

Seller Option to Purchase Real Estate

(Use in combination with a separate lease agreement only!)

THIS AGREEMENT made by and between _____ (hereinafter called "Optionor") and _____, (hereinafter called "Optionee"). The masculine singular pronoun shall be used throughout this Agreement, regardless of the sex or number of parties.

1. **OPTIONED PROPERTY:** Optionor, in consideration of the payment of an option fee under this Option Agreement, and rents paid and faithful performance of Optionee under a Rental Agreement entered into between the parties on this date, hereby grants to Optionee the right and option to purchase the premises below at the termination of the Rental Agreement entered into this date for the terms and subject to the covenants and conditions hereinafter set forth, the following described property: _____
_____. Together with all improvements thereon, all privileges, appurtenances, easements and all fixtures, presently situated in said building except the following: _____
2. **TERM:** The term of this Agreement shall be _____ months beginning on the first day of _____ and ending on the last day of _____, 20____.
3. **OPTION FEE:** Optionee agrees to pay \$_____ as a NON-REFUNDABLE FEE, as consideration for the Optionor to grant the Option to Optionee to purchase the above premises. Simultaneous with the execution of this Option Agreement the Optionee shall deposit the sum of \$_____ with Optionor and agrees to pay _____ on _____, 20____ until the total option fee has been paid in full. If the Optionee maintains the premises in accordance with the rental agreement and pays the monthly rent on or before the first day of each month they receive a \$_____ discount, which discount shall be applied to the non-refundable option fee.
4. **OPTION PRICE:** The option price of the Property shall be determined as follows:
The base price shall be \$_____.
The base price shall increase by the percent change in the Consumer Price Index (CPI-U) of the U.S. Department of Labor from the beginning of the term of this option..The amount obtained in (a) and (b) above shall be the purchase price.
The Option Fee as provided in Paragraph 3 above shall be refunded to the Optionee to be used only as a down payment upon the purchase of the Property, as said Option Fee is NON-REFUNDABLE in the event that Optionee does not exercise the Option and purchase the Property.
5. **REPAIRS AND MAINTENANCE:** Optionee agrees to maintain the lawn, remove snow, repair and /or replace any and all facilities related to the premises, to provide ordinary and customary preventive maintenance, and to maintain the building in good to excellent condition throughout the Term of this Agreement. This includes all walks, drives, electrical, plumbing, bath and kitchen fixtures, appliances, roofing, painting, lawn, landscaping and all exterior and interior items or work required. The costs of such maintenance and repairs shall be allocated as follows:
The costs of repairs, maintenance and improvements, which are less than or equal to \$500.00 per repair shall be paid by Optionee. Optionor agrees to pay for fixing any roof leak, if Optionee immediately notifies Optionor of the roof leak. If Optionee does not notify Optionor immediately of the roof leak, the Optionee shall pay for fixing the roof and all resulting damage to the building, regardless of cost.
The cost of repairs and maintenance in excess of \$500.00 shall be shared equally by Optionor and Optionee, provided that Owner has approved of each expenditure in writing prior to the commencement of any work on the premises, and provided that the work is performed by a reputable contractor.
Notwithstanding the above, the cost of all repairs required as a result of negligence by Optionee or his or her guests shall be paid in full by the Optionee.

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Optionee may only make improvements or modifications to the property upon written approval of the Optionor. Any unapproved improvement or modifications to the property must be removed at Optionee expense within seven (7) days of written notice to Optionee by Optionor.

6. **TERMS OF THE OPTION:** Provided the Optionee has fully paid all the sums due and has performed all other covenants under the Rental Agreement of the same date, and has paid the full Option Price in Paragraph 2, the Optionee may exercise the option to purchase after one year by giving the Optionor sixty (60) days written notice of their intention to exercise the Option. Upon exercise the Optionee agrees to cooperate with the Optionor in affecting a Internal Revenue Code Section 1031 exchange, at no cost to the Optionee. Optionee will arrange their own financing and pay all closing costs connected with the transfer of the property and obtaining the loan, so that the sale or exchange can be completed in sixty (60) days of the exercise of the option. Optionor agrees to deliver a good and sufficient General Warranty Deed conveying a marketable title to said property to the Optionee.

7. BINDING EFFECT: This Option and the agreements contained herein shall be binding upon inure to the benefit of heirs, executors, administrators, successors and assigns of the respective parties.
8. DISCLOSURES: Optionee acknowledges receipt of the "Residential Property Disclosure" statement, the EPA "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards" statement, and the EPA "Protect Your Family From Lead In Your Home" booklet. and understands their contents.
9. MISCELLANEOUS: Optionee agrees that they have examined the title to the Property and found no errors in the title and hereby accepts all assessments and encumbrances upon the property.
10. APPLICABLE LAW: This agreement shall be interpreted according to the Laws of the State of _____.

IN WITNESS WHEREOF, Optionor and Optionee have executed this agreement on the ____ day of _____, 20____.

OPTIONOR

OPTIONEE

OPTIONEE