. No modifications or changes in this Contract shall be valid or binding upon the parties unless in writing and executed by the party or parties to be bound thereby.

20. RADON: Radon is a naturally occurring radioactive gas that, when it has accumulated 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 building in Florida. Additional information regarding radon and radon testing may obtained from your county public health unit.

21. FAILURE OF PERFORMANCE: If the BUYER fails to perform this Contract within the time specified the deposit(s) paid by the BUYER may be retained by or for the account of the SELLER as liquidated damages, consideration for the execution of this Contract and in full settlement of any claims; whereupon BUYER and SELLER shall be relieved of all obligations under the Contract; or SELLER, at SELLER's option, may proceed at law or in equity to enforce SELLER's legal rights under this Contract. If, for any reason other that failure of SELLER to make SELLER's title marketable after diligent effort, SELLER fails, neglects or refuses to perform this Contract, the BUYER may seek specific performance or elect to receive the return of BUYER's deposit(s) without thereby waiving any action or damages resulting from SELLER's breach.

22. PURCHASE MONEY MORTGAGE: In the event that part of the Purchase Price is to be financed by the SELLER, the purchase money note and mortgage shall provide for a 30 day grace period in the event of default if it is a first mortgage and a 15 day grace period if a second or lesser mortgage; shall provide for right of prepayment in whole or in part without penalty; shall not permit acceleration or interest adjustment in event of resale of the Property; and the mortgage, not and security agreement shall be otherwise in the form and content required by SELLER's attorney; provided, however, SELLER may only require clauses customarily found in mortgages, mortgage notes, and security agreements generally utilized by savings and loan institutions, or state or national banks located in the county wherein the Property is located. The mortgage shall require all prior liens and encumbrances to be kept in good standing and forbid modifications of or future advances under prior mortgage(s). All Personalty being conveyed will, at option of SELLER, be subject to the lien of a security agreement and evidenced be recorded financing statements.

note: delete the following two paragraphs
if property being sold "as is"

23. TERMITES: If there are improvements located on the property, the BUYER, at the BUYER's expense, and within time allowed to deliver evidence of title and examination thereof, may have the Property inspected by a Florida Certified Pest Control Operator to determine whether there is any visible active termite infestation or visible existing damage from termite infestations in the improvements. If BUYER is informed of either or both of the foregoing, the BUYER will have four (4) days from date of written notice thereof or two (2) days after selection of a contractor, whichever occurs first, within which to have all damages, whether visible or not, inspected and estimated by a licensed building or general contractor. SELLER shall pay valid costs of treatment and repair of all damage up to 2% of the purchase price. Should such costs exceed that amount, BUYER shall have the option of canceling the Contract within (5) days after receipt of the contractor's repair estimate by giving written notice to the SELLER or the BUYER may elect to proceed with the transaction, in which event the BUYER shall receive a credit at the closing of an amount equal to the total of the treatment and repair estimate not in excess of two (2%) percent of the purchase price. "Termites" shall be deemed to include all wood destroying organisms to be reported under the Florida Pest Control Act.

24. INSPECTION, REPAIR, AND MAINTENANCE: If there are improvements on the Property SELLER represents that, as of ten (10) days prior to closing, the roof (including the fascia and soffits) and walls do not have any visible evidence of leaks or damage and that the septic tank, pool, all major appliances, heating, cooling, electrical, plumbing systems, and machinery are in working condition. BUYER may, at BUYER's expense, have inspection made of said items by an appropriately licensed person dealing in the construction, repair and maintenance thereof and shall report in writing to the SELLER such items that do not meet the above representation, together with the cost of correcting the same, prior to occupancy or not less than ten (10) days prior to closing, whichever occurs first. Unless BUYER reports such deficiencies with said period, BUYER shall be deemed to have waived SELLER's representations as to deficiencies not reported. In the event that repairs or replacements are required, SELLER shall pay up to 3% of the purchase price for such repairs or replacements by an appropriately licensed person. However, if the cost for such repairs or replacements exceed 3% of the purchase price, BUYER or SELLER may elect to pay such excess, failing which either party may cancel this Contract. In the event that the SELLER is unable to correct the deficiencies prior to closing, the cost thereof shall be paid into escrow at closing. SELLER agrees to provide utilities service for inspections upon reasonable notice. Between the Effective Date and the closing, the SELLER shall maintain the Property and Personalty including but not limited to the lawn and shrubbery, in the condition herein represented, ordinary wear and tear excepted. BUYER shall be permitted access for inspection of the Property prior to closing in order to confirm compliance with the foregoing.

25. RISK OF LOSS: If there are improvements on the Property, and such improvements are damaged, by fire or other casualty prior to closing, and the costs of restoring the same does not exceed 3% of the assessed valuation of the improvements so damaged, the cost of restoration shall be an obligation of the SELLER and closing

shall proceed pursuant to the terms of the Contract with cost thereof escrowed at closing. In the event that the cost of repair or restoration exceeds 3% of the assessed valuation of the improvements so damaged, the BUYER shall have the option of either taking the Property as is, together with either the said 3% or any insurance proceeds payable by virtue of such loss or damage, or of canceling the Contract and receiving a return of the deposit(s) made hereunder.

26. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions inserted herein or attached hereto as addenda shall control all printed provisions of this contract in conflict therewith.

27. PROPERTY TAX DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. DO NOT SIGN IF THERE ARE BLANK SPACES NOT FILLED IN. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.

SELLER: <enter name>

By: _____ Date: _____
President

BUYER: <enter name>

By: _____ Date: _____
President