

Addendum for California Option Contract for Sale and Purchase

The SELLER and the BUYER (named below) hereby enter into this Option Contract for Sale and Purchase of Real Estate (the "Contract"). This Contract is NOT for a lease, does not contain a right to repurchase or any other contractual method whereby the SELLER can reacquire title or possession in any manner in the subject real estate.

In consideration of the respective agreements set forth in this Contract, SELLER hereby grants to the BUYER the exclusive option (the "Option") to purchase the property described in Section 3 below (the "Property"). [*NOTE: Per Cal. Civ. Code §1695.6(b)(4), Buyer may not pay Seller any consideration prior to the time within which Seller may cancel the transaction.*] The BUYER shall have the right to exercise this Option during a period of time beginning at 9:00 am. on _____ 200__, and lasting until 5:30 p.m. on _____, 200__, ("Option Period") [*Note: The Option begins after the 5-day Cancellation Period described in Section 26 has expired.*].

In the event BUYER timely delivers the Option Notice, BUYER will deposit in escrow within ___ days of delivery of the Option Notice the amount of \$_____ (the "Deposit") with a title company mutually acceptable to BUYER and SELLER (the "Title Company").

Financing and Inspection Period. If prior to the end of the Financing and Inspection Period, BUYER gives notice to SELLER that BUYER elects to cancel this Contract (the "Cancellation Notice"), this Contract shall terminate. If BUYER does not deliver the Cancellation Notice the Contract shall continue.

Representations and Warranties. [*NOTE: Cal. Civ. Code §1695.6(b)(3) restricts the Buyer from transfer or encumbering or purporting to transfer or encumber any interest in the property to any third party prior to the time Seller may cancel the transaction per Section 26.*]

Closing. [*NOTE: Cal Civ. Code §1695.3(e) requires that the Contract must provide the time at which possession is to be transferred. The lack of certainty as to the Closing Date (and therefore the transfer of possession pursuant to Section 9) in connection with any lender's requirements is acknowledged and accepted by all parties.*]

Cancellation Period. The Seller has the below noticed right to cancel this Contract until midnight of the fifth business day following the day the Seller signs this Contract, or until 8:00 a.m. on the day scheduled for the sale of the Property pursuant to a power of sale conferred in a deed of trust, whichever occurs first. Cancellation of the Contract occurs when SELLER personally delivers written notice of cancellation to the address specified in Section 2 of this Contract or sends a telegram indicating cancellation to that address. Within 10 days following receipt of a notice of cancellation, BUYER shall return without condition the original Contract and any other documents signed by SELLER.

NOTICE REQUIRED BY CALIFORNIA LAW:

**UNTIL YOUR RIGHT TO CANCEL THIS CONTRACT HAS ENDED,
_____ (BUYER) OR ANYONE
WORKING FOR _____ (BUYER) CANNOT
ASK YOU TO SIGN OR HAVE YOU SIGN ANY DEED OR ANY OTHER
DOCUMENTS.**

**YOU MAY CANCEL THIS CONTRACT FOR THE SALE OF YOUR HOUSE,
WITHOUT ANY PENALTY OR OBLIGATION, AT ANY TIME BEFORE
_____:_____, ____M ON _____, 20____. SEE THE ATTACHED
NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.**

SELLER(s):

By: _____ Date: _____
_____ Date: _____

BUYER(s):

By: _____ Date: _____
_____ Date: _____

----- NOTICE OF CANCELLATION -----
(To be filled out by Buyer)

**SELLER SIGNED THE OPTION CONTRACT FOR SALE AND PURCHASE
ON _____, 20__.**

**YOU MAY CANCEL THIS CONTRACT FOR THE SALE OF YOUR HOUSE,
WITHOUT ANY PENALTY OR OBLIGATION, AT ANY TIME BEFORE
____:____, __.M ON _____, 20__.**

**TO CANCEL THIS TRANSACTION, PERSONALLY DELIVER A SIGNED
AND DATED COPY OF THIS CANCELLATION NOTICE, OR SEND A
TELEGRAM TO _____
(BUYER) AT _____ (BUSINESS
ADDRESS) NOT LATER THAN ____:____, __.M ON _____,
20__.**

I HEREBY CANCEL THIS TRANSACTION.

DATE: _____, 20__.

Seller's Signature:

Seller's Signature:
