

Option to Purchase

_____, referred to as SELLER, and _____, referred to as OPTION HOLDER, agree:

In consideration of \$____ (_____ & ___/100 dollars), paid by OPTION HOLDER to SELLER, the receipt of which is acknowledged, the SELLER grants to OPTION HOLDER, the exclusive option to acquire the following business: _____, located at _____ for a period of _____ months.

Should the OPTION HOLDER exercise the option, the following assets will be conveyed to OPTION HOLDER by SELLER:

business located at above address, with all inventory and trade names.

OPTION HOLDER may exercise the option by written notice to SELLER, specifying a date for closing which shall be no more than _____ after the notice of intention to exercise.

The option price shall be \$ ____ (_____ & ___/100 dollars) payable as follows:

If, prior to exercise of the option, or during the period between notice of intention to close and closing, any part of the business shall be destroyed or damaged by fire, theft or other peril, the option price shall be reduced in a sum sufficient to compensate OPTION HOLDER for the loss. In the event that there are insurance proceeds to reconstruct the loss and provide for business interruption loss, and SELLER assigns the same to OPTION HOLDER, or SELLER reconstructs the same prior to closing, no abatement of purchase price shall occur.

During the term of the option, the SELLER shall carry on the business in the usual and ordinary manner up to and including the closing date of the sale, and will not enter into any agreements not in the ordinary course of its business. Further, SELLER shall not enter into any unusual agreements or make unusual commitments affecting the operation of the business, without prior approval of OPTION HOLDER.

In no event shall OPTION HOLDER cancel, alter or amend its obligations under the following agreements, nor shall it fail to perform the obligations related to the following agreements:

If OPTION HOLDER exercises its right to purchase, then _____ per cent of the option price shall be applied towards the purchase price.

The parties have negotiated this agreement between themselves, and there are no brokers or agents entitled to compensation. In the event that any brokers or agents seek compensation herein, the parties shall each indemnify the other from any damage, expense including counsel fees, which either may suffer as a result of the claim of a broker or agent, and the party who is determined to have breached this representation shall be responsible for payment of indemnity and the obligation to the broker or other agent.

This writing accurately sets forth the agreement between the parties and this agreement may only be amended in writing signed by both parties.

Dated: _____

Seller

Option Holder

Option to Purchase Review List

This review list is provided to inform you about this document in question and assist you in its preparation. Option agreements are standard in many areas of business. Adapt this one to your purposes.

1. Make multiple copies. Give one to each signatory. Keep one in the relevant transaction file.