

SAMPLE FORM FOR INFORMATION PURPOSES ONLY

(Note: Final Agreement subject to Change)

Option to Purchase Agreement

This Agreement shall be subject to and made part of Tenant's Lease with Landlord. Tenant must execute this Option Agreement, along with a payment of the Option Fee in the amount of TWO THOUSAND & 00/100 DOLLARS (\$2,000) upon Lease execution.

Landlord: Porterdale Mill Tenant, LLC

Seller: Porterdale Loft Company, LLC

Tenant: **XXX**

Premises: **XXX Main Street
Porterdale, GA 30070**

Condo Unit Purchase Option for Premises:

Provided Tenant is not then in default hereof of their Lease and has continuously operated in good faith throughout the term of this Lease, Tenant shall have the option to purchase the Premises / Condominium Unit (herein called "Condominium Unit") and all improvements within the Condominium Unit from Landlord for a purchase price as indicated below if the closing occurs between January 1, 2012 and February 1, 2012. This Option is conditional on Landlord's prior conversion of the entire Property to Condominium Units. Tenant's option to purchase shall expire if at no fault of the Seller, the closing has not occurred on or before February 1, 2012 and the option shall then be of no further course or effect. Said option shall be exercised, if at all, by Tenant giving Landlord advanced written notice of Tenant's intent to purchase the property on or before September 30, 2011. Tenants Notice to Landlord shall include Earnest Money that shall be applied to the purchase in the amount of FIVE THOUSAND & 00/100 DOLLARS (\$5,000).

The Purchase Price for the Premises / Condominium Unit shall be:

XXX & 00/100 DOLLARS (\$XXX) paid to Seller or his assigns.

In the event that Tenant exercises his option to purchase the Condominium Unit, the Purchase shall be subject to the following stipulations:

- A. Tenant shall pay all closing costs associated with the purchase of the Condominium Unit including but not limited to Loan Costs, Attorney's Fees, Recording Fees, Inspections, etc.
- B. Seller shall pay the State of Georgia Transfer Tax.
- C. Tenant must close on the Condominium Unit. This Agreement is not assignable, saleable, or transferable by Tenant in any capacity.
- D. Tenant shall receive a credit to the Purchase Price from Seller equal to 25% of all the Rent they have paid under the Lease Agreement referenced above. No monies for additional charges such as water, pet fees, late fees, etc. shall be credited to Tenant.
- E. No Real Estate Brokers shall be paid by Seller on behalf of Tenant.
- F. The cost of this Option shall not be credited to Tenant at the Closing.
- G. Tenant shall be responsible at closing for the Sewer Tap Fee due to the City of Porterdale in the amount of \$2,791.07 for each Condominium Unit. This money is due for the condominium sewer service / tap. This will be part of the Closing Costs paid by Tenant at closing.
- H. The sale of the Condominium Unit shall be "as-is" and Seller shall not provide any warranty to Tenant other than any warranties that are provided by a manufacturer.
- I. In the event that the Lease is ever terminated and Tenant no longer rents the Premises, this Option Agreement shall be null and void and of no further course or effect. The Option Fee paid hereunder shall be non-refundable to Tenant for any reason.
- J. Property Taxes for the year in which the Condominium Unit is sold shall be prorated as of the date of sale.

It should be noted that the Property is currently eligible for a Property Tax Freeze from the State of Georgia and Newton County due to the qualifying historic renovation that was completed in 2006. The Freeze is for 8 years and then the property taxes go to 50% total value for year 9 and 100% full value for year 10 during the phase-in period. The total property taxes for the Property during this freeze are estimated to be approximately \$25,000. This equates to a property tax of approximately \$150 per year for each of the Condominium Units. As comparison, a \$200,000 valuation of a Condo Unit right now in Newton County would have a property tax liability of approximately \$3,000. This program will prove very beneficial to the owners of these units until it phases out.

Tenant:

Landlord:

Seller:

XXX

Porterdale Mill Tenant, LLC

Porterdale Loft Company, LLC

XXX

Walter R. Davis, III
Managing Member

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Managing Member