

# STANDARD OPTION TO PURCHASE

Irrevocable Right-to-Buy

**NOTE:** This form is used by a leasing or sales agent when offers to rent or buy a property include a purchase option exercisable without extensions, to prepare an option as an irrevocable offer to sell with a price and terms for payment exercisable during a single period as an attachment to a lease agreement or an offer to grant an option.

**DATE:** \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, California.

*Items left blank or unchecked are not applicable.*

**1. OPTION MONEY:**

Optionor herewith receives from Optionee option money in the amount of \$\_\_\_\_\_, evidenced by:  
 cash,  check, or  \_\_\_\_\_, given in consideration for this option to purchase real property.

**2. REAL PROPERTY UNDER OPTION:**

Address \_\_\_\_\_

Legal description/Assessor's parcel number \_\_\_\_\_

**3. ADDITIONAL CONSIDERATION:**

As further consideration for this option, Optionee is to obtain at their expense and deliver to Optionor prior to expiration % of this option the following checked items regarding the property:

- |  |   |
|--|---|
| <input type="checkbox"/> Property survey report by licensed California surveyors | <input type="checkbox"/> Off-site improvement plans               |
| <input type="checkbox"/> Architectural plans and specifications                  | <input type="checkbox"/> Soil engineer's report                   |
| <input type="checkbox"/> On-site engineering plans                               | <input type="checkbox"/> Land use study                           |
| <input type="checkbox"/> Zoning ordinance request                                | <input type="checkbox"/> Application for a conditional use permit |
| <input type="checkbox"/> Application for a parcel map or waiver                  | <input type="checkbox"/> _____                                    |

**4. OPTION PERIOD:**

Optionor hereby grants to Optionee the irrevocable option to purchase the Optionor's right, title and interest in the property on the terms stated, for a period commencing with the acceptance of this option and expiring \_\_\_\_\_, 20\_\_\_\_, or  on termination of Optionee's leasehold interest in the property.

**5. EXERCISE OF OPTION:**

Optionee may exercise this option during the option period by:

- 5.1 Signing escrow instructions identical in provisions to those attached as **Exhibit A** and delivering the instructions to escrow [See **RPI Form 401**];
- 5.2 Depositing cash in escrow of \$\_\_\_\_\_; and
- 5.3 Delivering an escrow-certified copy of the signed escrow instructions to Optionor within the option period, in person or by both certified and regular mail.

**6. ESCROW CONTRACT:**

In the event this option is exercised, the transaction will be escrowed with \_\_\_\_\_.

- 6.1 Escrow will close within \_\_\_\_\_ days after exercise.

**7. DELIVERY OF TITLE:**

On Optionee's exercise of this option, Optionor will timely place all documents and instruments into escrow required of the Optionor as necessary for escrow to close as scheduled.

**8. BROKERAGE FEE:**

Optionor agrees to pay a brokerage fee of \$\_\_\_\_\_, or \_\_\_\_\_% of the selling price, IF:

- 8.1 This option is exercised;
- 8.2 Within one year after expiration of option period and any extension or renewal, Optionor enters into an agreement to option, sell, lease or exchange with Optionee, or their assigns or successors; or
- 8.3 Optionor wrongfully prevents the exercise of this option:
- 8.4 Fee payable to Broker(s) \_\_\_\_\_,
- 8.5 Optionor and Optionee acknowledge receipt of the Agency Law Disclosure. [See **RPI Form 305**]

**9. SALE TERMS:**

Price of \$\_\_\_\_\_ payable as follows:

- 9.1  All cash.
  - 9.2 Cash down payment in the amount of \$\_\_\_\_\_.
  - 9.3  Take title subject to, or  Assume, an existing first trust deed note held by \_\_\_\_\_, with an unpaid principal balance of \$\_\_\_\_\_, payable \$\_\_\_\_\_ monthly, including interest not exceeding \_\_\_\_\_%,  ARM, type \_\_\_\_\_, plus a monthly tax/insurance impound payment of \$\_\_\_\_\_.
- a. At closing, loan balance differences per beneficiary statement(s) to be adjusted into:  
 cash,  carryback note, or  sales price. [See **RPI Form 415**]
  - b. The impound account to be transferred:  charged, or  without charge, to Optionee.

