

# OPTION CONTRACT

(TOTAL NUMBER OF EXECUTED COPIES MADE.....)

MEMPHIS, TENN....., 2....

THIS OPTION CONTRACT, this day entered into by and between ..... party of the first part, and ..... party of the second part,

Witnesseth, that

WHEREAS, the said party of the first part is the owner of the following described parcel of real estate or tract of land lying in ..... County of ..... State of ..... to-wit:

AND WHEREAS, the said party of the first part is desirous of selling the same;

NOW, THEN, in consideration of the receipt of (\$.....) ..... Dollars, cash in hand, hereinafter designated option money, paid by the said party of the second part to the said party of the first part, the said party of the first part does hereby give and grant to the said party of the second part, or any person he may designate, the right to purchase said above described parcel of real estate at any time from this date up to and including the .....day of ....., 2....., at 12:00 Noon of said day, Central Standard Time. If the party of the second part exercises this option, the party of the second part shall give the party of the first part written notice of his intention by the aforesaid date, said notice to be delivered in person, by courier, express service or mailed by certified mail, postmarked on or prior to the date and time herein specified, to the address of the said party of the first part at .....

If the party of the second part does not exercise this option as aforesaid, said option money shall be retained by the party of the first part, but if the party of the second part does exercise this option of option money shall be disposed of as set out hereinafter.

If the party of the second part exercise this option, the terms of the sale will be as follows:

The party of the first part, hereinafter designated as Seller, covenants and agrees to sell and convey said real estate, with all improvements thereon, or cause the same to be conveyed, by good and sufficient warranty deed, unto the party of the second part, hereinafter designated as Purchaser, or unto such person or persons as he may designate (the undersigned Purchaser, however, shall not be released from any of the Purchaser's agreements and undertakings or from the obligation to sign any purchase money note(s) as set forth herein, unless otherwise stated); and Purchaser covenants and agrees to purchase and accept the same, at and for the total price of (\$.....) ..... Dollars, of which the option money shall be a credit unless otherwise specified, and upon terms as follows:

The improvements on the said land are to be delivered in as good condition as they are as of the date of this contract, ordinary wear and tear excepted, and if not in such condition when final settlement is made, Seller is obligated to put them in such condition, or to compensate Purchaser for his failure to do so, but in the event of destruction by fire, or otherwise, Seller's liability shall in no event be more than the appraised value of the improvements so destroyed. Possession of premises to be given .....

Rents, if any, and all taxes for the current year are to be prorated and all prior unpaid taxes or liens including front foot assessments, if any, are to be paid by Seller as of date of closing, unless otherwise specified. Fire and any additional hazard insurance premiums on the improvements herein are to be prorated as of date of closing, unless otherwise specified, provided the amounts stipulated in the policies are not in excess of the fair value of the improvements, and Purchaser is to pay Seller the unearned premium for such insurance.

Deferred payments, if any, are to be evidenced by promissory note(s) payable on or before maturity bearing interest at.....per cent per annum, and secured by a deed of trust (the form of which shall be that generally used by banks and title companies in Memphis, Tennessee) on the property. Settlement and payment of balance, if any, of said cash payment shall be made upon presentation of a good and valid warranty deed with the usual covenants and conveying a good and merchantable title, after allowing.....days from completion of title search or delivery of abstracts for examination of title. At the election of Purchaser, Seller agrees to furnish, for examination only, either title search or adequate abstracts of title, taxes and judgments, as soon as same can be prepared, covering said real estate, or at Seller's option a policy of title insurance by one of the title insurance companies with offices in Memphis for the amount of the purchase price herein stipulated, insuring marketability of title and paid for by Seller. It is agreed by both parties hereto that in the event of a controversy regarding title, a title insurance policy covering this property issued by any such title company for the purchase price herein named, insuring marketability of title and paid for by Seller, shall constitute and be accepted by Purchaser as conclusive evidence of a good and merchantable title.

It is understood and agreed that if the title is not good and cannot be made good within a reasonable time after written notice has been given that the title is defective, specifically pointing out the defects, then the option money shall be returned to Purchaser and the usual commission shall be paid Agent by Seller. But if the title is good and Purchaser shall fail to pay for the property as specified herein, Seller shall have the right to elect to declare this contract canceled, and upon such election, the option money shall be retained and divided equally between Seller and Agent, as liquidated damages and commission respectively, but in no event shall Agent's share exceed the regular commission. It is expressly understood and agreed, however, that the right given Seller to make the aforesaid election is not intended to be Seller's exclusive remedy and either party shall have the right to elect to affirm this contract and enforce its specific performance or recover full damages for its breach. Seller's retention of the option money shall not be evidence of an election to declare this contract canceled, as Seller shall have the right to retain the option money to be credited against damages actually sustained. Seller agrees to pay the undersigned Agent a commission of.....% of the sale price. Unless otherwise specified herein, such commission is to be paid in cash out of the net proceeds of the sale at time of closing this transaction. If real estate is being exchanged, each party hereto agrees to furnish either title search or adequate abstracts of title and pay Agent the commission on the real estate each contracts herein to convey, and otherwise fulfill obligations incumbent upon Seller as outlined above. Any abstracts covering such property only will become the property of Purchaser subject to rights of mortgage holder.

Seller is to pay for preparation of warranty deed, recording of purchase money trust deed, if any, title search or abstracts, state tax and clerk's fee on trust deed, and notary fee on deed. Purchaser is to pay for preparation of note(s) and trust deed, notary fee on trust deed, recording of warranty deed, state tax and clerk's fee on warranty deed, and expense of title insurance, except as hereinbefore provided. Seller and Buyer are to share equally in paying closing fee in connection with this transaction and any lender's transfer fee. If Purchaser obtains a loan on this property, he is to pay all expenses incident thereto.

Should there be any tax, insurance or other accrual items on deposit with the holder of any debt secured by said premises and assumed by Purchaser, Purchaser shall at the time of closing reimburse Seller therefor.

Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Purchaser accepts the said real estate in its existing condition, no warranties or representations having been made by Seller or Agent which are not herein expressly provided.

Witness the signatures of all parties the day and year above written.

\_\_\_\_\_  
Optionee(s)-Purchaser(s)

\_\_\_\_\_  
Optionor(s)-Seller(s)

\_\_\_\_\_  
Optionee(s)-Purchaser(s)

\_\_\_\_\_  
Optionor(s)-Seller(s)

Subject to clearance of any check given, the undersigned Agent acknowledges receipt of the above mentioned option money and holds same in trust subject to the terms of this contract.

By: \_\_\_\_\_  
Company

\_\_\_\_\_  
Agent