



**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT
ESCROW INSTRUCTIONS**
(C.A.R. FORM RPA, 12/20)

Date Prepared: _____

1. OFFER:

- A. THIS IS AN OFFER FROM** _____ (“Buyer”).
- B. THE PROPERTY** to be acquired is _____, situated in _____ (City), _____ (County), California, _____ (Zip Code), Assessor’s Parcel No(s) _____ (“Property”).
- C. THE TERMS OF THE PURCHASE ARE SPECIFIED BELOW AND ON THE FOLLOWING PAGES.**
- D.** Buyer and Seller are referred to herein as the “Parties.” Brokers and Agents are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE:** The Parties each acknowledge receipt of a “Disclosure Regarding Real Estate Agency Relationships” (C.A.R. Form AD) if represented by a real estate licensee. Buyer’s broker is not legally required to give to Seller’s broker the AD form signed by Buyer. Seller’s broker is not legally obligated to give to Buyer’s broker the AD form signed by the Seller.
- B. CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:
Seller’s Brokerage Firm _____ License Number _____
 Is the broker of (check one): the Seller; or both the Buyer and Seller (Dual Agent).
 Seller’s Agent _____ License Number _____
 Is (check one): the Seller’s Agent. (Salesperson or broker associate); both the Buyer’s and Seller’s Agent (Dual Agent).
Buyer’s Brokerage Firm _____ License Number _____
 Is the broker of (check one): the Buyer; or both the Buyer and Seller (Dual Agent).
 Buyer’s Agent _____ License Number _____
 Is (check one): the Buyer’s Agent. (Salesperson or broker associate); both the Buyer’s and Seller’s Agent (Dual Agent).
- C. POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a “Potential Representation of More than One Buyer or Seller - Disclosure and Consent” (C.A.R. Form PRBS).

3. TERMS OF PURCHASE AND ALLOCATION OF COSTS:

	Paragraph #	Paragraph Title or Contract Term	Additional Information	Other Terms
A	5	Purchase Price	\$ _____	<input type="checkbox"/> All Cash
B		Close of Escrow (COE)	_____ or <input type="checkbox"/> _____ Days after Acceptance mm/dd/yyyy	
C	32A	Expiration of Offer	3 Days after Buyer Signature or _____ (date) at 5PM or _____ <input type="checkbox"/> AM/ <input type="checkbox"/> PM	
D(1)	5A(1)	Initial Deposit Amount	\$ _____ (_____ % of purchase price)	within 3 (or _____) business days after Acceptance
D(2)	5A(2)	<input type="checkbox"/> Increased Deposit	\$ _____ (_____ % of purchase price)	IDA, attached
E(1)	5C(1)	Loan Amount(s): First Interest Rate Points	\$ _____ (_____ % of purchase price) Fixed rate <input type="checkbox"/> Initial adjustable rate not to exceed _____ % Buyer to pay zero points or <input type="checkbox"/> points not to exceed _____ % of the loan amount	Conventional or, if checked, <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> Seller <input type="checkbox"/> Other: _____
		If FHA or VA checked, Deliver list of lender required repairs	17 (or _____) Days after Acceptance	(CAR Form FVAC attached)
E(2)	5C(2)	Additional Financed Amount Interest Rate Points	\$ _____ (_____ % of purchase price) Fixed rate <input type="checkbox"/> Initial adjustable rate not to exceed _____ % Buyer to pay zero points or <input type="checkbox"/> points not to exceed _____ % of the loan amount	Conventional or, if checked, <input type="checkbox"/> Seller <input type="checkbox"/> Other: _____
E(3)	7A	Residency Type	Primary, or if checked, <input type="checkbox"/> Secondary <input type="checkbox"/> Investment	
F	5D	Balance of Down Payment	\$ _____	
		PURCHASE PRICE TOTAL	\$ _____	
G	5E	Seller Credit, if any, to Buyer	<input type="checkbox"/> \$ _____ or <input type="checkbox"/> _____ % of purchase price	



