

TRUST COUNSELORS NETWORK, INC

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**Charitable Installment Bargain Sale Option Agreement
Real Estate**

This CHARITABLE INSTALLMENT BARGAIN SALE OPTION AGREEMENT - REAL ESTATE (the "Agreement") is entered into by and between _____ (hereinafter "Owner") and TRUST COUNSELORS NETWORK, INC. (the "TCN"), having its principal place of business at 190 Bethlehem Pike, Ste. 1 Colmar, PA 18915, effective as of _____, 20__ (the "Effective Date").

WHEREAS, Owner is the owner of the following described property (collectively, the "Property"): That certain real property more particularly described on **Exhibit "A"** attached hereto and made a part hereof for all purposes, together with all privileges and appurtenances thereto and all right, title and interest (including any reversionary interest) now and/or hereafter owned, claimed, held or acquired by Owner, its successors and assigns, in and to (i) the whole or any part of said real property (including, but not limited to, all mineral rights and interests of Owner relating thereto), (ii) any easements, ways, alleys, rights of way, servitudes, surface rights and rights of egress and ingress appurtenant to said real property, (iii) any and all strips, gores or pieces of land abutting, bounding, adjoining, adjacent and/or contiguous to said real property (whether owned or claimed by deed, limitations or otherwise), (iv) any street or road adjacent and/or contiguous to said real property) (collectively, the "Land"); together with (a) all buildings, improvements, fixtures, equipment and personalty and all attendant rights relating thereto now or hereafter placed thereon, as well as all appurtenances, betterments and additions thereto; all and singular the rights, privileges, hereditaments, and appurtenances in any wise incident or appertaining to the Land and/or the improvements thereon, including, without limitation, any and all rights to (1) utilities, utility lines, utility commitments, utility connections, utility capacity, capital recovery charges, impact fees and other fees heretofore paid in connection with same, (2) reimbursements or other rights pertaining to utilities or utility services provided to the Land and/or improvements thereto, (3) the present or future use or availability of waste water facilities, waste water capacity, water, water and storm drainage or other utility facilities to the extent same pertain to or benefit the Land and/or improvements thereon, including, without limitation, all reservations of or commitments or letters covering any such use in the future, whether now owned or hereafter acquired (the "Improvements"), (b) Owner's interest in any reports, studies, environmental reports and studies, materials, correspondence, records, booklets, manuals, keys, security devices, combinations, engineering data, tests, plans, surveys, specifications and similar materials or items of any kind used in connection with the Land or any part thereof and/or the Improvements or any part thereof; (c) all claims, interests, privileges, ordinances, permits, licenses, grants, consents, possessory and prescriptive rights of Owner in, on, over, under, across and through the Land, lands, roads, highways, railroads, canals, channels, waterways, ditches, bridges or structures or elsewhere that affect, relate to or are used in connection with the Land, or any part thereof and/or the Improvements or any part thereof; and (d) Owner's interest in and to any and all warranties, guaranties, leases, contracts and agreements affecting or relating to the Land or any part thereof and/or the Improvements or any part thereof and all security deposits, rents, proceeds, sums, deposits, fees and other income of any nature whatsoever derived from or relating to the Property or any part thereof (to the extent such items are provided and approved by TCN).

WHEREAS, Owner desires to transfer the Property to TCN in order to complete a tax deductible transaction as more particularly described herein; and

WHEREAS, TCN desires to obtain the exclusive option to make a thorough examination and review of the property to determine its suitability for the tax exempt purposes of the TCN, including but not limited to its suitability for liquidation to fund other uses;

NOW, THEREFORE, in consideration of the mutual promises and obligations of the parties hereunder and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed by Owner, Owner does hereby give and grant to TCN or its assigns the exclusive and irrevocable right

and option to exchange the Property (the "Option ") at any time up to and including the date of _____ (the "Option Period"),

1. **Exercise.** At any time during the Option Period, TCN may exercise said Option by giving Owner written notice at any time prior to the date set for exercise thereof (the "Closing Date"). If Owner transfers title to TCN prior to the time that TCN exercises said Option, the Closing Date will be deemed to occur on the date that TCN accepts in writing or otherwise liquidates the Property.

2. **Exchange.** If TCN exercises said Option, Owner shall convey the Property to TCN, and TCN shall pay to Owner in consideration for said transfer the payments as specified in the accompanying Charitable Installment Bargain Sale and Agreement, the terms of which are incorporated herein. Although Owner's tax deduction may be based on the fair market value of the Property less encumbrances, the amount of the payments will be based on the amount TCN receives following liquidation of the Property, net of commissions, encumbrances, fees and costs (the "Liquidation Net"), however, TCN will decline to exercise this Option unless the Liquidation Net would be at least \$_____.

