

Instructions:

- 1. Beginning and end-dates to match lease**
- 2. MUST attach 2-page Sellers Addendum**
- 3. MUST Attach survey and put "Exhibit A" on top/ highlight correct unit in color**

OPTION TO PURCHASE REAL ESTATE

THIS OPTION TO PURCHASE is made and entered into this _____ day of _____, 20____, by and between _____ ("Seller") and _____ ("Buyer")

WITNESSETH:

WHEREAS, Seller is the owner of certain improved residential real estate ("Real Estate") on Lot ____ Liberty Estates PUD, commonly known as _____, as may be more particularly described on Exhibit A, if attached.

WHEREAS, Buyer is entering into a Lease Agreement with Seller of even date herewith whereby Buyer is leasing the Real Estate from Seller under the terms and conditions contained in said Lease Agreement; and

WHEREAS, Buyer also desires an opportunity in the future to be able to purchase said Real Estate "as is" from the Seller upon the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

1. Grant of Option. In consideration of the Option Premium set forth below, the Seller hereby grants to Buyer an irrevocable option to purchase the Real Estate during the Option Period described below and, upon the exercise of such option by the Buyer, the Seller agrees to sell and convey the Real Estate to Buyer under the terms described herein.

2. Option Period & Maturity. The Option Period shall commence one year (365 days) after execution of this Agreement (namely _____, 2023 at 5:00pm Central Time Zone time) . The Option Period shall expire on the **31st day of _____, 20__** at 5:00 p.m. Central Time Zone time ("Option Expiration Date") unless extended by the parties in writing.

3. Option Premium. Buyer shall pay to Seller an Option Premium(s) in the following amounts and on the following dates:

- Total Agreed Option Premium, as accumulated over time, shall not exceed Twenty Five Thousand Dollars (\$25,000.00). If at any time the Premium is overpaid, said amount shall be reimbursed by Seller.
- Buyer has paid the sum of _____ Dollars (\$____.00);
- Prior to move in, Buyer shall pay an additional _____ Dollars (\$____.00) paid by _____;(Agreed Option Premium due prior to move-in shall be at least Five Thousand Dollars (\$5,000.00))
- Buyer shall pay an additional **One Hundred Dollars (\$100.00) Premium contemporaneously when the Bi-weekly Rent is due under the Lease Agreement of similar date**, during the term of this agreement and all extensions thereto, until either 1) the maximum premium due in 3A above is paid in full or 2) consummation of the purchase is concluded.

Under no condition will Buyer take occupancy of the real estate prior to payment of the total Option Premium due hereunder in paragraphs A, B, C and D above. All Option Premiums hereunder shall be paid by Buyer to Seller electronically per terms made available to Buyer. Should Tenant fail to make electronic payments, Tenant may alternatively pay in the form of CASH or CERTIFIED FUNDS or WIRE TRANSFER at the address provided herein., however, in such case, a \$10.00 per transaction administrative fee shall also be due for processing such payment types. A grace period of two (2) days will be allowed for late Option Premium payments without fee. For each day a payment remains unpaid after said grace period (or Premiums are cumulatively not paid current) the Buyer shall pay to the Seller an agreed administrative fee in the amount of Fifteen Dollars (\$15.00) per day. Said fee shall continue to be applicable daily during the period Premiums are unpaid after any Breach of this agreement and shall accrue daily during any period accumulated Premiums are past due and unpaid. The parties agree that if paid by cash or cashiers check, the date Premium is paid shall be the day Seller receives the payment. If after 4:30pm on any day, payment shall be deemed received on the following business day. If by electronic transfer, the Premium shall be deemed received when it is posted on Seller's bank account. In all cases, Seller's records shall be assumed to be evidence of the timing of payment unless Buyer can prove otherwise by concrete evidence (Buyer verbal testimony excluded). If Buyer exercises its option to purchase the Real Estate during the Option Period, all Option Premium Premiums paid by the Buyer to the Seller shall be credited to Buyer towards the purchase price of the Real Estate. In general, all payments made by Buyer to Seller shall be applied in the following order: 1) to penalties, interest, Fees, and Damages due under this Option Agreement; 2) toward any Option Premium due under this Option Agreement. However, if Buyer has also executed a Lease Agreement for the premises from Seller as Landlord, and unless Buyer specifically identifies and separates his payment from payments due under the Lease Agreement and Buyer designates in writing the specific purpose for a payment made hereunder, all payments shall be applied in the following priority order: 1) To Penalties, Interest, Fees, Damages, HOA Dues, Insurance Payments and Reimbursements due under the Lease, 2) To Past Due Rent, 3) To Rent currently due, 4) to penalties, interest, Fees, and Damages due under this Option Agreement; 5) toward any Option Premium due under this Option Agreement. Buyer shall not have the right to set-off payments due under this Option Agreement against any claims made against Seller.

4. **Exercise.** Buyers may exercise its option to purchase the Real Estate during the Option Term at (leased address) and before the Option Expiration Date if this Option Agreement is not in default. The option to purchase shall be exercised by the Buyer giving Seller written notice of Buyer's exercise of the same, together with written evidence reasonably satisfactory to Seller that Buyer has the financial ability to consummate the purchase of the Real Estate. Said satisfactory evidence shall be in the form of an unconditional loan commitment and evidence of sufficient other assets to cover the non-financed amount and the closing costs necessary to consummate the transaction.

