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CONTRACT CANCELLATION OPTION AGREEMENT

(USED MOTOR VEHICLE ONLY)

BUYER'S NAME AND ADDRESS (Reference to "Buyer" or "You")	**CO-BUYER'S NAME AND ADDRESS** (Reference to "Buyer" or "You")

SELLER'S NAME AND ADDRESS (Reference to "We" or "Us")
DEALERSHIP NAME

VEHICLE DESCRIPTION (Reference to "Vehicle")

YEAR:	**MAKE:**	**MODEL:**	**VEHICLE IDENTIFICATION NUMBER:**

VEHICLE DELIVERY DATE	**CANCELLATION DEADLINE — DATE AND TIME**

CANCELLATION OPTION PURCHASE PRICE	**MAXIMUM MILES ADDED AFTER DELIVERY (Must not be less than 250 miles)**	**RESTOCKING FEE**
$ 999,999.99		$

CANCELLATION OPTION: Subject to the terms and conditions of this Agreement. If you purchase this Contract Cancellation Option, you have the right to cancel your purchase of the Vehicle and obtain a full refund, less the Restocking Fee. The dealer shall apply toward the restocking fee the price paid by the buyer for the Contract Cancellation Option. The price for the purchase of the Contract Cancellation Option is not otherwise subject to setoff or refund.

CANCELLATION DEADLINE: You may exercise the right to cancel the purchase of the Vehicle only if you personally deliver to us at our address above all of the following no later than the date and time shown above as the Cancellation Deadline:

- Written notice exercising the right to cancel the purchase signed by you, which may take the form of a copy of this Agreement with your signature in the section entitled "Notice of Election to Exercise Option to Cancel" at the bottom of this form;
- The following original documents given by us to you when you purchased the Vehicle: (i) this Contract Cancellation Option Agreement; (ii) the Vehicle Purchase Contract and related documents; and (iii) all Vehicle titling and registration documents; and
- The Vehicle, with added miles not to exceed the Mileage Limitation shown above, in the same condition as when it was delivered to you, except for reasonable wear and tear and manifestations of pre-existing defects or mechanical problems not caused by you, and all keys, manuals and other accessories. The Vehicle must be free of all liens and encumbrances other than any lien or encumbrance created by or incident to the conditional sales contract, any loan arranged by us, or any purchase money loan obtained by the Buyer from a third party. ***Once the Mileage Limitation is exceeded or the Cancellation Deadline has passed, the cancellation option is void.***
- Restocking fee: Amount buyer must pay dealer to exercise the right to cancel purchase.
  Restocking Fee Schedule:
  Vehicle Cash Price of $5,000 or less ..... Not more than $175.00
  Vehicle Cash Price of more than $5,000 but less than $10,000 ..... Not more than $350.00
  Vehicle Cash Price of $10,000 or more ..... Not more than $500.00

  Leased Vehicle: When a buyer, who LEASED the purchased vehicle immediately preceding the dealer's sale of the vehicle to the buyer, exercises the Contract Cancellation Option, the limit on the amount of a restocking fee required to be paid by the buyer shall be increased. That increased amount shall be the amount the buyer would have been obligated to pay the lessor, at the time of the termination of the lease, for the following charges, as specified in the lease, and as if the buyer had not purchased the Contract Cancellation Option: (A) Excess mileage, (B) Unrepaired damage, (C) Excess wear and tear. If the limit on the restocking fee is increased in accordance with the above language the dealer shall provide the buyer with a notice of the contents of A, B, and/or C, including a statement regarding the increased restocking fee.

☐ **SIGN HERE TO DECLINE OPTION**

By signing below you acknowledge that you were given the opportunity to purchase this Contract Cancellation Option, but decline to do so and decline to receive from us any right to cancel or receive a refund. **BY SIGNING HERE YOU VOLUNTARILY DECLINE THIS OPTION AND GIVE UP THE RIGHT IT PROVIDES TO CANCEL YOUR VEHICLE PURCHASE.**

_____ _____
Buyer's Signature *Co-Buyer's Signature*

☐ **SIGN HERE TO PURCHASE OPTION**

By signing below you and we agree to the terms and conditions appearing on both sides of this Agreement, which you acknowledge you have read. You acknowledge receipt of this Agreement (which may be used to provide us with the required notice of cancellation). **BY SIGNING HERE YOU VOLUNTARILY ELECT TO PURCHASE THIS OPTION.**

_____ _____
Buyer's Signature *Co-Buyer's Signature*

_____
Seller's Signature

☐ **NOTICE OF ELECTION TO EXERCISE OPTION TO CANCEL**
(For Signature and Delivery to Seller Only if you Decide to Cancel)

By signing below I elect to exercise my right to cancel the purchase of above Vehicle described in this Agreement.

Cancellation Deadline: Date _____ Time: _____

_____ _____
Buyer's Signature *Co-Buyer's Signature*

The Printer makes no warranty, expressed or implied, as to content or fitness for purposes of this form. Consult your own legal counsel.