3. **Terms of Installment Sale Upon Exercise of Option.** If TCN elects to exercise the Option, the transfer of the Property shall be completed in accordance with the terms of this Agreement. If TCN exercises the Option and the closing occurs hereunder. Owner agrees to execute, acknowledge and deliver to TCN or TCN's designee at Closing the following, all in form and substance acceptable to TCN, in its sole and absolute discretion) (collectively, the "Conveyance Documents"): (i) General Warranty Deed (the "Deed") which shall convey to TCN or its designee, among other things, the Land subject only to those permitted encumbrances of record and approved by TCN; (ii) General Warranty Blanket Conveyance, Bill of Sale and Assignment of Assets which shall convey to TCN or its designee all of the Property not covered by the Deed; (iii) Non-foreign person affidavit sworn to by Owner as required by Section 1445 of the Internal Revenue Code; (iv) Designation Agreement pursuant to 26 C.F.R. §1.6045-4(e)(5); (v) Affidavit as to no debts, liens or parties in possession; and (vi) such conveyances, assignments, confirmations, consents, evidence or documents as may be reasonably required by TCN, including, without limitation, any documents evidencing the status and capacity of Owner and the authority of the person or persons who are executing the Conveyance Documents and this Agreement on behalf of Owner in connection with the sale of the Property. At the Closing, Owner shall additionally deliver possession of the Property. Real estate, ad valorem or similar taxes for the Property for the year of closing shall be prorated (based on the previous years' taxes if tax statements for the year of Closing are not available), but TCN and Owner shall promptly and equitably adjust such proration when tax statements for the year of Closing become available and such provision shall survive Closing.

4. **Marketing and Listing Right: Access: Power of Attorney.** Owner hereby agrees and grants to TCN the exclusive right during the Option Period to (i) list any of the Property for sale, (ii) to solicit and procure negotiations, offers or prospective purchasers for the purchase of any of the Property, (iii) to market the Property, (iv) negotiate and enter into agreements or contracts for the sale of any of the Property, contingent upon TCN's ability to deliver title to the Property without any of the Not Permitted Title Matters (hereinafter defined) affecting any part of the Property, (v) advertise the property for sale and to enter into a sales contract with a registered real estate agent for no longer than the length of the option, and (vi) make or accept offers or counteroffers in connection with the sale of any of the Property ((i) through (vi), inclusive, collectively the "Marketing").

5. **Preclosing Covenants.** During the Option Period and after Owner has granted TCN permission, TCN shall have the right, personally or through its authorized agents or representatives to enter upon the Property and at its sole cost, to conduct such tests, appraisals, environmental studies, inspections, surveys, and otherwise investigate the Property to determine if the Property is suitable for the purposes of TCN. Such work shall be completed within the term of the Option Period.

If TCN shall, for any reason in TCN's sole discretion, disapprove or shall be dissatisfied with any aspect of the Property or any part thereof, then TCN shall be entitled to not exercise its Option whereupon this Agreement shall

automatically terminate and expire at such time and TCN and Owner shall have no further obligations or liabilities to each other hereunder.

6. **Risk of Loss.** Risk of loss, or damage to any of the Property by fire, windstorm, or other casualty, including but not limited, to water damage and damage by earthquake, during the term of the Option and prior to the time of final settlement in the event that TCN should elect to exercise the Option, shall be borne by Owner.

7. **Default.** If Owner defaults hereunder, TCN may, in addition to its other legal remedies, enforce specific performance of this Agreement.

8. **Closing.** Closing shall take place on the Closing Date at a mutually agreeable title company in the state in which the Property is located.