- 9.4  Take title subject to, or  Assume, an existing second trust deed note held by \_\_\_\_\_, with an unpaid principal balance of \$ \_\_\_\_\_, payable \$ \_\_\_\_\_ monthly, including interest not exceeding \_\_\_\_\_%,  ARM, type \_\_\_\_\_, due \_\_\_\_\_, 20\_\_\_\_.
- 9.5 A note for the balance of the purchase price in the amount of \$ \_\_\_\_\_ to be executed by Optionee in favor of Optionor and secured by a trust deed on the property junior to the above referenced financing, payable \$ \_\_\_\_\_ monthly, or more, beginning one month after closing, including interest at \_\_\_\_\_% per annum from closing, due \_\_\_\_\_ years after closing.
- a. This note and trust deed to contain provisions to be provided by Optionor for:  
 due-on-sale,  prepayment penalty,  late charges,  \_\_\_\_\_
- b.  The attached Financial Disclosure Statement is an addendum to this agreement (mandatory on four-or-less residential units). [See **RPI Form 300**]
- c.  Optionee to provide a Request for Notice of Default and Notice of Delinquency to senior encumbrancers. [See **RPI Form 412**]

**10. GENERAL PROVISIONS:**

- 10.1  **See attached addendum for additional provisions.** [See **RPI Form 250**]
- 10.2 Attached as addenda are the following checked disclosures mandated on four-or-less residential units:
- a.  Condition of Property Disclosure — Transfer Disclosure Statement (TDS) [See **RPI Form 304**]
- b.  Natural Hazard Disclosure Statement [See **RPI Form 314**]
- c.  Disclosure of Sexual Predator Database [See **RPI Form 319**]
- d.  Hazard Disclosure Booklet, and related Optionor disclosures, containing Environmental Hazards, Lead-based Paint and Earthquake Safety [See **RPI Forms 313 and 315**]
- e.  Documentation on any Homeowners' Association (HOA) involved. [See **RPI Form 309**]
- f.  Notice of Supplemental Property Tax Bill [See **RPI Form 317**]
- 10.3 Possession of the property to be delivered on:  
 close of escrow, or  see attached Occupancy Agreement. [See **RPI Forms 271 and 272**]
- 10.4 Both parties reserve their rights to assign, and agree to cooperate in effecting an Internal Revenue Code §1031 exchange prior to close of escrow, on either party's written notice.

**11. EXPIRATION OF OPTION:**

This offer to sell will be deemed expired if not accepted by exercise during the option period.

- 11.1 This option contract will automatically terminate by expiration on \_\_\_\_\_, 20\_\_\_\_.

<p><b>OPTIONOR'S BROKER:</b> _____</p> <p>Broker's CalBRE #: _____</p> <p>Buyer's Agent: _____</p> <p>Agent's CalBRE #: _____</p> <p>Signature: _____</p> <p>Is the agent of:     <input type="checkbox"/> Optionor exclusively                                  <input type="checkbox"/> Both Optionor and Optionee.</p> <p>Address: _____</p> <p>Phone: _____ Cell: _____</p> <p>Email: _____</p>	<p><b>OPTIONEE'S BROKER:</b> _____</p> <p>Broker's CalBRE #: _____</p> <p>Agent's Name: _____</p> <p>Agent's CalBRE #: _____</p> <p>Signature: _____</p> <p>Is the agent of:     <input type="checkbox"/> Optionee exclusively.                                  <input type="checkbox"/> Both Optionor and Optionee.</p> <p>Address: _____</p> <p>Phone: _____ Cell: _____</p> <p>Email: _____</p>
---	---

**I hereby grant this option and agree to the terms stated above.**

Date: \_\_\_\_\_, 20\_\_\_\_

Optionor: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

**I hereby accept this option and agree to the terms stated above.**

Date: \_\_\_\_\_, 20\_\_\_\_

Optionee: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_