

## Term sheet for one-year call option on 648 Iowa


For reasons explained [here](#)<sup>1</sup>, I like to track important documents in a version control system. Git/github is my VCS of choice.

This document specifies the terms of a Call option on 648 Iowa, purchased by Josh Thompson from Rodney Jones, the owner.

- purchaser: Josh Thompson, current joint owner of 621 Iowa St, and his wife, Kristin Thompson
- Cost of option: \$5000
- Term: 12 months, starting 01 Nov 2021, until 31 Oct 2022
- Right to buy: Josh Thompson has the right to buy 648 Iowa for the term
- Strike price: \$899,000
- quantity/class:
  - Full ownership of all rights to, or related to, 648 Iowa
  - Tied to Double Net Lease on 648 Iowa at \$2750/mo ([Double Net Lease Contract here](#)<sup>2</sup>)
- expiration: 31 Oct 2022
- settlement terms:
  - When Josh Thompson or an Agent on his behalf tenders \$899,000 to Rodney Jones, Rodney will deliver the asset to Josh Thompson
  - Josh Thompson will cover fees related to sale
  - Both parties will use a transaction broker, or Rodney himself, so there will be no normal multi-percentage-point real estate agent fees

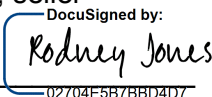
## Signatures

Josh Thompson, purchaser

Signature: 

Date: 2021-11-01

Rodney Jones, seller

Signature:   
02704E5B7BBD4D7...

Date: 11/3/2021

## Notes

<sup>1</sup> <https://github.com/josh-works/til/blob/main/golden/contracts/why-track-contracts-publicly-in-git.md>

<sup>2</sup> <https://github.com/josh-works/til/blob/main/golden/contracts/double-net-lease-648-iowa.md>

I wrote this document to model how Wikipedia defines an option:

*A financial option is a contract between two counterparties with the terms of the option specified in a term sheet. Option contracts may be quite complicated; however, at minimum, they usually contain the following specifications:[8]*

- *whether the option holder has the right to buy (a call option) or the right to sell (a put option)*
- *the quantity and class of the underlying asset(s) (e.g., 100 shares of XYZ Co. B stock)*
- *the strike price, also known as the exercise price, which is the price at which the underlying transaction will occur upon exercise*
- *the expiration date, or expiry, which is the last date the option can be exercised*
- *the settlement terms, for instance whether the writer must deliver the actual asset on exercise, or may simply tender the equivalent cash amount*
- *the terms by which the option is quoted in the market to convert the quoted price into the actual premium – the total amount paid by the holder to the writer*

## Resources

- [Option \(finance\)](https://en.wikipedia.org/wiki/Option_(finance))<sup>3</sup>
- [Term Sheet](https://en.wikipedia.org/wiki/Term_Sheet)<sup>4</sup>

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<sup>3</sup> [https://en.wikipedia.org/wiki/Option\\_\(finance\)](https://en.wikipedia.org/wiki/Option_(finance))

<sup>4</sup> [https://en.wikipedia.org/wiki/Term\\_sheet](https://en.wikipedia.org/wiki/Term_sheet)