OPTION TO PURCHASE REAL ESTATE AGREEMENT

Exclusive Option | Investor Form

1. PARTIES. This Option to Purchase Real Estate Agreement ("Agreement") is made effective as of ______________________, 20____ ("Effective Date"), by and between ____ ("Optionor"), and ____ **and/or assigns** ("Optionee"). Optionor and Optionee are together the "Parties."

2. PROPERTY. Optionor is the owner of the real property located at: Street address: ____, City: _____________________, County: _____________________, State of ______________, ZIP: ____________. Parcel ID: ______________________.
Legal description (attach if lengthy):

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together with all fixtures, improvements, and appurtenances (collectively, the "Property").

3. GRANT OF OPTION. For good and valuable consideration, including the Option Fee described below, Optionor hereby grants to Optionee the **exclusive and irrevocable option** to purchase the Property (the "Option") on the terms stated in this Agreement. During the Option Term, Optionor may not sell, convey, or grant any option or right to purchase the Property to any other person or entity.

4. OPTION FEE. Within ______________ business days after the Effective Date, Optionee will pay Optionor the sum of $______________ ("Option Fee") as consideration for the Option. **The Option Fee is nonrefundable** and is earned by Optionor upon receipt, regardless of whether the Option is exercised. ☐ If checked, the Option Fee will be credited toward the Purchase Price at Closing if the Option is exercised.

5. OPTION TERM. The Option begins on ______________________, 20____ and expires at 11:59 p.m. local time on ______________________, 20____ ("Option Term"), unless exercised before expiration. Optionee may extend the Option Term by ______________ additional days by written notice and payment of an additional extension fee of $______________ before the original expiration date, if this extension right is elected here: ☐ Yes ☐ No.

6. PURCHASE PRICE. If the Option is exercised, the total purchase price for the Property ("Purchase Price") will be *(check one)*:
☐ the fixed sum of $______________________ (____ Dollars); or
☐ determined by the following formula or method:

____

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The Purchase Price is payable in cash or immediately available funds at Closing, subject to credits, prorations, and adjustments stated in this Agreement.

7. EXERCISE OF OPTION; CLOSING. Optionee may exercise the Option at any time during the Option Term by delivering written notice of exercise to Optionor ("Exercise Notice"). Upon delivery of the Exercise Notice, this Agreement becomes a binding contract for the purchase and sale of the Property on the terms stated herein. Closing will occur within ______________ days after the date of the Exercise Notice, at a closing agent designated by Optionee. At Closing, Optionor will convey good, marketable, and insurable title to the Property by □ General Warranty Deed □ Special Warranty Deed, free of liens and encumbrances except easements and restrictions of record that do not impair the use or value of the Property. Real estate taxes, assessments, and utilities will be prorated as of the date of Closing. Optionee may extend Closing by up to ____________ additional days by written notice if reasonably required to complete title or closing matters. The Exercise Notice must be delivered by certified mail, personal delivery, or email with written confirmation of receipt; the general notices provision in Section 14 does not govern delivery of the Exercise Notice. Upon exercise, the purchase will be governed by *(check one)*:

□ the Purchase and Sale Agreement attached as Exhibit B (recommended); or

□ the terms of Sections 6 and 7 of this Agreement, which state the Purchase Price and the closing, title, and proration terms.

8. ASSIGNMENT. Optionee may assign this Agreement and the Option, in whole or in part, to any person or entity without Optionor's consent. Upon assignment and the assignee's assumption of Optionee's obligations, the original Optionee is released from further liability under this Agreement. Optionor acknowledges that Optionee is an investor, may assign this Agreement for a fee or other compensation, and may market its interest in the Option and the Property to prospective assignees during the Option Term.

9. ACCESS, INSPECTION, AND MARKETING. During the Option Term, Optionee and Optionee's agents, contractors, partners, lenders, and prospective assignees may enter and inspect the Property at reasonable times with prior notice, and may conduct inspections, surveys, appraisals, and feasibility studies at Optionee's expense. Optionor authorizes Optionee to advertise and market Optionee's interest in the Property during the Option Term, and to show the Property to Optionee's partners, lenders, contractors, and prospective assignees or purchasers.

10. OPTIONOR COVENANTS. During the Option Term, Optionor will not: (a) sell, convey, transfer, or contract to sell the Property or any interest in it to any person other than Optionee; (b) mortgage, pledge, or otherwise encumber the Property or permit any new lien to attach to it; (c) lease the Property or grant any occupancy right without Optionee's prior written consent; or (d) materially alter or damage the Property. Optionor will maintain the Property in its present condition, ordinary wear excepted, will keep all existing insurance in force, and will keep all mortgage payments, taxes, and assessments current.

11. EXPIRATION. If Optionee does not deliver an Exercise Notice before the Option Term expires, the Option automatically expires, this Agreement terminates, Optionor retains the Option Fee as full and agreed consideration for the Option, and neither Party will have any further obligation to the other, except that Optionee will execute a release of any recorded memorandum as provided in Section 12.

12. MEMORANDUM; RECORDING. At Optionee's election, the Parties will execute a memorandum of this Agreement in recordable form, and Optionee may record the memorandum in the public records of the county where the Property is located to give constructive notice of the Option. If the Option expires or this Agreement terminates without Closing, Optionee will, within ____________ days after written request, execute and deliver a recordable release of the memorandum.

13. DEFAULT; REMEDIES. Optionor acknowledges that the Property is unique and that money damages would be an inadequate remedy for Optionor's breach. If Optionor defaults, Optionee may (a) seek **specific performance** of this Agreement, (b) terminate this Agreement and receive a refund of the Option Fee together with Optionee's documented out-of-pocket costs, or (c) pursue any other remedy available at law or in equity. If Optionee defaults after exercising the Option, Optionor's sole and exclusive remedy is to terminate this Agreement and retain the Option Fee as agreed liquidated damages, the Parties agreeing that actual damages would be difficult to ascertain and that this amount is a reasonable estimate and not a penalty. Optionee's failure to exercise the Option is not a default.

14. MISCELLANEOUS. This Agreement (a) is the entire agreement of the Parties and supersedes all prior negotiations; (b) may be amended only in a writing signed by both Parties; (c) is governed by the laws of the State of ______________; (d) is binding on the Parties and their heirs, successors, and permitted assigns; (e) may be signed in counterparts, and electronic or scanned signatures are effective as originals; (f) time is of the essence; and (g) if any provision is held unenforceable, the remaining provisions continue in effect. Notices must be in writing and may be delivered personally, by certified mail, or by email to the addresses below, and are effective on delivery or transmission.

15. ADDITIONAL TERMS.

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______________________________ OPTIONOR signature Date	______________________________ OPTIONEE signature Date
______________________________ OPTIONOR printed name, phone, email	______________________________ OPTIONEE printed name / entity, phone, email
______________________________ OPTIONOR 2 signature (if applicable) Date	______________________________ OPTIONOR notice address / OPTIONEE notice address (attach)