**PURCHASE OPTION AGREEMENT**

This agreement dated , is by and between SELLER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and BUYER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for good and valuable consideration for the dwelling located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ under the following terms and conditions.

1. **Option to Purchase:**

Seller grants to Buyer, the right to purchase the above property at any time during the option period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ through \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ said property conditioned upon full compliance by Buyer with the terms of this Agreement.

1. **Price:** The full purchase price shall be $\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at the time the option is exercised.
2. **Exercise of Option:** To exercise the option, Buyer should give written notice to the Seller as soon as possible during the term of this option agreement.
3. **Option Consideration**: Buyer will pay Seller as non-refundable option consideration $\_\_\_\_\_\_\_      for the above residence and it will apply in full to the purchase price if the option is exercised. This consideration was paid on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This consideration is non-refundable.
4. **Extension of Option:** Buyer shall have the further option, on or before the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  to extend the option period for an additional period of \_\_\_\_\_\_ days to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.      There shall only be one such extension under this agreement and notice must be given in writing.
5. **Agreement Binding:** This agreement shall be binding upon the principle parties and their respective heirs, administrators, successors and assigns.
6. **Governing Law:** This agreement and all transactions contemplated, shall be governed by, construed and enforced in accordance with the Laws of the State of Arkansas. In the event of litigation that may arise out of this agreement the parties agree to reimburse the prevailing parties reasonable attorney fees, court costs and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled. In such event, no action shall be entertained by said court or any court of competent jurisdiction if filed for more than one year subsequent to the date the cause(s) of action actually accrued regardless of whether damages were otherwise as of said time calculable.
7. **Closing Costs:** The “closing costs” shall be those costs incurred in conjunction with closing escrow and shall be paid at the close of escrow as follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
8. **Escrow:** Escrow shall be opened with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or any other company of the Buyer’s choosing.

**INITIALS \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_**

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1. **Right of Assignment:** The Buyer shall have the unqualified right to assign, sell, transfer and convey any rights which the Buyer may have in this contract to a third party without written notice. Any assignment will release original Buyer from any liability and will substitute the assignee in his place.
2. **Modification:** Any modification of any portion of this agreement must be made in writing signed by both parties.
3. **References in Wording:** Plural references made to the parties involved in this Agreement may also be singular, and single references may be plural.
4. **Time:** Time is of the essence in this Option Agreement.
5. **Entire Agreement:** As written, this Agreement constitutes the entire agreement between the Buyer and Seller. They have made no further promises of any kind to one another, nor have they reached any other understandings, either written or verbal.
6. **Attorney’s fees:** If either party to this Agreement shall bring a cause of action against the other party for enforcement of the Agreement, the prevailing party shall recover reasonable attorney’s fees involved.
7. **Preparer’s Disclaimer:** All of the undersigned parties in this agreement agree not to hold the preparer of this document liable for any errors, omissions, mistakes or negligence.
8. **Financing Disclaimer:** The parties to this Agreement acknowledge that speculation of availability of financing or assumption of existing loans towards the purchase of the above property is impossible to predict. Therefore, the parties agree that these items shall not be a condition of performance of this Agreement and the parties agree they have not relied upon any representation or warranties by either parties.
9. **Specific Performance:** In addition to the remedies specified above, Buyer may in the event of default by Seller enforce this agreement through an action for specific performance.
10. **Acknowledgment:** The undersigned Seller and Buyer hereby acknowledge that they have read this Agreement, understand it, agree to it and have been given a copy. They further have been advised to seek legal, tax, technical expertise and any other counsel of their choosing concerning this contract prior to signing.

X\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ X\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Seller Date Buyer Date

X\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ X\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Seller Date Buyer Date 2