

RENOGRATE® OPTION AGREEMENT TO RENOVATE REAL ESTATE BEFORE SALE OF PROPERTY

(Addendum to Real Estate Purchase and Sale Agreement)

Date: _____

Seller Name(s): _____

Seller Address: _____

Buyer Name(s): _____

Buyer Address: _____

Property Address: _____

1. PURPOSE AND GRANT OF OPTION

The Seller grants the Buyer the right to access and control the Property prior to the closing date for the limited purpose of facilitating renovations as agreed upon by the Parties and their contractor, with the objective of achieving the mutually agreed After Renovation Value (ARV) of the Property.

Upon completion of renovations:

- Buyer shall exercise the option to purchase the Property at the agreed ARV.
- A standard Real Estate Purchase and Sale Agreement ("PSA") shall govern the final sale.

Agreed ARV Sale Price: \$_____ USD

2. EARNEST MONEY DEPOSIT (EMD) & ESCROW

The Buyer agrees to deposit the sum of \$_____ USD as Earnest Money, held in escrow by a mutually agreed Title or Escrow Agent. This Agreement becomes binding upon confirmation of receipt of the EMD.

Release & Forfeiture Terms:

- If Buyer fails to close: Buyer forfeits EMD.
- If Seller fails to complete sale post-renovation: Buyer is refunded EMD.
- If both Parties mutually terminate: Seller assumes liability for renovation costs; EMD refunded.

It is suggested that up to 50% of the EMD may be released to the Contractor as a down payment per the Renograte Service Provider Agreement.

3. RENOVATION, PAYMENT, AND APPRAISAL ADJUSTMENTS

Buyer shall pay the full ARV at closing.

- Contractor shall receive payment at closing as per the Renograte Service Provider Agreement.

If the final appraisal is less than the agreed ARV:

- a. Parties may mutually agree to the lower value.
- b. A second appraisal may be requested (requesting party bears cost); the final value shall be the average of both.
- c. Parties may renegotiate terms per the PSA and relevant local laws.

4. MORTGAGE EXPENSE ALLOWANCE (IF APPLICABLE)

Where agreed, Buyer will provide Seller with a mortgage expense allowance of \$_____ USD for ____ month(s), either upfront or at closing, to cover the Seller's holding costs during renovations.

5. RENOGRATE® ROLE, FEES, AND LIABILITY

Renograte LLC shall receive a \$499 USD transaction/administration fee at closing.

Renograte LLC is not a party to this transaction beyond:

- Administrative coordination,
- Connection of Parties to licensed contractors and agents,
- Optional support or recommendations when requested.

Renograte LLC assumes no liability for:

- The condition of the Property,
- Work performed by third-party contractors,
- Any disputes arising from renovations or sale.

Release Clause: The Seller and Buyer hereby release Renograte LLC, its affiliates, contractors, agents, and representatives from any present or future claims related to the condition or transaction of the Property.

6. PROPERTY INSPECTION RIGHTS

Buyer shall have reasonable access to inspect the Property and may hire licensed professionals for inspection, including general, structural, and pest assessments.

Notice of defects must be provided to the Seller within 10 calendar days of inspection report receipt.

7. ACCEPTANCE OF PROPERTY CONDITION

Following completion of this Agreement, Buyer accepts the Property “as-is.” The Seller is not responsible for further improvements, except those included in the agreed renovation scope.

8. BUSINESS PURPOSE AFFIDAVIT

Seller acknowledges that this transaction is conducted for business purposes, with full understanding of the associated risks (e.g., final sale price variance).

Seller acknowledges that they are acting in a business capacity, not as a consumer, and therefore waives any rights under consumer lending laws.

9. REALTOR PARTICIPATION & LISTING AGREEMENT

A licensed Realtor will:

- Execute a pre-sale listing agreement with the Seller,
- List the Property for the ARV post-renovation sale,
- Ensure that the Property cannot be listed at a higher price after renovations without consent from the Parties.

10. LEGAL REVIEW AND ACKNOWLEDGEMENT

Each Party acknowledges that they have had the opportunity to review this Agreement, seek legal advice, and fully understand its terms.

This document represents the full understanding and intent of the Parties regarding the renovation and sale of the Property.

SIGNATURES

Seller Signature: _____ Date: _____

Seller Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

Buyer Signature: _____ Date: _____

Real Estate Agent (Witness): _____ Date: _____

Notes:

This document is intended to be used with a Real Estate Purchase and Sale Agreement and a Renograte Service Provider Agreement.

All parties are encouraged to review with counsel in the governing jurisdiction.