

**Form:**

Option to Purchase

**Description:**

A sample provision giving the tenant the option to buy the property being leased

OPTION TO PURCHASE PROPERTY

THIS AGREEMENT is among \_\_\_\_\_ (“Seller”) and \_\_\_\_\_ (the “Buyer”).

R E C I T A L S

This Agreement is entered into upon the basis of the following facts and intentions of the parties:

- A. Seller owns that certain real property described in Exhibit A hereto (the “Property”).
- B. Buyer desires to obtain an option to purchase the Property from Seller and Seller is willing to grant such an option to Buyer.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

- 1. Option. As of the date hereof, the Seller grants to Buyer an option (the “Option”) to purchase the Property from Seller upon all of the terms, covenants and conditions hereinafter set forth. This option may be recorded at the election of Buyer.
- 2. Consideration for the Option. As consideration for the Option, Buyer shall pay to Seller the sum of \$\_\_\_\_ on the date hereof. In the event this option is exercised, all consideration paid for the Option shall be applied against and be deemed to be a payment upon the purchase price. In the event that Buyer does not exercise the Option, the consideration paid to Buyer for the Option may be retained by Seller without deduction or offset.
- 3. Term and Exercise. Buyer may exercise the Option at any time up to and until \_\_\_\_\_, \_\_\_\_, by giving Seller written notice of his intention to exercise the Option.
- 4. Purchase Price. The purchase price (“Purchase Price”) which Buyer agrees to pay upon exercise of the Option is \_\_\_\_\_ Dollars (\$\_\_\_\_\_) per share, payable in cash.
- 5. Terms. The other terms applicable to the purchase are as follows:  
[describe condition of property; title insurance to be obtained; treatment of deeds of trust and encumbrances; who pays closing costs, etc.]
- 6. Representations and Warranties of Seller. The Seller represents and warrants to the Buyer that:

- (a) The Seller has full power and authority to execute and deliver this Agreement, and this Agreement is a valid and binding agreement enforceable against the Seller in accordance with its terms;

(b) Neither the execution of this Agreement nor the sale of the Property will constitute a violation of, or conflict with, or default under, any contract, commitment, agreement, understanding or arrangement to which the Seller is a party or by which Seller is bound or of any law, decree, or judgment;

(c) Now and up to the time of exercise of the Option, the Seller will have valid title to the Property, free and clear of all claims, liens, charges, encumbrances deeds of trust and security interests other than \_\_\_\_\_;

(d) [Other representations and warranties as appropriate].

7. Cooperation. Each party shall, upon request of the other party, promptly execute and deliver all additional documents reasonably deemed by the requesting party to be necessary, appropriate or desirable to complete and evidence the sale, assignment and transfer of the Shares pursuant to this Agreement.

8. Purchase and Sale. If Buyer exercises the Option, at a closing (the "Closing"), the Seller shall sell, transfer and deliver the Property, represented by appropriate [warranty deed] [quitclaim deed].

9. Survival. All representations, warranties and agreements made by the Seller and by the Buyer in this Agreement shall survive the execution of this Agreement and any Closing and any investigation at any time made by or on behalf of any party hereto.

10. Modification; Assignment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto. Buyer may assign his rights under this Agreement with the consent of Seller.

11. Successors. This Agreement will be binding upon, inure to the benefit of and be enforceable by and against the parties hereto and their respective heirs, beneficiaries, executors, representatives and permitted assigns.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_.

13. Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to its subject matter and supersedes all agreements, understanding, representations, or warranties, whether oral or written, by or among the parties, previously or contemporaneously made or given.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the Buyer and each Seller as of the day and year first written below:

BUYER:

SELLER:

\_\_\_\_\_

\_\_\_\_\_

Consent of Spouse of Seller:

\_\_\_\_\_

Date: \_\_\_\_\_

Exhibit A

Description of Property