

OPTION TO PURCHASE WITH EXTENSIONS

Irrevocable Right-to-Buy

NOTE: This form is used by a buyer's agent when the buyer's offer is for acquiring a purchase option exercisable with extensions, to prepare an option as an irrevocable offer to sell with a price and terms for payment exercisable during an initial period or extensions for attachment to 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. FIRST OPTION PERIOD:

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

4. SECOND OPTION PERIOD:

Optionor hereby grants to Optionee the irrevocable option to purchase Optionor's right, title and interest in the property on the terms stated, a period commencing on expiration of the first option period and expiring _____, 20_____, provided Optionee tenders to Optionor the following described consideration prior to expiration of the first option period.

4.1 Prior to expiration of the first option period, and as consideration for Optionor's granting a second option period, Optionee to pay Optionor \$_____.

5. THIRD OPTION PERIOD:

Optionor hereby grants to Optionee the irrevocable option to purchase Optionor's right, title and interest in the property on the terms stated, for a period commencing on expiration of the second option period and expiring _____, 20_____, provided Optionee tenders to Optionor the following described consideration prior to expiration of the second option period.

5.1 Prior to expiration of the second option period, and as consideration for Optionor's granting a third option period, Optionee to pay Optionor \$_____, and Optionee, at their sole expense, will obtain and deliver to Optionor the following checked studies and reports:

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

6. EXTENSIONS:

Optionee may obtain a total of _____ consecutive one-month extensions of the third option period on payment to Optionor of \$_____ additional option money for each extension, payable prior to expiration of the preceding option period or extension. The additional option money is consideration for extension of the option period.

7. EXERCISE OF OPTION:

Optionee may exercise this option during the option period by:

7.1 Signing escrow instructions identical in provisions to those attached as **Exhibit A** and delivering the instructions to escrow [See **RPI Form 401**];

7.2 Depositing cash in escrow in the amount of \$_____; and

7.3 Delivering an escrow-certified copy of the signed escrow instructions to Optionor within the option period, in person or by posting both certified and regular mail.

8. ESCROW CONTRACT:

In the event this option is exercised, the transaction will be escrowed with _____

8.1 Escrow will close within _____ days after exercise.

9. 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.

10. SALE TERMS:

Price of \$_____ payable as follows:

10.1 All Cash.

10.2 Cash down payment in the amount of \$_____.

10.3 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, 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.

10.4 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, due _____, 20_____.

10.5 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]

11. GENERAL PROVISIONS:

11.1 **See attached addendum for additional provisions.** [See **RPI** Form 250]

11.2 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 (mandated on all properties) [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, 315 and 316-1]

e. Documentation on any Homeowners' Association (HOA) involved [See **RPI** Form 309]

f. Notice of Supplemental Property Tax Bill [See **RPI** Form 317]

11.3 Possession of the property to be delivered on:

close of escrow, or see attached Occupancy Agreement. [See **RPI** Forms 271 and 272]

11.4 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.

12. EXPIRATION OF OPTION:

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

12.1 This option contract will automatically terminate by expiration on _____, 20_____.

13. BROKERAGE FEE:

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

13.1 This option is exercised;

13.2 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

13.3 Optionor wrongfully prevents the exercise of this option.

13.4 Fee payable to Broker(s) _____.

OPTIONOR'S BROKER: _____

Broker's CalBRE #: _____

Agent's Name: _____

Agent's CalBRE #: _____

Signature: _____

Is the agent of: Optionor exclusively
 Both Optionor and Optionee.

Address: _____

Phone: _____ Cell: _____

Email: _____

OPTIONEE'S BROKER: _____

Broker's CalBRE #: _____

Agent's Name: _____

Agent's CalBRE #: _____

Signature: _____

Is the agent of: Optionee exclusively.
 Both Optionor and Optionee.

Address: _____

Phone: _____ Cell: _____

Email: _____

OPTIONOR:

I agree to grant this option on the terms stated above.

See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20_____

Signature: _____

Signature: _____

OPTIONEE:

I accept this option on the terms stated above.

See attached Signature Page Addendum. [RPI Form 251]

Date: _____, 20_____

Signature: _____

Signature: _____