STANDARD OPTION TO PURCHASE

Irrevocable Right-to-Buy

NOTE: This form is used by a broker when negotiating a real estate purchase option with a single exercise period as an attachment to an offer to lease, lease agreement or offer regarding a purchase option, to prepare an option granting an irrevocable offer to sell with price and terms for payment.

DATE: _____, 20_____, at _____, California.
Items left blank or unchecked are not applicable.

1. OPTION MONEY:

Optionor receives from Optionee option money in the amount of $_____, evidenced by:
☐ cash, ☐ personal check, or ☐ _____, given in consideration for this option to purchase property.

2. 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:

☐ Parcel survey report by licensed California surveyors
☐ Architectural plans and specifications
☐ On-site engineering plans
☐ Zoning ordinance request
☐ Application for a parcel map or waiver
☐ Off-site improvement plans
☐ Soil engineer's report
☐ Land use study
☐ Application for a conditional use permit
☐ _____

4. OPTION PERIOD:

Optionor 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 is escrowed with _____.
6.1 Escrow to close within _____ days after exercise.

7. DELIVERY OF TITLE:

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

8. BROKERAGE FEE:

8.1 Optionor to pay the Optionee Broker fee through escrow in the amount of ..... $ _____
a. The party wrongfully preventing the intended conveyance to pay the fee.
8.2 Attached is 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 loan 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, mortgage balance differences per beneficiary statement(s) is adjusted into: ☐ cash, ☐ carryback note, or ☐ sales price. [See **RPI** Form 415]
b. The impound account is transferred: ☐ charged, or ☐ without charge, to Optionee.

9.4 ☐ Take title subject to, or ☐ assume, an existing second trust deed loan 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 $_____ executed by Optionee in favor of Optionor and secured by a trust deed on the property junior to the above referenced mortgage 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 provided by Optionor for:
☐ due-on-sale, ☐ prepayment penalty, ☐ late charges, ☐ _____

b. ☐ The attached Financial Disclosure Statement is an addendum to this option (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]

9.6 Other consideration paid through escrow ..... $ _____

10. GENERAL PROVISONS:

Check applicable provisions.

Optionor to hand Optionee copies, or make available for Optionee's review, the checked items noted in the addenda as soon as reasonably practicable after entry into this option.

10.1 ☐ Due Diligence Contingencies Addendum. [See **RPI** Form 279]

10.2 ☐ Homeowners' Association (HOA) Addendum. [See **RPI** Form 309]

10.3 ☐ See attached addendum for additional terms. [See **RPI** Form 250]

10.4 Optionee acknowledges receipt of the following checked disclosures of conditions addressing the use and value of the property:

a. ☐ Ordinance Compliance — Local Option Disclosure [See **RPI** Form 307]

b. ☐ Hazard Disclosure Booklet, and related Optionor disclosures, containing Environmental Hazards, Lead-based Paint and Earthquake Safety. [See **RPI** Forms 313, 315 & 316-1]

10.5 Possession of the property and key/access codes are delivered:
☐ close of escrow, or ☐ see attached Occupancy Agreement. [See **RPI** Forms 271 and 272]

10.6 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. [See **RPI** Forms 171 or 172-2]

10.7 Before an action is filed on a dispute arising out of this option which remains unresolved after 30 days of informal negotiations, the parties agree to enter into non-binding mediation administered by a neutral dispute resolution organization to settle the dispute.

11. EXPIRATION OF OPTION:

This offer to sell is deemed expired when not accepted by exercise during the option period.

11.1 This option contract automatically terminates by expiration on _____, 20_____.

12. NOTICES:

12.1 NOTICE REGARDING SALES DATA: Broker is authorized to report the sale, its price and terms for dissemination and use of participants in listing services.

12.2 NOTICE REGARDING REGISTERED SEX OFFENDERS: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP code in which he or she resides.

12.3 NOTICE REGARDING APPRAISAL OBJECTIVITY: Any appraisal of the property is required to be unbiased, objective, and not influenced by improper or illegal considerations, including, but not limited to, any of the following: race, color, religion (including religious dress, grooming practices, or both), gender (including, but not limited to, pregnancy, childbirth, breastfeeding, and related conditions, and gender identity and gender expression), sexual orientation, marital status, medical condition, military or veteran status, national origin (including language use and possession of a driver's license issued to persons unable to provide their presence in the United States is authorized under federal law), source of income, ancestry, disability (mental and physical, including, but not limited to, HIV/AIDS status, cancer diagnosis, and genetic characteristics), genetic information, or age. If a buyer or seller believes that the appraisal has been influenced by any of the above factors, the seller or buyer can report this information to the lender or mortgage broker that retained the appraiser and may also file a complaint with the Bureau of Real Estate Appraisers at https://www2.brea.ca.gov/complaint/ or call (916) 552-9000 for further information on how to file a complaint.

12.4 NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL: California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any questions concerning this matter, please call your local Tax Collector's Office.

13. _____

Optionor Broker: _____
Broker's DRE #: _____
is the broker for: ☐ Optionor
☐ both Optionee and Optionor (dual agent)

Optionor Agent: _____
Agent's DRE #: _____
is ☐ Optionor's agent (salesperson or broker-associate)
☐ both Optionee's and Optionor's agent (dual agent)

Signature: _____
Address: _____

Phone: _____ Cell: _____
Email: _____

Optionee Broker: _____
Broker's DRE #: _____
is the broker for: ☐ Optionee
☐ both Optionee and Optionor (dual agent)

Optionee Agent: _____
Agent's DRE #: _____
is ☐ Optionee's agent (salesperson or broker-associate)
☐ both Optionee's and Optionor's agent (dual agent)

Signature: _____
Address: _____

Phone: _____ Cell: _____
Email: _____

I grant this option and agree to the terms stated above.
Date: _____, 20_____
Optionor: _____

Signature: _____

Signature: _____
Address: _____

Phone: _____ Fax: _____
Email: _____

I accept this option and agree to the terms stated above.
Date: _____, 20_____
Optionee: _____

Signature: _____

Signature: _____
Address: _____

Phone: _____ Fax: _____
Email: _____

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