

## **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, ☐ check, or ☐ \_\_\_\_\_, given in consideration for this option to purchase real estate.

**2. REAL ESTATE 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 real estate:

- |  |   |
|--|---|
| <input type="checkbox"/> Parcel 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 grants to Optionee the irrevocable option to purchase the Optionor's right, title and interest in the real estate 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 real estate.

**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 to be 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:**

Optionor agrees to pay Optionee Broker fees per separate fee agreement as earned and due on Optionee's acquisition of fee ownership by exercise of the option to purchase.

**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 mortgage held by \_\_\_\_\_, with a present unpaid principal balance of \$\_\_\_\_\_, payable \$\_\_\_\_\_ monthly, including interest not exceeding \_\_\_\_\_%, ☐ ARM, type \_\_\_\_\_, plus a monthly tax/insurance impound payment presently of \$\_\_\_\_\_.

a. At closing, mortgage 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 mortgage held by \_\_\_\_\_, with a present 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 real estate 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 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 terms. [See **RPI** Form 250]
- 10.2 Optionor and Optionee acknowledge receipt of the Agency Law Disclosure. [See **RPI** Form 305]
- 10.3 Optionee acknowledges receipt of the following checked disclosures of conditions addressing the use and value of the real estate:
  - a. ☐ Condition of Property Disclosure — Transfer Disclosure Statement (TDS) [See **RPI** Form 304]
  - b. ☐ Ordinance Compliance — Local Option Disclosure [See **RPI** Form 307]
  - c. ☐ Unique Factors and Conditions Affecting Property [See **RPI** Form 308]
  - d. ☐ Documentation on any Homeowners' Association (HOA) involved. [See **RPI** Form 309]
  - e. ☐ Natural Hazard Disclosure Statement [See **RPI** Form 314]
  - f. ☐ Hazard Disclosure Booklet, and related Optionor disclosures, containing Environmental Hazards, Lead-based Paint and Earthquake Safety. [See **RPI** Forms 313, 315 & 316-1]
  - g. ☐ Notice of Supplemental Property Tax Bill [See **RPI** Form 317]
  - h. ☐ Disclosure of Sexual Predator Database [See **RPI** Form 319]
  - i. ☐ Seller's Neighborhood Security Disclosure [See **RPI** Form 321]
- 10.4 Possession of the real estate to be delivered on:  
☐ close of escrow, or ☐ see attached Occupancy Agreement. [See **RPI** Forms 271 and 272]
- 10.5 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 is deemed expired when not accepted by exercise during the option period.

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

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: \_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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