

# OPTION TO PURCHASE AGREEMENT

**THIS IS AN OPTION TO PURCHASE AGREEMENT** dated this \_\_\_\_\_ day of \_\_\_\_\_, 201\_ by and between \_\_\_\_\_ the note owner (hereinafter called "**OWNER**") whose address is \_\_\_\_\_ and \_\_\_\_\_ the note buyer (hereinafter called "**BUYER**") whose address is \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ for the purchase by BUYER of a certain MORTGAGE held by OWNER. It appears that OWNER is the owner and/or creator of a FIRST MORTGAGE (*Mortgage / Deed of Trust / Contract for Deed*) (hereinafter called "MORTGAGE"), which secures a promissory NOTE in the original amount of \$ \_\_\_\_\_ herein called "NOTE"), copies of which NOTE and MORTGAGE are attached hereto and incorporated herein on the property located at \_\_\_\_\_. It also appears that the OWNER desires to transfer and assign the MORTGAGE and NOTE to BUYER upon the terms and provisions more specifically set forth herein. Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

**Sale And Consideration.** For legal and valuable consideration given and hereby received, the OWNER hereby agrees to sell and/or assign \_\_\_\_\_ monthly payments of \$ \_\_\_\_\_ of the MORTGAGE and **ALL** of the balloon NOTE, beginning with the first payment due 30 days after closing to BUYER for the sum of \$ \_\_\_\_\_. OWNER hereby acknowledges the option price is subject to receipt, review and approval by BUYER of all required documentation. OWNER acknowledges that BUYER will require as a condition to its exercising this option the following:

1. Satisfactory appraisal of the real estate described above by a nationwide appraisal service with a value of at least \$ \_\_\_\_\_. In the event the appraised value is less than OWNER represents then OWNER agrees to an adjusted note purchase price.
2. Proof of property's hazard insurance with a value equal to or greater than the remaining note balance,
3. Satisfactory review of MORTGAGOR'S credit report.
4. Title Insurance – Owner's Policy

**Exclusivity.** OWNER hereby grants BUYER and/or assigns the exclusive right to purchase the NOTE and MORTGAGE. Any payments on the NOTE received by the OWNER during the term of this Agreement or any extension thereof will be credited to the cash required of BUYER at closing and deducted from the OWNER'S proceeds. If BUYER has not exercised this option within forty five (45) days from the in-office receipt by BUYER of all required documentation, then OWNER may extend or cancel this option.

**Remedy For Payment Default.** In the event the Borrower fails to make the first payment due to the Purchaser within thirty (30) days of the payment due date, regardless of whether such payment is subsequently paid by the Borrower, the Buyer, at its sole and absolute discretion, shall have the right to have the Seller repurchase said Note(s) at the repurchase price of the unpaid balance plus accrued interest, less the escrow balance.

**Remedies For Breach.** Should OWNER refuse to close this transaction and BUYER is ready, willing and able to purchase the Note, then BUYER may elect a remedy that includes, but is not limited to specific performance, 15% liquidated damages, actual damages or combination thereof permitted by law.

**Time And Binding Effect.** Time shall always be of the essence and this Agreement shall inure to and be binding upon the respective heirs, representatives, successors and assigns of the parties hereto.

**The parties hereto have set their hands and seals the day and date above written, each with the interest to be legally bound.**

**NOTE BUYER:**

Signature \_\_\_\_\_

Date: \_\_\_\_\_

**NOTE OWNER:**

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Note: This document is being sent Via Fax: We recognize a fax signature as legal and binding.