

Option to Purchase Agreement

This **Option to Purchase Agreement** ("**Agreement**") is entered into as of _____ ("**Effective Date**") by and between the following parties:

Option Grantor

Option Holder

Option Grantor and Option Holder may be collectively referred to as the "**Parties**" and individually as a "**Party**."

WHEREAS, Grantor is the lawful owner of the property described in this Agreement and desires to grant Holder an exclusive option to purchase such property under the terms and conditions set forth herein; and

WHEREAS, Holder desires to obtain the exclusive right, but not the obligation, to purchase the property during the Option Period in exchange for the Option Fee described in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and other valuable consideration exchanged by the Parties, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Grant of Option

Grantor hereby grants Holder an exclusive and irrevocable option to purchase the property described in the Property Description clause of this Agreement during the Option Period and upon the terms stated herein.

The option granted under this Agreement provides Holder with the right, but not the obligation, to purchase the property. Grantor shall not sell, transfer, convey, lease, encumber, or otherwise dispose of any interest in the property during the Option Period in a manner that would interfere with Holder's rights under this Agreement.

2. Property Description

The property subject to this Agreement is described as follows:

Property Information	Details
Property Address	
Legal Description	
Parcel or Identification Number	
Property Type	

The term "**Property**" as used in this Agreement includes all rights, interests, fixtures, improvements, and appurtenances associated with the property unless otherwise stated.

3. Option Fee

In consideration for the option granted herein, Holder shall pay Grantor an option fee of _____ ("**Option Fee**").

The Option Fee shall be paid on or before _____.

Unless otherwise expressly stated in this Agreement, the Option Fee is non-refundable. If Holder exercises the option and completes the purchase of the Property, the Option Fee shall be credited toward the Purchase Price at closing.

4. Option Period

The option granted under this Agreement shall commence on the Effective Date and shall expire at 11:59 p.m. on _____ ("**Option Period**").

If Holder does not properly exercise the option before expiration of the Option Period, the option shall automatically terminate without further action by either Party.

5. Purchase Price

The purchase price for the Property shall be _____.

The Purchase Price shall be payable at closing in accordance with the terms of the Purchase and Sale clause of this Agreement and any applicable closing documents.

6. Exercise of Option

Holder may exercise the option at any time during the Option Period by delivering written notice to Grantor stating Holder's election to purchase the Property.

The exercise notice shall identify the Property and confirm Holder's intent to proceed with the purchase pursuant to this Agreement.

Upon Grantor's receipt of a valid exercise notice, the Parties shall be obligated to proceed with the purchase and sale of the Property in accordance with this Agreement.

7. Purchase and Sale Following Exercise

Upon valid exercise of the option:

- a. Grantor shall sell and convey the Property to Holder.
- b. Holder shall purchase the Property and pay the Purchase Price.
- c. Closing shall occur within [Number] days after exercise of the option unless the Parties agree otherwise in writing.
- d. Each Party shall execute all documents reasonably necessary to complete the transaction.
- e. Title to the Property shall be conveyed free and clear of all liens, claims, encumbrances, and security interests except those specifically disclosed and accepted by Holder.

8. Inspection and Due Diligence

During the Option Period, Holder and its representatives may conduct reasonable inspections, investigations, surveys, environmental reviews, title examinations, and other due diligence activities relating to the Property.

Holder shall conduct such activities in a manner that minimizes interference with the Property and shall comply with applicable laws and safety requirements.

Any physical damage caused by Holder's inspections shall be promptly repaired at Holder's expense.

9. Representations and Warranties of Grantor

Grantor represents and warrants that:

- a. Grantor has full authority to enter into and perform this Agreement.
- b. Grantor is the lawful owner of the Property or possesses sufficient rights to convey the Property.
- c. Grantor has not entered into any agreement that would conflict with the rights granted to Holder under this Agreement.
- d. To Grantor's knowledge, there are no pending actions, claims, or proceedings that would materially affect the Property or Grantor's ability to complete the sale.

These representations shall remain true through closing except to the extent disclosed in writing to Holder.

10. Maintenance of Property

During the Option Period, Grantor shall maintain the Property in substantially the same condition as it existed on the Effective Date, ordinary wear and tear excepted.

Grantor shall not materially alter, damage, or remove improvements from the Property without Holder's prior written consent.

11. Risk of Loss

Grantor shall bear the risk of loss or damage to the Property until closing.

If a material portion of the Property is damaged, destroyed, condemned, or otherwise substantially affected before closing, Holder may elect to terminate this Agreement and receive reimbursement of any portion of the Purchase Price previously paid, excluding the Option Fee unless otherwise required by applicable law or agreed by the Parties.

12. Assignment

Holder may not assign or transfer its rights under this Agreement without Grantor's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.

Any approved assignment shall not relieve Holder of obligations arising before the assignment unless Grantor expressly agrees otherwise in writing.

13. Confidentiality

The Parties shall maintain the confidentiality of the terms of this Agreement and any non-public information exchanged in connection with the contemplated transaction, except where disclosure is required by law, court order, regulatory authority, financing requirements, or professional advisors subject to confidentiality obligations.

14. Default

If Grantor fails to perform any material obligation under this Agreement after Holder has validly exercised the option, Holder may pursue any remedies available under applicable law, including specific performance where permitted.

If Holder validly exercises the option and thereafter fails to complete the purchase without legal justification, Grantor may retain the Option Fee and pursue any other remedies available under applicable law.

15. Termination

This Agreement shall terminate upon the earliest occurrence of:

- a. Expiration of the Option Period without exercise of the option;
- b. Completion of the purchase and sale transaction contemplated by this Agreement;
- c. Written agreement of the Parties to terminate this Agreement; or
- d. Termination pursuant to any express right contained in this Agreement.

Termination shall not affect rights, obligations, or liabilities accrued prior to termination, including obligations intended to survive termination.

16. Notices

Any notice required or permitted under this Agreement shall be in writing and delivered by personal delivery, recognized courier service, certified mail, or electronic mail with confirmation of transmission.

Notices shall be sent to the addresses indicated in the first page of this Agreement.

A notice shall be deemed received on the date of delivery or transmission confirmation.

17. Entire Agreement

This Agreement constitutes the entire understanding between the Parties regarding the subject matter of this Agreement and supersedes all prior discussions, negotiations, understandings, and agreements relating thereto.

18. Amendments

No amendment, modification, or waiver of any provision of this Agreement shall be effective unless made in writing and signed by both Parties.

19. Governing Law and Dispute Resolution

This Agreement shall be governed by and interpreted in accordance with the laws of _____, without regard to conflict of law principles.

The Parties shall attempt in good faith to resolve any dispute arising from or relating to this Agreement through negotiation before initiating legal proceedings.

If a dispute cannot be resolved through negotiation, either Party may pursue available legal remedies in a court of competent jurisdiction.

20. Severability

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions shall remain in full force and effect to the fullest extent permitted by law.

21. Counterparts and Electronic Signatures

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

Electronic signatures and electronic records shall be deemed valid and binding to the extent permitted by applicable law.

Signatures

The Parties acknowledge that they have read, understood, and agree to be bound by the terms of this Agreement.

Option Grantor

Name

Date

Signature

Option Holder

Name

Date

Signature



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