

OPTION TO PURCHASE and DEVELOPMENT AGREEMENT for (insert address)

This Option to Purchase and Development Agreement (“Agreement”) is between, THE CITY OF MOBILE, (hereinafter "City" or “City of Mobile”), and (NAME HERE) whose address is (ADDRESS HERE) (hereinafter "Developer").

PREAMBLE

WHEREAS, the Developer is interested in acquiring the property as described more specifically in Exhibit “A” of this Agreement (hereinafter the "Property");

WHEREAS, the Property is abandoned and tax-delinquent and, therefore, marketable, insurable title cannot be purchased;

WHEREAS, the City is willing to undertake the legal action necessary to acquire clear title to the Property; and

WHEREAS, the Developer has proposed and intends to develop [and/or rehabilitate] the Property for the purpose of strengthening and revitalizing the community; and

WHEREAS, the City has determined that quieting title to the Property and selling it to the Developer will further the City’s purpose of redeveloping distressed communities; and

NOW, THEREFORE, in consideration of the foregoing premises, it is mutually agreed as follows:

AGREEMENT

1. Grant of the Option. In consideration of \$_____ paid by the Developer to the City, and under the terms more fully described below, the City grants the Developer an exclusive Option to purchase the Property, with all easements, rights, and appurtenances thereon.
2. Contingencies. **This Agreement is contingent on the City obtaining fee simple title to the Property, as determined by an Order of Judgment from the Circuit Court of Mobile County, and recorded with the Probate Court of Mobile County. If for any reason, fee simple title vested in the name of the City is unobtainable, then this Agreement is null and void.**
3. Option Term. This Option terminates fourteen days after the City files an Order of Judgment vesting title to the Property in the name of the City with the Mobile County Probate Court.
4. Consideration. As consideration for the Option, the Developer agrees:
 - a. To pay a City of Mobile Land Bank Administration Fee in the amount of \$_____ to effectuate the intent of this Agreement.
 - i. This fee will be applied, as a Deposit, to the Purchase Price of the Property at closing.

- ii. This fee will be forfeited if the Developer fails to execute a Purchase Agreement for the Property within fourteen (14) days upon the City filing the Order vesting title to the Property to the City of Mobile with the Mobile County Probate Court.
 - iii. Fifty-percent of the fee, or _____, will be refunded to the Developer if the City is unable to obtain title to the Property.
 - b. The Developer shall present a money order, certified check, or cashier's check to the in the amount of \$_____dollars, made payable to the City of Mobile.
5. Developer's Obligations. In addition to the above Consideration, in exchange for the exclusive Option to purchase the Property, the Developer must:
- a. Exercise this Option by executing the Purchase Agreement (attached herein as Exhibit "B") within fourteen (14) days upon the City filing the Order vesting title to the Property to the City of Mobile with the Mobile County Probate Court;
 - b. Occupy, demolish, redevelop or rehabilitate the Property within ___ months from the date of purchase, as more fully described under the terms of the Developer's Bid for the Property in response to the City's Request for Proposal (Exhibit "C") and the Purchase Agreement (Exhibit "B"), attached herein; and,
 - c. Remedy any and all outstanding code violations present at the Property within 90 days from the date of purchase under the terms of the Purchase Agreement attached herein.
6. City of Mobile's Obligations and Warranties. Within ___ days from the execution of this Agreement, the City shall:
- a. Acquire the Tax Deed to the Property from the State Lands Commissioner;
 - b. Perform all due diligence necessary to initiate an Expedited Quiet Title and Foreclosure Action against the Property;
 - c. Initiate and provide legal services necessary to undertake said Expedited Quiet Title and Foreclosure Action.
7. City of Mobile Warranties. Upon acquisition of fee simple title to the Property, the City will sale the Property to the Developer under the terms of the Purchase Agreement attached herein.
8. Property Condition. The Developer has knowledge of the current condition of the premises and agrees to accept the Property "AS-IS". The Developer acknowledges the condition of the Property at the time of the Sale will be unknown. The Developer agrees to accept the Property "AS-IS" at the time of the Closing of the Sale. No warranties, express or implied, are guaranteed as to the condition of the Property by the City.
9. Developers Rights During the Option Term. The Developer has the right to enter the Property to secure, improve, occupy or carry out any action to protect the property from waste. Any cost and/or expense incurred by the Developer in order to protect the property from waste are the sole responsibility of the Developer.
10. Indemnification. The Developer assumes all risk if the Developer chooses to enter the property. The Developer indemnifies and holds harmless the City, its City Council, administrators, agents and employees from any liability for property damage and/or bodily injury as a result of activities in evaluating, occupying and/or securing the structure.
11. Insurance. The City does not and will not carry any property or liability insurance on the Property. The Developer assumes all risk of loss to the Property.

12. Binding effect. This Agreement shall bind and benefit the parties' successors and assigns. The Developer may assign its interest under this Agreement only with written consent from the City.
13. Exhibits. The exhibits attached to this Agreement are hereby incorporated in and made a part of this Agreement.
14. Governing Law. This agreement shall be governed by the State of Alabama laws. Any disputes shall be brought in the courts of the County of Mobile.
15. Effective date. This agreement shall be effective on (month),(day), (year).

[printed name]
DEVELOPER

[printed name]
Mayor, City of Mobile

Exhibits

- A. Legal Property Description**
- B. Purchase Agreement**
- C. Developer's Bid in Response to the RFP**