5. **Title Insurance.** If Buyer exercises its option to purchase the Real Estate, the Seller shall, prior to the Closing, and at Seller's expense, provide a Buyer title commitment from a title insurance company showing that Seller has good and merchantable title to the Real Estate. The cost of the owner's title insurance policy shall be the Seller's expense, except for later date costs and any lender's policy, which shall be the Buyer's expense.

6. **Purchase Price.** The Purchase Price for the Real Estate shall be as follows:
A. As _____ of the date of this Option Agreement:

B. At all times after the date of this Agreement, the Purchase Price shall be an amount equal to the amount due under 6A plus an amount equal to four (4) percent per annum of the

amount due under 6A calculated through and including the date of closing on a 360 day calendar basis.

7. **Closing.** The Closing shall take place within fourteen (14) days after the Seller receives the notice and documentation described in paragraph 4, above (subject to availability of the Title Insurance Company). At the Closing, title will be conveyed to Buyer by Warranty Deed free and clear of all liens and monetary encumbrances but subject to all covenants, easements and restrictions of record which do not materially affect Buyer's use of the Real Estate for residential purposes. At the Closing, Buyer shall deliver to the Seller the Purchase Price in full in certified funds, less all prior Option Premiums paid and less the customary prorations and Seller's customary share of closing costs, as are customary for real estate transactions in Northwest Indiana

8. **As-is where-is:** buyer has inspected the house and approves it "as is" except as may be noted below. All the items below are agreed punch list items to be remedied. At buyer's request, buyer shall be provided an opportunity to inspect the satisfactory completion of these items prior to closing. ("uncomplete items")

1. None.
- 2.
- 3.
- 4.
- 5.
- 6.

Buyer acknowledges it has received, reviewed, and accepted the terms of any covenants of and/or conditions, easements and all existing title matters on the real estate prior to executing this Agreement.

9. **Termination and Forfeiture.** If Buyer fails to exercise its Option to Purchase the Real Estate before the Option Expiration Date, then, as of the Option Expiration Date, Buyer shall have no further right or option to purchase the Real Estate and all Option Premiums theretofore paid by the Buyer shall be retained by the Seller. If Buyer defaults in the payment of any Option Premium or any payment when due under the Lease Agreement, and such default continues uncured for more than Ten business (10) days after the payment due date, then unless waived in writing by Seller, as of the date of such default, Buyer shall have no further right or right to purchase the Real Estate and all Option Premiums theretofore paid by the Buyer shall be retained by the Seller. Seller's acceptance or receipt of Option Premiums after an un-waived payment default shall not constitute Seller's waiver of a Buyer default. If Seller accepts Premium payments after Buyer is in payment default, Seller shall either 1) reimburse the Premium payments received after the Buyer payment default or 2) waive the payment default in writing, in which case, this Agreement shall continue as if there was no payment default. If Buyer defaults under the Lease Agreement, then unless waived in writing by Seller, as of the date of such Lease default, Buyer shall have no further right or option to purchase the Real Estate and all Option Premiums theretofore paid by the Buyer shall be retained by the Seller.

As long as Buyer is current on all terms of this Option to Purchase Agreement and as long as no event of default remains uncured at the Option Expiration Date, the Option Expiration Date shall be automatically extended to match the expiration date of any renewed Lease Agreement for the premises (as may be extended or renewed in writing between Tenant and Lessee).

10. Binding Effect and Assignment. This Option Agreement shall be binding upon the parties, their heirs, personal representatives, successors and assigns in interest. Any assignment of this Option Agreement by Buyer shall be subject to the approval of Seller which the Seller may give or withhold in Seller's unrestricted discretion.

11. Assignment. This Agreement may be assigned by Seller without the consent or notice to Buyer. However, Buyer may not assign, sell, or otherwise encumber its rights to this Agreement without the prior written consent of Seller.

12. Notices. All notices given by one party to the other in connection with this Option Agreement shall be given in writing and sent via certified mail, email w/ proof of delivery or US Mail. If to Buyer, mailed to: _____ (buyer address-leased address) or emailed to _____; if to Seller, mailed to 4259 E Lincoln Hwy, Merrillville IN 46410 or emailed to _____.

13. Legal Action. If Buyer sues Seller or Seller sues Buyer under this Agreement and Buyer is found to be in breach of this Agreement or Seller is found not to be in breach of this Agreement, then Buyer shall reimburse all costs Seller incurs related to such lawsuit including reasonable attorney costs.

14. Transfer of Option Premium: If Buyer and Seller mutually agree in writing, prior to the expiration of this Agreement, to transfer the paid Option Premium to another of Seller's properties with terms acceptable to both parties, then, and only then, the Option Premium may be transferred upon execution of a transfer agreement clearly documenting all terms related thereto.

15. Entire Understanding and Governing Law. This Option Agreement shall constitute the entire contract between the parties hereto and no modification thereof shall be binding unless endorsed in writing by both the Seller and the Buyer. This Option Agreement shall be governed by the laws of the State of Indiana and shall replace any and all prior agreements related to purchase of the premises between the parties. If there are other agreements executed prior to or contemporaneously with this Agreement, then to the extent this agreement conflicts with said Agreements, this Option Agreement shall control.

IN WITNESS WHEREOF, the Seller and the Buyer have executed this Option Agreement on the day and year first written above.

BUYER(S):

SELLER:

WITNESS: