OPTION TO PURCHASE AGREEMENT

State of Oklahoma

NOTICE: This is a legally binding contract. If not fully understood, seek advice from an attorney before signing.

This Option to Purchase Agreement ("Option Agreement") is made and entered into on this [enter day] day of [enter month] [enter year], by and between:

Owner / Optionor ("Owner"): [enter LLC name]

Owner Address: [enter LLC mailing address]

Tenant / Optionee ("Optionee"): [enter client name]

Second Optionee (if any): [enter second client name, or N/A]

Optionee Address: [enter property address], Tulsa, OK [enter zip]

Premises Address: [enter property address]

City: [enter city] State: Oklahoma Zip: [enter zip]

Subdivision: [enter subdivision / legal description]
Legal: [enter lot and block]
Section: [enter section] Township: [enter township] Range: [enter range]

1. RELATIONSHIP TO LEASE.

This Option Agreement is entered into in connection with a separate Residential Lease between the same Parties for the Premises, dated [enter option start date] (the "Lease"), and with a separate Maintenance Agreement between the same Parties of even date. The Option granted herein is supported by the Option Fee as independent consideration and is a contract separate from the Lease.

The Optionee's right to exercise the Option is conditioned on the Optionee not being in default, and on the Lease remaining in effect, in each case as provided in Section 2 and Section 6 of this Option Agreement. Section 6 governs when and how the Option terminates, and controls over any inconsistent provision of this Option Agreement or the Lease.

The Lease, the Maintenance Agreement, and this Option Agreement are separate contracts. Termination of the Option does not terminate the Lease or limit Owner's rights and remedies under it, including possession and damages. A default under the Lease or the Maintenance Agreement may terminate the Option as provided in Section 6 without terminating the Lease, and nothing in this Option Agreement limits or waives Owner's right to terminate the Lease, or to pursue any other remedy, for a default under the Lease or the Maintenance Agreement. Nothing in this Option Agreement grants the Optionee any right to withhold rent, to offset any amount against rent, or to remain in possession after the Lease terminates.

2. GRANT OF OPTION AND EXERCISE.

A. Grant. Owner grants to Optionee the exclusive option to purchase the Premises (the "Option") during the Option Period defined below, on the terms set forth in this Option Agreement.

B. Option Period — Hard Dates. The Option Period begins on the date the Lease is signed by both Parties, being [enter option start date] ("Option Start Date") (and if the Lease is in fact signed on a different date, the date stated in this subsection controls), and ends at 11:59 p.m. on [enter option end date]

("Option End Date"), which is the last day of the thirty-six (36) month Lease Term. **The Optionee may exercise the Option at any time during this Option Period — that is, at any point from the Option Start Date through the Option End Date — provided that (i) the Optionee is not in default under this Option Agreement or the Lease, and (ii) any unpaid balance of the Option Fee is paid in full at or before closing.**

C. EXTENSION AT OWNER'S DISCRETION.

The Optionee may request in writing, not later than sixty (60) days before the Option End Date, that the Lease and this Option Agreement be extended for one (1) additional term of twenty-four (24) months. Any such extension is granted solely at the Owner's discretion and is not automatic or guaranteed; the Owner is under no obligation to grant it, to state a reason for declining, or to respond at all, and the Optionee has no right to an extension under this Agreement. Owner's silence is a denial.

If, and only if, the Owner agrees in writing to extend, the extension shall take effect upon (i) the Optionee's payment of an **additional non-refundable option fee of $[enter extension option fee]**, and (ii) the Parties signing a written Extension to this Agreement. The purchase price applicable during any extension term, and any other terms of the extension, shall be as stated in that written Extension; if the written Extension does not state a purchase price, the Purchase Price set forth in Section 5 shall apply. So long as the extension has been granted and the Optionee remains in good standing and not in default, the Option shall remain exercisable throughout the granted 24-month extension term. **Any additional option fee paid is fully earned when paid, is non-refundable, and shall not be credited toward the purchase price or any rent.**

Optionee Initials: _______ Owner Initials: _______

D. HOW TO EXERCISE.

To exercise the Option, the Optionee must, during the Option Period (including any granted extension term) and while not in default: (i) deliver written notice of exercise to Owner; and (ii) be current on all rent, Option Fee installments, and other obligations under the Lease, the Maintenance Agreement, and this Option Agreement. For purposes of this Option Agreement, the Optionee is “in default” only where a default has occurred and remains uncured after the expiration of any applicable notice and cure period provided in Section 6.

Notice of exercise shall be given in writing and delivered to Owner at [enter LLC mailing address], or such other address as Owner designates in writing, by (a) certified mail, return receipt requested, or (b) a nationally recognized overnight courier. Notice sent by certified mail is deemed given on the date of mailing as shown by the postmark. No other method of notice, including email, text message, or oral notice, shall be effective. Notices from Owner to the Optionee under this Option Agreement, including any notice of default under Section 6, shall be in writing and given by (a) hand delivery to the Optionee, (b) certified mail, return receipt requested, or first class mail, addressed to the Optionee at the Premises or at such other address as the Optionee designates in writing, or (c) posting a copy in a conspicuous place at the Premises, and shall be deemed given on the date of hand delivery or posting or, if mailed, on the date of mailing. Time is of the essence as to the Option End Date and all other dates in this Agreement.

Closing. Closing shall occur within sixty (60) days after the date the notice of exercise is deemed given, at a title company or closing agent selected by Owner. Owner and Optionee may extend the closing date only by written agreement. A notice of exercise validly given on or before the Option End Date remains effective notwithstanding the subsequent expiration of the Lease term, and this Option Agreement shall continue in effect after that expiration for the sole purpose of completing the closing. If the Lease term expires after a valid exercise and before closing, the Optionee may remain in possession as a month-to-month tenant on the terms of the Lease, at the same rent, until the closing date or the earlier termination of the Option.

Financing; one-time withdrawal. The exercise of this Option is not contingent upon the Optionee obtaining financing or upon any appraisal, inspection, or sale of other property, except as expressly provided in this paragraph. If, after exercising the Option, the Optionee is unable to obtain financing sufficient to close, the Optionee may withdraw the notice of exercise one time only by delivering to Owner, in the manner required above and within forty-five (45) days after the date the notice of exercise is deemed given, (i) a written withdrawal and (ii) a written denial of a mortgage loan application issued by an institutional lender and dated after the notice of exercise. Upon a valid withdrawal: the Option Fee and all other sums paid remain fully earned and non-refundable; the Lease continues in effect according to its terms; this Option Agreement remains in effect for the remainder of the Option Period; and the Optionee may not deliver another notice of exercise for one hundred eighty (180) days following the withdrawal, and in no event after the Option End Date. Optionee shall reimburse Owner, within thirty (30) days of demand, for Owner's documented out-of-pocket title, escrow, and closing costs incurred in reliance on the withdrawn notice. Any failure to close that does not meet every requirement of this paragraph is governed by the next paragraph.

Failure to close. If the Optionee fails to close within the sixty-day period for any reason other than Owner's default or a valid withdrawal under the preceding paragraph, the Option and this Option Agreement shall terminate, the Option Fee and all other sums paid shall be forfeited, and the Optionee shall have no further right to purchase the Premises; the Lease shall continue in effect according to its terms unless Owner elects otherwise in writing.

Conveyance and costs. Owner shall convey the Premises by special warranty deed, warranting title only against claims arising by, through, or under Owner and not otherwise, and subject to all easements, restrictions, reservations, mineral severances, and encumbrances of record, and to any matters that would be disclosed by an accurate survey. The Premises shall be conveyed AS IS, WHERE IS, in its condition as of the closing date, with no warranty of condition, habitability, or fitness, and with the Optionee acknowledging that it has occupied and maintained the Premises. Ad valorem taxes shall be prorated as of the closing date. Optionee shall pay all closing costs, including the closing or escrow fee, the premium for any owner's title insurance policy and any lender's policy, all lender and loan-related charges, recording fees, and its own attorney fees; Owner shall pay only the documentary stamp tax and the cost of preparing the deed.

Rent until closing. Optionee shall continue to pay rent and all other sums due under the Lease through the closing date. No rent paid before closing shall be credited toward the Purchase Price or refunded.

3. OPTION FEE.

In consideration of this Option, Optionee shall pay Owner a one-time **Option Fee of $[enter total option fee]**, payable as follows:

(a) $[enter amount due at signing] due and payable on [enter signing date]; and

(b) the remaining $[enter remaining option fee balance] in twenty-four (24) consecutive monthly installments of $[enter monthly installment] each, except that the twenty-fourth (24th) installment shall be $[enter final installment], with the first installment due on [enter first installment due date] and each subsequent installment due on the first day of each month thereafter until paid in full.

Option Fee installments are separate from and in addition to all rent and other charges due under the Lease. No portion of any Option Fee installment shall be characterized, applied, or credited as rent, and no portion of any rent payment shall be applied to the Option Fee. Owner shall apply payments first to rent and other Lease obligations, and only amounts designated in writing by Optionee and exceeding all sums then due under the Lease shall be applied to the Option Fee.

The Option Fee is **fully earned when paid and is NON-REFUNDABLE** under any circumstances, including expiration, termination, or non-exercise of the Option, except as expressly provided in Section 6(D) (casualty or condemnation). If the Option is exercised before the full Option Fee has been paid, the entire unpaid balance shall be due and payable at closing in addition to the Purchase Price, and shall not be credited toward the Purchase Price.

Failure to pay any Option Fee installment within ten (10) days of its due date is a default under this Option Agreement, but is not by itself a default under the Lease.

4. NO CREDIT; NO EQUITY; NO OWNERSHIP INTEREST.

A. The Option Fee shall NOT be credited toward the Purchase Price and shall NOT be construed as a down payment, earnest money, equity, or an installment of the Purchase Price. No portion of any rent paid under the Lease shall be credited toward the Purchase Price or treated as an equity payment.

B. Until the Option is validly exercised and the sale is closed, the Optionee holds only a leasehold interest under the Lease and a contractual right to purchase under this Option Agreement. The Optionee acquires no legal title, no equitable title, no equitable interest, no vendee's interest, and no ownership or equity interest of any kind in the Premises. The Parties intend that this transaction be a lease with an option to purchase and not a contract for deed, installment land contract, deed of trust, mortgage, equitable mortgage, or other security or financing arrangement, and agree that the Optionee has no right to possession of the Premises other than as a tenant under the Lease.

C. The Optionee acknowledges and agrees that: (i) the Option Fee purchases only the right to buy the Premises and buys no interest in the Premises itself; (ii) the Optionee will have no equity in the Premises regardless of the amount paid under the Lease, this Option Agreement, or the Maintenance Agreement, or the length of occupancy; (iii) the Optionee may pay the full Option Fee and all rent for the entire term and still own nothing if the Option is not exercised and closed; and (iv) the Optionee has been advised to consult an attorney of the Optionee's own choosing before signing.

D. Improvements. All repairs, maintenance, replacements, fixtures, and improvements made to the Premises by or at the direction of the Optionee, whether required by the Maintenance Agreement or made voluntarily, become part of the Premises and the property of the Owner upon installation. The Optionee shall have no claim for reimbursement, offset, lien, or compensation of any kind for their cost or value, whether at closing, upon termination of the Option or the Lease, or otherwise, and waives any claim for unjust enrichment arising from them.

E. Taxes and insurance. Owner shall pay all ad valorem property taxes on the Premises and shall maintain property insurance on the structure, in each case until closing. The Optionee shall maintain renter's insurance covering the Optionee's personal property and liability, and shall not obtain or maintain any homeowner's policy or any insurance naming the Optionee as an owner of the Premises.

Optionee Initials: _______ Owner Initials: _______

5. PURCHASE PRICE.

If the Option is exercised, the total purchase price for the Premises shall be **$[enter purchase price]** (the "Purchase Price"). This price is fixed as of the date of this Option Agreement and does not change based on the market value of the Premises at the time of exercise.

6. VOID ON DEFAULT.

A. Monetary default. If the Optionee fails to pay rent, any Option Fee installment, or any other sum due under the Lease, the Maintenance Agreement, or this Option Agreement within ten (10) days of its due date, and fails to cure within ten (10) days after Owner delivers written notice of the delinquency, the Option shall terminate, and the Option Fee and all other sums paid shall be forfeited.

B. Non-monetary default. If the Optionee commits a material breach of the Lease, the Maintenance Agreement, or this Option Agreement, and fails to cure within thirty (30) days after Owner delivers written notice describing the breach, the Option shall terminate and all sums paid shall be forfeited. If the breach is of a nature that cannot reasonably be cured within thirty (30) days, the Option shall not terminate so long as the Optionee begins the cure within that period and pursues it diligently to completion.

C. Immediate termination without cure. The Option shall terminate **immediately and without notice or opportunity to cure** upon any of the following: (i) three (3) or more occasions within any twelve-month period on which rent, an Option Fee installment, or any other sum due is not paid within ten (10) days after its due date, whether or not later cured; (ii) abandonment of the Premises; (iii) any assignment or sublease in violation of the Lease, or any transfer of this Option in violation of Section 7; (iv) use of the Premises for any unlawful purpose, or the manufacture, distribution, or storage for distribution of any controlled substance on the Premises; (v) intentional or grossly negligent damage to the Premises; (vi) the filing of a forcible entry and detainer action against the Optionee that results in a judgment for possession in favor of Owner; or (vii) any material misrepresentation by the Optionee in connection with the Lease or this Option Agreement.

D. Effect of termination of the Lease. Termination or expiration of the Lease ends the Option, except that the Option shall not terminate by reason of (i) Owner's termination of the Lease without cause, (ii) Owner's own material breach of the Lease, or (iii) termination of the Lease due to casualty or condemnation not caused by the Optionee. In addition, expiration of the Lease term following a valid notice of exercise delivered on or before the Option End Date does not end the Option; in that case the Option and this Option Agreement remain in effect until the closing is completed or the Option otherwise terminates under this Section. If the Lease terminates due to casualty or condemnation, the Option shall be suspended and the Parties shall, within sixty (60) days, either reinstate the Option on written terms reflecting the changed condition of the Premises or terminate this Option Agreement, in which case Owner shall refund the Option Fee paid, without interest. If the Optionee holds over and Owner consents to a month-to-month tenancy, the Option shall continue through the Option End Date so long as the Optionee is not in default.

E. Remedies cumulative; obligations on termination. Termination of the Option does not limit any of Owner's rights or remedies under the Lease, including possession and damages, and does not by itself terminate the Lease. Upon termination of the Option, the Optionee's obligation to pay any remaining Option Fee installments ceases, and all Option Fee amounts already paid remain fully earned and non-refundable, except where subsection D requires a refund.

7. NO ASSIGNMENT.

A. The Option is personal to the Optionee and may not be assigned, sold, transferred, pledged, or encumbered without Owner's prior written consent, which may be withheld in Owner's sole and absolute discretion. A prohibited transfer includes designating a nominee or substitute purchaser, directing that title be conveyed at closing to anyone other than the Optionee named in this Agreement, and contracting to sell the Premises or any interest in this Option to a third party. At closing, Owner shall convey title only to the Optionee named in this Agreement. Any purported transfer in violation of this Section is void and terminates the Option under Section 6(C)(iii).

B. The Optionee shall not record this Option Agreement, any memorandum of it, or any other notice or instrument referencing it, in the records of any county clerk or other public office, and shall not file any lien or lis pendens against the Premises. Recording or filing in violation of this subsection is a material breach, terminates the Option immediately, and entitles Owner to recover its costs and reasonable attorney fees in clearing title.

C. Owner may sell, transfer, mortgage, refinance, or encumber the Premises at any time without the Optionee's consent, provided any conveyance of fee title is made subject to this Option Agreement. At closing, Owner shall pay or release all mortgages and monetary liens created by Owner from the sale proceeds.

8. ATTORNEY FEES.

In any legal action or proceeding brought to enforce this Option Agreement, the prevailing party may recover, in addition to all other relief, reasonable attorney fees and costs as set by the court.

9. MEDIATION AND BINDING ARBITRATION.

A. Covered Disputes. Except as provided in subsection D, any claim, dispute, or controversy arising out of or relating to this Option Agreement, its breach, termination, enforceability, or the Parties' relationship under it — including any claim that this transaction constitutes a contract for deed, installment land contract, equitable mortgage, or other security arrangement — shall be resolved exclusively by mediation and, if mediation does not resolve it, by binding arbitration.

B. Mediation First. Before commencing arbitration, the Party asserting a claim shall deliver written notice of the dispute to the other Party, and the Parties shall participate in good faith in non-binding mediation before a mediator located in Tulsa County, Oklahoma, mutually selected by the Parties. If the Parties cannot agree on a mediator within fifteen (15) days of the notice, either Party may request appointment of a mediator by the Early Settlement Program or a recognized mediation organization serving Tulsa County. The Parties shall share the mediator's fees equally. Completion of mediation, or the passage of forty-five (45) days from the notice of dispute without mediation having occurred through no fault of the Party asserting the claim, is a condition precedent to arbitration. All applicable limitations periods are tolled from the date of the notice of dispute until the conclusion of mediation.

C. Binding Arbitration. Any dispute not resolved by mediation shall be submitted to binding arbitration before a single arbitrator, conducted in Tulsa County, Oklahoma, and governed by the Federal Arbitration Act to the extent applicable, and otherwise by the Oklahoma Uniform Arbitration Act, 12 O.S. § 1851 et seq. The arbitrator shall be an attorney licensed in Oklahoma with substantial experience in real estate or landlord-tenant matters, mutually selected by the Parties; if the Parties cannot agree within thirty (30) days, the arbitrator shall be appointed by the American Arbitration Association under its applicable rules, or by a court of competent jurisdiction. The arbitrator shall apply Oklahoma substantive law, shall have authority to award any relief available in a court of law or equity including specific performance, and shall issue a reasoned written award.

D. Proceedings Not Covered. The following may be brought by either Party in a court of competent jurisdiction and are not subject to mediation or arbitration: (i) any action for forcible entry and detainer or for possession of the Premises, and the giving of any notice to quit, notice to vacate, or notice of default; (ii) any claim within the jurisdictional limit of the small claims division; (iii) any application for a temporary restraining order, preliminary injunction, or other provisional remedy to prevent waste, damage to, or unauthorized transfer or encumbrance of the Premises, pending mediation or arbitration; (iv) any action to compel arbitration, or to confirm, vacate, modify, or enforce an arbitration award; and (v) any interpleader action by a title company or closing agent. Commencing or participating in any proceeding under this subsection does not waive either Party's right to mediate or arbitrate any other dispute.

E. Fees and Costs. Owner shall advance the arbitrator's compensation and the arbitration organization's administrative fees to the extent those fees exceed the filing fee the Optionee would pay to commence a comparable action in the District Court of Tulsa County. Each Party shall otherwise bear its own costs, subject to the arbitrator's authority to award the prevailing Party its reasonable attorney fees and costs as provided in Section 8 of this Option Agreement.

F. Award. The arbitrator's award shall be final and binding, and judgment on the award may be entered in any court of competent jurisdiction. The Parties intend that review of the award be limited to the grounds stated in the governing arbitration statute.

G. Confidentiality. The mediation, the arbitration, and the award shall be confidential, except as necessary to enforce the award, to comply with law, or in connection with the sale or financing of the Premises.

H. WAIVER OF JURY TRIAL. THE PARTIES UNDERSTAND THAT BY AGREEING TO BINDING ARBITRATION THEY ARE GIVING UP THE RIGHT TO HAVE COVERED DISPUTES DECIDED BY A JUDGE OR JURY, AND GIVING UP THE RIGHT TO APPEAL EXCEPT ON THE LIMITED GROUNDS PERMITTED BY LAW. EACH PARTY HAS HAD THE OPPORTUNITY TO CONSULT COUNSEL OF ITS OWN CHOOSING BEFORE AGREEING TO THIS SECTION.

I. Survival. This Section survives the exercise, expiration, or termination of the Option and the closing of any sale. If any part of this Section is held unenforceable, the remainder shall be enforced, except that if the reservation in subsection D of the right to litigate possession and the other matters listed in that subsection is held unenforceable, this entire Section shall be void.

Optionee Initials: _______ Owner Initials: _______

10. SEVERABILITY.

If any provision of this Option Agreement is held invalid or unenforceable, that provision shall be modified to the minimum extent necessary to make it enforceable, or if it cannot be so modified, severed. The remaining provisions shall continue in full force and effect.

11. GOVERNING LAW AND FORUM.

This Option Agreement is governed by the laws of the State of Oklahoma. Any legal action arising out of or relating to this Option Agreement shall be brought in the Oklahoma state court for the county in which the Premises is located, or a federal court having jurisdiction over that county.

12. ENTIRE AGREEMENT.

This Option Agreement, together with the referenced Lease and the Maintenance Agreement of even date, constitutes the entire agreement between the Parties regarding the option to purchase. No other promises or representations have been made. Any modification must be in writing and signed by both Owner and Optionee.

Optionee Initials: _______ Owner Initials: _______

The undersigned acknowledge that they have read and understand this Option Agreement, have received a copy, and enter into it of their own free will, understanding that the Option Fee is non-refundable and does not convey any ownership interest in the Premises.

Signatures

____

Optionee Signature

Printed Name:_________________________ Date:___________

____

Owner / Optionor Signature (as Manager of [enter LLC name])

Printed Name: _________________________ Date:___________

____

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss
COUNTY OF ________________)

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of [enter month], [enter year], personally appeared [enter client name], to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that [he/she] executed the same as [his/her] free and voluntary act and deed for the uses and purposes therein set forth; and personally appeared _________________________, to me known to be the identical person who subscribed the name of [enter LLC name], an Oklahoma limited liability company, to the foregoing instrument as its Manager, and acknowledged to me that such person executed the same as such person's free and voluntary act and deed, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year above written.

____
Notary Public

My Commission Expires___________________ (Seal)

____

Optionee Initials: _______ Owner Initials: _______