

CLEAN DRAFT - For use during  
3/16/17 SFC meeting

 Hawaii Association of REALTORS®

**OPTION ADDENDUM**  
Hawaii Association of REALTORS® Standard Form  
Revised For Release



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Purchase Contract Reference Date: \_\_\_\_\_

Property Reference or Address: \_\_\_\_\_

Tax Map Key: Div. \_\_\_\_\_/Zone \_\_\_\_\_/Sec. \_\_\_\_\_/Plat \_\_\_\_\_/Parcel \_\_\_\_\_/CPR \_\_\_\_\_ (if applicable).

Buyer: \_\_\_\_\_

Seller: \_\_\_\_\_

**THIS OPTION ADDENDUM IS NOT AN OPTION AGREEMENT. The information contained in this addendum is to be supplied to an attorney for the drafting of an option agreement between Buyer and Seller for the above referenced property. It is strongly recommended that Buyer and Seller seek legal counsel prior to executing an option agreement. Although the Purchase Contract has been executed by Seller and Buyer, the Purchase Contract shall not be effective as to Buyer's obligation to close unless the option has been timely exercised.**

1. **Option Agreement - Preparation:** An option agreement will be drafted by an attorney selected by [ ] Seller [ ] Buyer. The parties will pay their own attorneys' fees. If the parties fail to agree and execute an option agreement by \_\_\_\_\_, the parties hereby agree that the Purchase Contract shall become immediately null and void and deposits shall be returned to Buyer less Buyer's share of escrow fees.

Check if applicable: [ ] Notice of option to be recorded [ ] Release of option to be executed and held by Escrow

2. **Option Period:**

a. Starting date of option: \_\_\_\_\_.

b. Deadline to deliver written notice to exercise option: Date \_\_\_\_\_, \_\_\_\_\_ AM [ ] PM [ ]

c. In the event Buyer notifies Seller in writing of Buyer's intent not to exercise the option, or if the option is not exercised by the deadline, the parties hereby agree that the Purchase Contract shall become immediately null and void and remaining deposits under the Purchase Contract shall be returned to Buyer, less Buyer's share of escrow fees subject to terms of the option agreement.

3. **Option Consideration:** \$ \_\_\_\_\_ to be deposited into Escrow on or before \_\_\_\_\_. Option Consideration shall be released to Seller on the starting date of the option agreement. The option consideration shall be non-refundable upon the starting date of the option agreement as specified in 2a above. If the option agreement is exercised by Buyer, then \$ \_\_\_\_\_, (if any) of the Option Consideration shall be applied as a credit toward the Purchase price.

a. **It is agreed and understood that Option Consideration is not a deposit and shall not be refundable for any reason.**

4. **Rental Agreement:** If a lease associated with the Property contains a provision for an option to purchase, the Rental Agreement shall be attached to the option agreement. The amount of rent to be credited towards the purchase price. \$ \_\_\_\_\_, (if any).

5. **Option Transferability:** Option to purchase [ ] may [ ] may not, be sold, assigned or conveyed.

6. **Brokerage Fees:**

Commissions shall be paid to Brokerage Firm per the terms of the Listing Agreement, or if there is no Listing Agreement, then per other agreement between the parties and Brokerage Firm.

7. **Special Terms:** \_\_\_\_\_

\_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

**NOTE:** THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

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