

SAMPLE OPTION CLAUSE FOR LEASE OPTION AGREEMENT

OPTION. An option to purchase ("Option") is granted on the Premises by _____ ("Seller"), to _____ ("Buyer"). Seller, intending to bind Seller, Seller's heirs, successors and assigns, grants to Buyer the exclusive right and option to purchase all of that certain parcel of land, together with all improvements located thereon (collectively, the "Property"), more particularly described as follows:

Street Address: _____, the legal description of which is:

LEGAL DESCRIPTION

on the terms and conditions set forth below:

A. Option Period: This Option shall exist and continue from the date hereof until **12:00 o'clock a.m. (midnight) on _____** ("Option Period"). **TIME IS OF THE ESSENCE WITH RESPECT TO THE OPTION PERIOD AND EXERCISE.**

B. Exercise: At any time during the Option Period, Buyer may exercise this Option by giving Seller a written notice thereof signed by the Buyer, which shall include an executed Purchase and Sale Agreement in the form attached to this Agreement as Exhibit C, which exercise is effective upon (a) hand delivery or (b) prepaid deposit of the notice with an overnight commercial delivery service or in certified mail, return receipt requested, at the following address of the Seller:

_____.

C. Contract Upon Exercise: Upon exercise of this Option, the terms of purchase and sale shall be as set forth in Purchase and Sale Agreement, which is attached as Exhibit C and incorporated herein by reference.

D. Application of Option Money: If this Option is exercised, the Option Money shall be applied to the purchase price at Closing. If this Option is not exercised, the Option Money shall be retained by Seller.

E. Application of Rental Payments: If this Option is exercised, a portion of the rental payments shall be applied to the purchase price at Closing. If this Option is not exercised, all of the rental payments shall be retained by Seller. The rental payments shall be applied to the purchase price, as follows:

\$____.00 of the \$____.00 monthly rental payment will be applied toward the purchase price at closing.

F. **Consideration for Option:** In consideration for the option granted by Seller, by _____, Buyer shall replace the _____ with the specifications on the _____ Proposal attached to this agreement as Exhibit D, or Buyer shall install a new _____ with the specifications and installer to approved by seller submitted on a proposal within 30 days of signed lease or Buyer shall pay Seller \$_____ option fee.