

OPTION TO PURCHASE

AGENCY RELATIONSHIP CONFIRMATION. The following agency relationship is hereby confirmed for this transaction and supersedes any

prior agency election:

LISTING AGENT: _____ by _____ is the agent of (check one):
(Print Firm Name) (Print Agent Name)

the Seller/Optionor exclusively; or both the Buyer/Optionee and the Seller/Optionor.

SELLING AGENT: _____ by _____ is the agent of (check one):
(Print Firm Name) (Print Agent Name)

the Buyer/Optionee exclusively; or the Seller/Optionor exclusively; or both the Buyer/Optionee and the Seller/Optionor.

NOTICE: This confirmation DOES NOT take the place of the AGENCY DISCLOSURE form which may be required by law.

In consideration of the payment by _____, "Optionee" of \$ _____

(_____ dollars), receipt of which is acknowledged,

"Optionor" grants to Optionee an option to purchase the real property commonly known as _____

(Street Address)

_____, for the purchase price of \$ _____ (_____

(City/State/Zip)

dollars), upon the following terms and conditions:

1. EXAMINATION OF TITLE. In addition to any encumbrances assumed or taken "subject to", Optionor will convey good and marketable fee simple title to the property subject only to: [1] real estate taxes not yet due; and [2] covenants, restrictions, rights of way and easements of record, if any, which do not materially affect the value or intended use of the property.

Within three (3) days after acceptance, Optionee will order a Preliminary Title Report and copies of CC&Rs and other documents of record if applicable. **Within five (5) days after receipt**, Optionee will report to Optionor in writing any valid objections to title contained in such report (other than monetary liens to be paid upon close of escrow). If Optionee objects to any exceptions to the title, Optionor will use due diligence to remove such exceptions at his or her own expense **before close of escrow**. If such exceptions cannot be removed before close of escrow, this Agreement will terminate, unless Optionee elects to purchase the property subject to such exceptions. If Optionor concludes he or she is in good faith unable to remove such objections, Optionor will so notify Optionee **within ten (10) days after receipt** of said objections. In that event Optionee may terminate this Agreement. In the event of termination because of Optionor's inability to deliver good title, the option consideration will be refunded to Optionee.

2. EVIDENCE OF TITLE will be in the form of a policy of title insurance, issued by _____, paid by Optionee, Optionor, Other _____. **NOTE:** In addition to coverage under a CLTA policy, the ALTA policy may offer additional coverage for a number of unrecorded matters. Optionee should discuss the choice of a CLTA or ALTA policy with the title company of their choice at the time escrow is opened. In the event a lender requires an ALTA lender's policy of title insurance, Optionee, Optionor will pay the premium.

3. CLOSE OF ESCROW: **Within _____ days after exercise of the Option**, or upon removal of any exceptions to the title by the Optionor as provided above, whichever is later, both parties will deposit with an authorized escrow holder, to be selected by the Optionee, all funds and instruments necessary to complete the sale in accordance with the terms and conditions of this Agreement.

4. PHYSICAL POSSESSION. Physical possession of the property, with keys to all property locks, alarms, and garage door openers, will be delivered to Optionee (check one):

On the date of recordation of the deed, not later than _____ a.m., p.m.;

On the _____ day after recordation, not later than _____ a.m., p.m.

In the event possession is to be delivered **before or after recordation**, such possession is conditioned upon the execution by both parties of a written occupancy agreement on P.P. Form 103 or 104, or comparable form, **within _____ days after acceptance**.

5. PRORATIONS. Rents, real estate taxes, payments on bonds and assessments assumed by Optionee, and homeowners association fees will be prorated as of the date of recordation of the deed. Security deposits, advance rentals, or considerations involving future lease credits will be credited to Optionee.

6. MAINTENANCE. Optionor covenants that any existing heating, air-conditioning, electrical, solar, septic system, gutters and downspouts, sprinkler, and plumbing systems including well, sewer, water heater, pool and spa systems, as well as built-in appliances and other mechanical apparatus will be in normal working order on the date possession is delivered. Optionor will replace any cracked or broken glass including windows, mirrors, shower and tub enclosures. Roofs will be free of leaks. Double pane windows with damaged seals, and damaged door and window screens will be replaced. Shower pans and enclosures will be free of leaks. Until possession is delivered,

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Optionor will maintain all structures, landscaping, grounds, and pool. Optionor agrees to deliver the property in a neat and clean condition with all debris and personal belongings removed. The following items are specifically excluded from the above:

Optionee and Optionor understand and acknowledge that Broker will not in any circumstances be liable for any breach in this clause. Optionor's obligations under this provision are not intended to create a warranty with respect to the condition of the property to be maintained, or to create an obligation upon the Optionor to repair any item that may fail after possession is delivered.

7. **VIOLATIONS.** By acceptance, Optionor warrants that he or she has no notice of violations relating to the property from City, County, or State agencies.

8. **TIME.** Time is of the essence of this Agreement.

9. **EXPIRATION OF OPTION.** This Option will expire at midnight on (date) _____. If not exercised, Optionor will be released from all obligations under this Agreement and all of Optionee's rights will cease. The option consideration will be retained by Optionor.

10. **EXERCISE OF OPTION.** The Option will be exercised by mailing or delivering written notice to the Optionor **prior to the expiration of this option**, and by an additional payment, on account of the purchase price, in the amount of \$_____ (_____ dollars) for the account of Optionor to the authorized escrow holder referred to above, prior to the expiration of this Option.

In the event the Option is exercised, the option consideration will, will not be credited toward the purchase price.

Notice, if mailed, will be by certified mail, postage prepaid, to the Optionor at the address set forth below, and will be deemed to have been given upon the day following the day deposited in the U.S. mail.

11. **ATTORNEY FEES.** In any action, arbitration, or other proceeding involving a dispute between Optionor and Optionee arising out of the execution of this Agreement, whether for tort or for breach of contract, and whether or not brought to trial or final judgment, the prevailing party will be entitled to receive from the other party a reasonable attorney fee, expert witness fees, and costs to be determined by the court or arbitrator(s).

The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between the Seller and Broker.

Upon execution of this Agreement, Optionor agrees to pay to _____, the Broker in this transaction, the sum of \$_____ (_____ dollars).

In the event the Option is exercised, Optionor agrees to pay to Broker at close of escrow the additional sum of \$_____ (_____ dollars) for services rendered.

In any action for commission, the prevailing party will be entitled to reasonable attorney fees, whether or not prosecuted to trial or final judgment.

Optionor _____ Date _____

Optionee _____ Date _____

Optionor _____ Date _____

Optionee _____ Date _____

Address _____

Address _____

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Rev. by _____
Date _____

