

OPTION TO PURCHASE

THIS AGREEMENT made this _____ day of _____, 20__ between, _____

Optionor, and _____ Optionee.

IN CONSIDERATION (which will be applied toward purchase price/down payment) of the sum \$ _____ paid by Optionee (the receipt of which is hereby acknowledged by Optionor) the Optionor gives to Optionee the exclusive option, right and privilege of purchasing certain Real property located in the township/village/city of _____ County of _____ and State of _____, described as:

Property Address _____

This option is subject to the following terms and conditions:

- 1) Optionor grants Optionee the exclusive right to exercise this option for a period commencing on _____, and terminating at midnight, _____. If not exercised, this option shall expire midnight _____ and Optionor shall be released from all obligations hereunder, legal or equitable. The obligation shall cease and the consideration here above received for the Optionor, shall be retained by Optionor.
- 2) There shall be additional option consideration of \$ _____ per month given by Optionor to Optionee as credit towards purchasing the home. This monthly option consideration shall be credit toward the down payment/purchase price of the above property.
- 3) If Optionee elects to exercise this option the sale shall take place according to the terms of the attached purchase agreement, which has been signed by Optionee and Optionor this e day.
- 4) Notice of election to Purchase shall be given by Optionee in writing, and by first class mail, addressed to Optionor, at: _____ or by a phone call if Optionor has a phone.
- 5) The option consideration is for the sole purpose of granting the OPTIONEE the exclusive right to purchase the subject property at the stated price and terms.
- 6) This option to purchase shall apply to and bind the heirs, executors, and administrator of the respective parties.
- 7) Optionor agrees they will not put any additional liens against property before or during option period. Additional liens would also imply unpaid property taxes, IRS liens, second mortgages, etc.
- 8) Optionee has the right to multiple-list, advertise, or resale this property before or during this option period. Optionor agrees to continue to carry their homeowners insurance during this option period, but will have it changed to a non-owner occupied policy within 3 days of option beginning. If seller does not provide change in insurance within the given period of time, then optionee can get insurance to cover this change, at optionor's expense, and to be taken off following months lease payment – or purchase price, whichever optionee chooses.
- 9) If optionor doesn't pay their mortgage payment, property insurance or tax payments, then the optionee has the right to pay the rental amount directly to either of these parties, versus the seller. If any amount paid to either of these parties exceeds the amount due that month, then the additional amount paid by optionee will be credited at closing to the optionee – with an additional 50% added as credit. (ie. if the rental amount is \$900 and the payment made for mortgage or taxes is \$1000 – then the purchaser would be credited at closing $\$100 + 50 = \150 off the purchase price.

- 10) Should the property become uninhabitable at any point during the lease period the tenant will be released from all rent liabilities until the property is habitable and is re-let. The amount of time that the home is uninhabitable will be the time period that will be added to the attached rental agreement and purchase agreement.
- 11) Time is of the essence in this agreement.

The parties have executed this agreement on the date first above written.

Optionor(s):

Optionee(s):

Witness: _____

Witness: _____