



Down South Equipment Sales, LLC Option Contract

1. Recitals.

Thank you for choosing Down South Equipment Sales, LLC. We are pleased to learn that you are interested in buying a truck or trailer from our inventory.

2. Agreement and Intention.

2.1 **This is not a sales contract.** Down South Equipment Sales, LLC (“Offeror”) of 1139 Sheffield Blvd., Houston, Texas 77015, a seller, offers an option contract (“Option”) to the Prospective Buyer (“Offeree”) and grants a right to Offeree to purchase a truck or trailer (“Unit”) from Offeror’s inventory at a fixed price within a certain time period in exchange for the Offeree’s offer of consideration.

2.2 The parties agree that Offeree accepts this Option to purchase a used Unit.

2.3 **Conditions Precedent.** The parties agree that Offeree’s obligations to perform under this Option arise if Offeror provides written documentation (“Disclosures”) of all information about the Unit within Offeror’s actual knowledge, constructive knowledge, possession, or control.

2.4 The parties intend for Offeree to accept this Option only after Offeree received and read all Disclosures and Offeree expressly disclaims that any representations other than those provided in the Disclosures influenced Offeree’s decision to accept this Option.

Now, therefore, the parties also agree as follows:

3. Terms.

3.1 Option executed on the _____ day of _____, 20____, between Offeror and

Offeree’s Legal Name

Offeree’s Physical Address

Offeree’s Telephone Number

Offeree’s Email Address

3.2 This Option requires Offeror to place a hold on the Unit for five (5) days (“Period”) to the Offeree’s exclusive right to purchase the Unit in



exchange for Offeree’s payment of consideration in an amount equal to \$1,000.00 (“Consideration”). The Period begins on the first day following the execution of this Option by Offeror and Offeree.

- 3.3 Failure of Offeree to remit Consideration within one (1) day following execution of this Option will operate as a condition subsequent to discharge all rights and obligations of Offeror and Offeree under this Option.
- 3.4 Offeror alone identifies and retains title and any security interest in the truck or trailer (“Unit”) to which this Option refers, which is:

Unit VIN

Unit Make, Model, and Year

Unit Body Type

Unit Price (“Price”)

4. Offeror Promises.

Offeror, in consideration of Offeree’s promises, agrees to:

- 4.1 Make Unit available for commercially reasonable inspection at Offeror’s place of business by Offeree or an Offeree agent or representative, at a day and time within the Period requested by Offeree in writing and accepted by Offeror in writing, with expenses of inspection to be borne by the Offeree. Offeree inspection is available at Offeror’s place of business at any reasonable time during the Period and in any commercially reasonable manner.
- 4.2 Offer Offeree a sales contract for the Unit upon complete performance under the terms of this Option and apply 100% of Consideration as a discount to the Price of a sales contract offered.
- 4.3 Issue a refund equal to 20% of Offeree’s Consideration, if Offeree fails to completely perform under this Option, the refund to be delivered to Offeror via check, wire, or Zelle® on or before the 30th day following the last day of the Period.

5. Offeree Promises.

Offeree, in consideration of Offeror’s promises, agrees to:

- 5.1 Complete Unit inspection before 5PM on the last day of the Period, the failure to do so being an express waiver of Offeree’s right to Unit inspection.



- 5.2 Provide Offeror evidence that Offeree submitted a credit application and all required documentation for the Price to one or more reasonable lender or deliver a cashier's check to Offeror to hold in its possession in an amount equal to the Price before 11:59 PM on the last day of the Period, the failure to do so operating to discharge all Offeror obligations set forth in Section 4, Offeror's Promises.

6. Representations and Warranties.

Offeror represents and warranties:

- 6.1 **Warranty of Title and Against Infringement:** Offeror warrants that Unit title offered to be conveyed shall be good upon conveyance and its transfer shall be rightful. The Unit, if delivered subject to a sales contract following this Option, shall be delivered free from any security interest or other lien or encumbrance of which the Offeree at the time of contracting for sale has no knowledge.
- 6.2 **No Implied Warranty of Merchantability:** "Merchantability" means that the Unit is fit for the ordinary purpose for which such goods are used. Offeror expressly disclaims any implied warranty of merchantability in exchange for granting this Option and in exchange for the promises set forth in Section 4, Offeror's Promises, and Section 5, Offeree's Promises.
- 6.3 **No Further Warranties:** There is no warranty that the goods will be fit for a particular purpose
- 6.4 **Representations of Offeror Inspections or Repairs:** Offeror performed only commercially reasonable inspections and repairs, all of which are expressly set forth in Attachment A to this Option. Offeror makes no express or implied representations or warranties about Unit inspection, maintenance, or repair performed by any other person or entity or not expressly set forth on Attachment A to this Option.
- 6.5 Except for the warranties expressly set forth in writing in this agreement, OFFEROR MAKES NO WARRANTY, EXPRESS, OR IMPLIED. ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT EXCEEDS THE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT IS DISCLAIMED BY OFFEROR AND EXCLUDED FROM THE TERMS OF THIS AGREEMENT.

7. Merger Clause.

The parties intend this statement of their agreement to constitute the complete, exclusive, and fully integrated statement of their agreement. As such, it is the sole



expression of their agreement, and they are not bound by any other agreements of whatsoever kind or nature.

The parties have executed this Option via electronic transmission on the day, month, and year first above-written.

Signature of Offeror

Signature of Offeree

Printed Name of Offeror

Printed Name of Offeree



ATTACHMENT A

A.1 Inspections Performed by Offeror, and Not Documented by Disclosures

A.2 Inspections in Progress by Offeror, and Not Documented by Disclosures

A.3 Repairs Performed by Offeror, and Not Documented by Disclosures

A.4 Repairs in Progress by Offeror, and Not Documented by Disclosures

Signatures of Acknowledgment:

Signature of Offeror

Signature of Offeree

Printed Name of Offeror

Printed Name of Offeree