9. **Pre-Closing Claims.** Owner agrees that TCN's acceptance of title to the Property under the Conveyance Documents will not create any liability on TCN to any third parties that have claims of any kind against Owner in connection with any part of the Property. TCN does not under this Agreement, the Conveyance Documents, nor otherwise, assume or agree to discharge any liability pertaining to the Property or any part thereof that accrued, arose or is attributable prior to the Closing Date. TCN will make no representations and warranties regarding the condition of the property and will convey the Property "AS IS", which may cause a prospective purchaser to obtain additional professional inspections, resulting in purchaser's negotiation for credits at closing or a lower purchase price. This Agreement does not confer any third party benefits on persons not a signatory to this Agreement. Owner shall indemnify and hold TCN harmless from and against and reimburse TCN with respect to, any and all loss, damage, liability, cost, or expense, including, without limitation, reasonable attorneys' fees and court costs, arising out of, by reason of, or in connection with (i) the material breach of any representation or warranty of Owner set forth in this Agreement; and (ii) any action, suit, charge, complaint, proceeding, or other similar matter accruing, attributable, arising out of or in connection with any actions, omissions, transactions or events which occurred on or prior to the Closing Date in connection with the Property or any portion thereof. This provision shall survive the Closing and/or the termination of this Agreement.

10. **Broker.** Owner represents and warrants to TCN that it has dealt with no real estate broker, agent or other such party, nor employed any agents, brokers or other such parties in connection with the transaction contemplated by this Agreement, and Owner agrees that it shall hold the other harmless from and against any and all loss, liability, damage, cost, expense or claims (including, without limitation, reasonable attorney's fees) paid or incurred by TCN by reason of any claim to any broker's, finder's or other fee in connection with the transaction contemplated by this Agreement by any agent, broker or other such parties claiming by, through or under Owner. Owner further agrees that it shall not enter into any agreement with any agent, broker or other similar parties during the pendency of this Agreement. The provisions of this section shall survive the Closing or termination of this Agreement.

11. **No Liens: Clean Title.** Owner hereby represents and warrants to TCN as of the Effective Date and again as of the Closing Date that Owner has the full right, power and authority to sell and convey the Property and to carry out Owner's obligations hereunder, and all requisite action necessary to authorize Owner to enter into this Agreement and to carry out Owner's obligations hereunder has been, or on the Closing Date will have been, taken. Owner further represents and warrants to TCN that on the Closing Date, Owner shall sell and convey good and indefeasible title to the Property to TCN, subject to no liens, assessments, charges, claims, actions, encumbrances or title exceptions of any kind whatsoever other than the Permitted Exceptions (hereinafter defined). The term "Permitted Exceptions" as used herein shall only include those certain matters of record as of the Effective Date and approved by TCN. Notwithstanding anything to the contrary, however, Permitted Exceptions shall not include (i) any proceedings, judgments, security interests, liens, mortgages, deeds of trust, charges, assessments, claims or actions or any impediments that might interfere with TCN's use of the Property or any part thereof, (ii) any

violations of any law, codes, covenants, conditions, ordinances, orders, restrictions, regulations, rules or requirements of any governmental or quasi-governmental authority having jurisdiction over any of the Property, or (iii) any defects, liens, charges, claims, actions, encumbrances or title matters or exceptions created, incurred,

arising or accruing after the Effective Date (the "Not Permitted Title Matters"). In the event that any Not Permitted Title Matters affect any of the Property, Owner hereby agrees to fully release, remove or cure prior to the Closing Date to TCN's satisfaction any Not Permitted Title Matters so that such Not Permitted Title Matters shall not affect title to any of the Property. In the event Owner fails to promptly fully release, remove and/or cure any Not Permitted Title Matters, TCN shall have the right, but not the obligation, to do so at its election and in the event it does so, any and all amounts incurred in connection therewith shall reduce the amount of the Charitable Installment Bargain Sale dollar for dollar. Between the Effective Date and the Closing Date, Owner hereby agrees that there shall have been no adverse change in the condition of any of the Property, reasonable wear and tear excepted, and Owner will not make or permit any change or alteration to any of the Property or any part thereof.

In witness whereof the parties have set forth their signatures below, this Agreement to be effective as of the Effective Date set forth above.

TRUST COUNSELORS NETWORK, INC.

OWNER(s):

By: _____

By: _____

Name: _____

By: _____

Title: _____

NOTARIZATION OF SIGNATURE(S) OF OWNER(S)

State of _____)
)ss
 County of _____)

I, the undersigned, an authorized notary public for die above state, do hereby certify that the above named Owner(s), determined by me to be the same person(s) whose name(s) is (are) subscribed to me foregoing instrument, appeared before me this day in person, and acknowledged having signed said instrument, consisting of _____ () pages, the next page containing the legal description of the subject property included, as said Owner's or Owners' free and voluntary act for the uses and purposes therein set forth. This certification is given under my hand and Notarial Seal this _____ day of _____, 20 ____.

 Notary Public

My Commission Expires: _____

Attach Legal Description to this form and label it Exhibit "A"