

Lease-Option Agreement

Parties: _____ his heirs, successors', administrators and assigns, as Optionee, whose mailing address is: _____

and _____ his heirs, successors', administrators and assigns, as Optionor, whose mailing address is: _____

WITNESSETH: That Seller, in consideration of the payments, covenants, agreements and conditions herein contained which on the part of the Buyer are to be made, done and performed, has this day sold, upon the conditions hereinafter recited, to the Buyer the real property legally described as:

The street address of the property being conveyed is: _____

TERMS of this agreement are:

1. Buyer shall pay to the Seller the sum of \$ _____ on the 1st day of each month Commencing on _____ and continuing until legal title transfers to the Buyer on or until _____ whichever comes first.

Real Estate Option and Consideration

The Option consideration is non-refundable and will be applied as a credit toward the future purchase of the property if optionee exercises the right to purchase the property. In the event that the Optionee fails to exercise the option, this option will automatically terminate and the option consideration will be retained by the Optionor

Option consideration \$ _____

2. Before _____ the Buyer will pay to the Seller the price of \$ _____ if the option to purchase is exercised.

3. The Buyer understands that the subject property is encumbered by a first mortgage, to: _____ (Loan number: _____) balances included in the amount due Seller (2 above), which Buyer may take title subject to Balance not to exceed: \$ _____.

4. _____ of each payment made by the Buyer pursuant to "1" above will be credited to the cash owed to the Seller when title transfers.

5. Exclusive occupancy, possession and the right to sub-lease the subject property transfer with the first payment made to the seller under "1" above and remain with the Buyer until _____ unless the Buyer defaults on any payments required under this contract.

6. Should the Buyer default on any payment required by this agreement all of the Buyer's rights to occupancy, possession and equitable title will revert to the Seller and all moneys paid to the Seller may be retained by the Seller as sole liquidated damages.

7. Buyer and Seller will fully execute and place in escrow with _____ all instruments that are required to convey the subject property. Seller will deposit a Warranty Deed, copies of existing mortgages and title insurance policy. The Buyer will deposit a quitclaim deed that will be delivered to the Seller in the event that the Buyer should ever default under this contract. The instruments will be fully executed as required to enable this transfer to be completed.

8. Seller will keep the subject property insured, naming the Buyer as additional insured. The policy will be assigned to the Buyer when title transfers. Buyer will be responsible for the costs of maintenance and repairs not covered by the insurance.

CONVEYANCE: Buyer shall notify Seller or Escrow Agent within the time limit above, but in no event later than _____ of the Buyer's intent to take legal title to the property, then, upon payment of "2" in this agreement, Seller will deliver fee simple title to the Buyer, or the Buyers assigns, by Warranty Deed, Free and Clear of all liens and encumbrances except those specifically noted in this contract, which Buyer may take title subject to. Seller warrants that all existing mortgages will be current in all payments of principal, interest, and required escrows when legal title transfers.

Seller shall not further encumber the property after the date of this contract and this contract may be recorded at the Buyers expense putting the Public on notice that the closing of this contract will extinguish liens and encumbrances recorded after this contract. In the event of foreclosure or bankruptcy of the Seller, the Seller's rights of redemption shall transfer to the Buyer without further compensation and this contract shall serve as a conveyance without further action. All fixtures, appliances, wiring and functional systems within the property will be delivered in safe, fully functional and operational condition.

SPECIAL PROVISIONS: No agreements, unless incorporated herein, shall be binding upon the Buyer or the Seller. There will be no prorations or adjustments or adjustments upon transfer of legal title. This instrument shall become effective as a contract when signed by both the Buyer and Seller. If not signed by both parties before _____ this instrument shall be void. This contract is contingent upon final inspection and approval of the property by the Buyer prior to the transfer of possession.

THIS CONTRACT IS LEGALLY BINDING!

Signed, sealed and delivered this _____ day of _____, _____

BUYER

Accepted, signed, sealed and delivered this ____ day of _____, _____.

Witness (to both)

SELLER

Witness my hand and official seal.

My commission expires: _____

Notary Public: _____