

OPTION TO PURCHASE

Property Address: _____

THIS OPTION TO PURCHASE (the Option@) is made and entered into this _____ day of _____, 20__, by and between Denigan _____, LLC (“Denigan”) and _____ and _____ (the Purchaser@).

WITNESSETH:

WHEREAS, “Denigan” is the owner of certain real property situated in _____, _____ County, Kentucky, more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the Property@); and

WHEREAS, “Denigan” desires to grant to the Purchaser, and the Purchaser desires to obtain from the Denigan, an option to purchase the Property;

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, including the Option Payment set forth below, the receipt and sufficiency of which are hereby acknowledged, “Denigan” and Purchaser hereby agree as follows:

1. **Grant of Option.** “Denigan”, in consideration of _____ Dollars (\$ _____), duly paid to it by Purchaser, hereby agrees to sell and convey the Property to Purchaser, their heirs and assigns, upon the notice provided in Paragraph 5 herein, at any time before 12:00 noon, on the _____ day of _____, 20__ (Expiration Date@) and payment of the Purchase Price.
2. **Purchase Price.** If Purchaser elects to exercise this Option to purchase the Property, the Purchase Price shall be the property=s fair market value as of the date of Closing, as determined by an appraiser selected by “Denigan”, or a price agreed to by and between the parties, payable in full, in cash or other immediately available funds on the closing date of the purchase (the Closing@), with all sums paid pursuant to Section 1 hereof to be credited against the Purchase Price, but to be retained by “Denigan” if this transaction shall fail to close. The cost of the appraisal will be born by the Purchasers.
3. **Lease.** The Purchasers have leased the premises from “Denigan”. This option is contingent upon the Purchasers not being in default under said Lease Agreement, either on the date the Purchasers exercise the purchase option, as well as consummate the same.

This purchase option shall automatically terminate and become null and void upon the earlier to occur:

- (a) The date set forth herein;
- (b) The expiration or termination of the Lease referred to herein;
- (c) The termination of the Purchaser=s right to possession of the premises;
- (d) The attempted assignment of this option by the Purchaser in full or in part;
or
- (e) The failure of the Purchaser to timely or properly exercise the purchase option.

4. **Conveyance.** Upon the Purchaser=s notice, the “Denigan” shall execute, acknowledge and deliver to the Purchaser, at Closing, a good and sufficient general warranty deed conveying good and marketable fee simple title to the Property, and all buildings and improvements thereon, free and clear of all liens, encumbrances and other defects in title other than as would be insured by a Title Insurance Company. All costs and expenses of curing any defects in the title shall be borne by or at the expense of the “Denigan”; any such costs and expenses, together with all sums required for the satisfaction of taxes, liens or encumbrances may be subtracted from the Purchase Price and applied directly to the curing of such defects, if any, and to the satisfaction and release of such taxes, liens and encumbrances. All taxes for the current tax year shall be prorated between “Denigan” and Purchaser as of the date of Closing in accordance with local custom. Closing shall be at a time and place designated by Purchaser and shall occur within 60 days from the date a purchase price is agreed upon or from the date the appraiser=s report establishing the fair market value of the property is delivered to the Purchasers.
5. **Damage to Property.** If Purchaser elects to exercise this Option, and if between the date hereof and the date of Closing, any damage occurs to the Property, or any of the buildings or improvements located thereon, which loss is covered by insurance, such insurance proceeds (and the right to pursue recovery thereof) shall inure to the benefit of Purchaser upon exercise of this Option, and “Denigan” hereby assigns all such proceeds and rights to Purchaser (subject to exercise of this Option) and agrees that if “Denigan” collects any damages or insurance proceeds, such sums so collected shall be considered as payment on the Purchase Price. Risk of loss shall remain with the “Denigan” until Closing, but Purchaser shall have an insurable interest in the Property upon exercise of this Option. Prior to the Closing, Purchaser (or any agent of Purchaser) shall have the right to enter upon the Property at all reasonable times for the purpose of making such inspections and investigations as Purchaser deems necessary.
6. **Notice of Exercise.** If the Purchaser elects to exercise the Option in accordance with the terms hereof, notice of such election shall be deemed sufficient if personally delivered or sent by registered or certified mail, return receipt requested, to the last known address of “Denigan”, postmarked prior to the Expiration Date, regardless of when such notice is received by “Denigan.”

7. **Assignment.** Purchaser may not assign this Option.
8. **Expenses.** Each party hereto shall bear any and all of its own expenses in connection with the negotiations, execution or settlement of this Agreement.
9. **Entire Agreement.** This Agreement contains the entire Agreement between the parties hereto and no modification or amendment shall be binding upon any party unless made in writing and assigned by each of the parties hereto.
10. **Governing Law.** This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the Commonwealth of Kentucky.
11. **Recording.** This Option may not be recorded.

IN TESTIMONY WHEREOF, witness the signatures of "Denigan" and Purchaser as of the date first above written.

DENIGAN _____, LLC:

 By and through its Member _____

PURCHASER

 NAME

 NAME