Additional Terms and Conditions

California Vehicle Code Section 11713.21, *et seq.*

1. **Maximum Price for Contract Cancellation Option Based on Price of Vehicle**

The purchase price for the Contract Cancellation Option shall not exceed the following:

$5,000 or less	$ 75.00
More than $5,000 but not more than $10,000	$150.00
More than $10,000 but not more than $30,000	$250.00
More than $30,000 but less than $40,000	1% of Cash Price
$40,000 or more – no requirement to offer option	

2. **Refund:** The Contract Cancellation Option gives the Buyer the right to cancel the purchase and obtain a full refund, minus the restocking fee, and that the right to cancel will apply only if, within the time specified in the Contract Cancellation Option Agreement, those items listed on the front of this Agreement are personally delivered to the Seller along with the vehicle. No later than the second day following the day on which you exercise the right to cancel the purchase in compliance with this agreement, we will cancel the contract and provide you with a full refund of amounts paid to and received by us. The full refund will not include any portion of the Cancellation Option Purchase Price shown above, which we may keep. However, any Restocking Fee shown on the front of this agreement will be reduced by the amount of the Cancellation Option Purchase Price shown above and paid to and received by us. The full refund includes that portion of the sales tax attributable to amounts excluded pursuant to Section 6012.3 of the revenue and taxation code.

3. **Check & Credit Cards:** We may refund amounts paid to us by check, credit card or other instrument by returning to you the uncashed check or instrument, or by providing you reasonable assurance that the check or instrument has not been and will not be cashed. If the Dealer received a portion of the purchase price by credit card, or other third-party payer on the Buyer's account, the Dealer may refund that portion of the purchase price to the credit card issuer or third-party payer for credit to the Buyer's account.

4. **Document Execution:** You agree to execute documents reasonably necessary to effectuate the cancellation and refund and to comply with applicable law. Examples include vehicle title documents and truthful certificates about Vehicle mileage and condition. Except as otherwise agreed by us in writing before we accept return of the vehicle, your execution of the notice of exercise will constitute your warranty and representation that the vehicle has not been damaged by or otherwise involved in any collision, accident, theft, vandalism, equipment modification, flood, sandstorm, or other severe weather or environmental condition between the time you took possession of it and the time we accepted its return.

5. **Cancellation Rights:** The only cancellation rights we are extending to you are those stated in this agreement. This agreement supersedes other agreements or understandings, if any, granting cancellation rights to you. This agreement is not effective until signed by us. No modification of or waiver of rights under this agreement will be effective unless in writing and signed by you and by one of our authorized department heads. To the extent permitted by law, we will have no liability under this agreement for indirect or consequential damages, such as lost income or transportation expenses. In this agreement, we make no representations, promises, or warranties, express or implied, concerning the Vehicle.

6. **Return of Trade-In:** If the Buyer was NOT charged for the Contract Cancellation Option Agreement, the Dealer shall return to the Buyer, no later than the day following the day on which the Buyer exercises the right to cancel the purchase, any motor vehicle the Buyer left with the Seller as a downpayment or trade-in. If the Dealer has sold or otherwise transferred the title to the motor vehicle that was left as a downpayment or trade-in, the full refund described above shall include the fair market value of the motor vehicle left as a downpayment or trade-in, or its value as stated in the contract or purchase order, whichever is greater.

If the Buyer was charged for the Contract Cancellation Option Agreement, the Dealer shall retain any motor vehicle the Buyer left with the Dealer as a downpayment or trade-in until the Buyer exercises the right to cancel or the right to cancel expires. If the Buyer exercises the right to cancel the purchase, the Dealer shall return to the Buyer, no later than the day following the date on which the Buyer exercises the right to cancel the purchase, any motor vehicle the Buyer left with the Seller as a downpayment or trade-in. If the Dealer has inadvertently sold or otherwise transferred title to the motor vehicle as the result of a bonafide error, notwithstanding reasonable procedures designed to avoid that error, the inadvertent sale or transfer of title shall not be deemed a violation of this paragraph, and the full refund described above shall include the retail market value of the motor vehicle left as a downpayment or trade-in, or its value as stated in the contract or purchase order, whichever is greater.

The trade-in will be returned subject to the rights and title existing against it at the time of trade-in including any prior credit or lease balance. We are not required to pay off or make payments on any prior credit or lease balance on the trade-in and you assume the risks of nonpayment at this time. If we inadvertently pay off the prior credit or lease balance on the trade-in before you exercise the option to cancel the purchase, you agree to reimburse the pay off amount to us at the time you exercise the option; we may collect this amount by offsetting it against the full refund and by other legal means.

7. **Option Agreement:** A Dealer shall not sell a used vehicle at retail to an individual for personal, family, or household use without offering the Buyer a Contract Cancellation Option Agreement that allows the Buyer to return the vehicle without cause. This does not apply to a used vehicle having a purchase price of forty thousand dollars ($40,000) or more, or a motorcycle or a recreational vehicle.

8. **Prior Option Agreement:** A Dealer is NOT required to offer a Contract Cancellation Option Agreement to an individual who exercised his or her right to cancel the purchase of a vehicle from the Dealer pursuant to a Contract Cancellation Option Agreement during the immediately preceding 30 days. A Dealer is NOT required to give notice to a subsequent Buyer of the return of a vehicle.

9. **User Liability:** This does not affect or alter the legal rights, duties, obligations, or liabilities of the Buyer, the Dealer, or the Dealer's agents or assigns, that would exist in the absence of a Contract Cancellation Option Agreement. The Buyer is the owner of a vehicle when he or she takes delivery of a vehicle until the vehicle is returned to the Dealer pursuant to a Contract Cancellation Option Agreement, and the existence of a Contract Cancellation Option Agreement shall not impose permissive user liability on the Dealer, or the Dealer's agents or assigns, under Section 460 or 17150 of the Vehicle Code or otherwise.