	Paragraph #	Paragraph Title or Contract Term	Additional Information	Other Terms
H	5B	Verification of Financing Terms All Cash (sufficient funds)	Attached to the offer or <input type="checkbox"/> 3 Days after Acceptance	
H(1)				
H(2)	6A	Down Payment and Closing Costs	Attached to the offer or <input type="checkbox"/> 3 Days after Acceptance	
H(3)	6B	Loan Application	Attached to the offer or <input type="checkbox"/> 3 Days after Acceptance	
I	Intentionally Left Blank			
J	8	CONTINGENCIES	TIME TO REMOVE CONTINGENCIES	CONTINGENCY REMOVED
Contingencies may be removed or waived at time of the offer by checking the applicable box(es) below, if any, or attaching a Contingency Removal (C.A.R. Form CR) to the offer.				
J(1)	8A	Loan	17 or (<input type="checkbox"/> ____) Days after Acceptance	<input type="checkbox"/> No loan contingency
J(2)	8B	Appraisal	17 or (<input type="checkbox"/> ____) Days after Acceptance	Appraisal contingency based upon appraised value at a minimum of purchase price or <input type="checkbox"/> \$ _____ <input type="checkbox"/> No appraisal contingency
J(3)	8C	Investigation of Property Informational Access to Property	17 or (<input type="checkbox"/> ____) Days after Acceptance 17 or (<input type="checkbox"/> ____) Days after Acceptance	
Buyer's right to access the property for informational purposes only is NOT a contingency and does NOT create additional cancellation rights for Buyer.				
J(4)	8D	Review of Seller Documents	17 or (<input type="checkbox"/> ____) Days after Acceptance, or 5 Days after receipt, whichever is later	
J(5)	8E	Preliminary ("Title") Report	17 or (<input type="checkbox"/> ____) Days after Acceptance	
J(6)	8F 11G	Common Interest Disclosures required by Civil Code Section 4525 or this Agreement	17 or (<input type="checkbox"/> ____) Days after Acceptance, or 5 Days after receipt, whichever is later	See CAR Form HOA-RN
J(7)	8G	Review of leased or liened items	17 or (<input type="checkbox"/> ____) Days after Acceptance, or 5 Days after receipt, whichever is later	Such as for solar panels or propane tanks or PACE or HERO liens
J(8)	8J	Sale of Buyer's Property Sale of buyer's property is not a contingency, UNLESS checked here: <input type="checkbox"/> COP attached		
K		Possession Time of Possession	Upon notice of recordation or <input type="checkbox"/> 6 PM or ____ <input type="checkbox"/> AM/ <input type="checkbox"/> PM on date specified below	
K(1)				
K(2)	7C	Seller-Occupied or Vacant units	COE date or, if checked below, <input type="checkbox"/> ____ Days after COE (29 or fewer Days) <input type="checkbox"/> ____ Days after COE (30 or more Days)	SIP attached if 29 or fewer Days. RLAS attached if 30 or more Days.
K(3)	4A	Tenant-Occupied units	If applicable, see Tenant Occupied Property addendum	<input type="checkbox"/> TOP attached
L	14A	Documents/Fees/Compliance Seller Delivery of Documents	7 or (<input type="checkbox"/> ____) Days after Acceptance	
L(1)				
L(2)	19	Sign and return Escrow Holder General Provisions, Supplemental Instructions	5 or (<input type="checkbox"/> ____) Days after receipt	
L(3)	11G(2)	Fees for ordering HOA Documents	3 or (<input type="checkbox"/> ____) Days after Acceptance	
L(4)	10B(1)	Install smoke alarm(s), CO detector(s), water heater bracing	7 or (<input type="checkbox"/> ____) Days after Acceptance	
M	16	Final Verification of Condition	5 or (<input type="checkbox"/> ____) Days prior to COE	
N	23	Assignment Request	17 or (<input type="checkbox"/> ____) Days after Acceptance	
O	Intentionally Left Blank			



P	Items Included and Excluded		
P(1)	9	Items Included - All items specified in Paragraph 9 are included plus the following, if checked: <input type="checkbox"/> Stove(s), oven(s), stove/oven combos; <input type="checkbox"/> Refrigerators; <input type="checkbox"/> Wine Refrigerators; <input type="checkbox"/> Washer(s) <input type="checkbox"/> Dryer(s); <input type="checkbox"/> Dishwasher(s); <input type="checkbox"/> Microwave(s);	<input type="checkbox"/> Security systems/alarms, other than separate video doorbell and camera equipment); <input type="checkbox"/> Video doorbell; <input type="checkbox"/> Security camera equipment; <input type="checkbox"/> Smart home control devices; <input type="checkbox"/> _____; <input type="checkbox"/> _____;
			<input type="checkbox"/> Above-ground pool(s)/ <input type="checkbox"/> spa(s); <input checked="" type="checkbox"/> Bathroom mirrors, unless excluded below; <input type="checkbox"/> Electric car charging systems and stations; <input type="checkbox"/> _____; <input type="checkbox"/> _____; <input type="checkbox"/> _____;
P(2)	9	Excluded Items: <input type="checkbox"/> _____; <input type="checkbox"/> _____; <input type="checkbox"/> _____;	

Q Allocation of Costs				
		Item Description	Who Pays (if Both is checked, cost to be split evenly unless otherwise specified)	Additional Terms
Q(1)	10	Natural Hazard Zone Disclosure Report, including tax information	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	<input type="checkbox"/> Environmental <input type="checkbox"/> Other _____ <input type="checkbox"/> Provided by: _____
Q(2)		_____ Report	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(3)		_____ Report	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(4)	10B(1)	Smoke alarms, CO detectors, water heater bracing	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	Complete within 3 (or _____) Days after Acceptance
Q(5)	10B(2)(i)	Government Required Point of Sale inspections, reports	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(6)	10B(2)(ii)	Government Required Point of Sale corrective/remedial actions	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(7)	19A	Escrow Fees	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	Escrow Holder: _____
Q(8)	13	Owner's title policy	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	Title Company: _____
Q(9)		Buyer's Lender title policy	Buyer	Unless Otherwise Agreed, Buyer shall purchase any title insurance policy insuring Buyer's lender.
Q(10)		County transfer tax, fees	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(11)		City transfer tax, fees	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(12)	11G	HOA fee for preparing disclosures	Seller	
Q(13)		HOA certification fee	Buyer	
Q(14)		HOA transfer fees	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	Unless Otherwise Agreed, Seller shall pay for separate HOA move-out fee and Buyer shall pay for separate move-in fee. Applies if separately billed or itemized with cost in transfer fee.
Q(15)		Private transfer fees	Seller, or, if checked, <input type="checkbox"/> Buyer <input type="checkbox"/> Both _____	
Q(16)		_____ fees or costs	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(17)		_____ fees or costs	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____	
Q(18)	10C	Home warranty plan, one year	<input type="checkbox"/> Buyer <input type="checkbox"/> Seller <input type="checkbox"/> Both _____ <input type="checkbox"/> Buyer waives home warranty plan	Cost not to exceed \$ _____. Issued by: _____

R	OTHER TERMS (INCLUDING FINANCE TERMS NOT AFFECTING THE PURCHASE PRICE): _____ _____ _____ _____			
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4. **PROPERTY ADDENDA AND ADVISORIES:** (check all that apply)
- A. PROPERTY TYPE ADDENDA:** This Agreement is subject to the terms contained in the addenda checked below:
- Probate Addendum (C.A.R. Form PAPA)
 - Manufactured Home Addendum (C.A.R. Forms MHAP)
 - Tenant **Occupied** Property Addendum (C.A.R. Form **TOP**) (Should be checked whether current tenants will remain or not)
 - Tenancy in Common Addendum (C.A.R. Form TIC)
 - Other _____
- B. OTHER ADDENDA:** This Agreement is subject to the terms contained in the addenda checked below:
- Addendum # _____ (C.A.R. Form ADM) Increased Deposit Addendum (C.A.R. Form IDA)
 - Back Up Offer Addendum (C.A.R. Form BUO) Court Confirmation Addendum (C.A.R. Form CCA)
 - Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
 - Buyer Intent to Exchange Supp. (C.A.R. Form BES) Seller Intent to Exchange Supp. (C.A.R. Form SES)
 - Short Sale Addendum (C.A.R. Form SSA) Other _____
- C. BUYER AND SELLER ADVISORIES:** (Note: All advisories below are provided for reference purposes only and are not intended to be incorporated into the Agreement.)
- Buyer's Inspection Advisory (C.A.R. Form BIA) Wildfire Advisory (C.A.R. Form W DFA)
 - Probate Advisory (C.A.R. Form PA) Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 - Trust Advisory (C.A.R. Form TA) Short Sale Information and Advisory (C.A.R. Form SSIA)
 - REO Advisory (C.A.R. Form REO) Cal. Consumer Privacy Act Advisory (C.A.R. Form CCPA)
- (Brokers who are covered businesses under the CCPA may have their own separate disclosure.)
- Other: _____ Other: _____
5. **PURCHASE PRICE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.
- A. DEPOSIT:**
- (1) **INITIAL DEPOSIT:** Buyer shall deliver deposit directly to Escrow Holder in any manner acceptable by Escrow Holder and if allowable by Escrow Holder, specifically by wire transfer, personal check, or cashier's check.
 - (2) **INCREASED DEPOSIT:** Increased deposit to be delivered to Escrow Holder in the same manner as the Initial Deposit.
 - (3) **RETENTION OF DEPOSIT:** Paragraph 26, if initialed by all Parties or otherwise incorporated into the Agreement, specifies a remedy for Buyer's default. Buyer and Seller are advised to consult with a qualified real estate attorney before adding any other clause specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase. Any such clause shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. ALL CASH OFFER:** If an all cash offer is specified in paragraph 3A, no loan is needed to purchase the Property. This Agreement is NOT contingent on Buyer obtaining a loan. Buyer shall, within the time specified in paragraph 3H(1), Deliver written verification of funds sufficient for the purchase price and closing costs.
- C. LOAN(S):**
- (1) **FIRST LOAN:** This loan will provide for conventional financing UNLESS FHA, VA, Seller (C.A.R. Form SFA), or Other is checked in paragraph 3E(1).
 - (2) **ADDITIONAL FINANCED AMOUNT:** If an additional financed amount is specified in paragraph 3E(2), that amount will provide for conventional financing UNLESS Seller financing (C.A.R. Form SFA), or Other is checked in paragraph 3E(2)
 - (3) **FHA/VA:** For any FHA or VA loan specified in paragraph 3E(1): (i) A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction, and (ii) Buyer shall, within the time specified in paragraph 3E(1), Deliver to Seller written notice (C.A.R. Form RR or AEA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Notwithstanding Seller's agreement that Buyer may obtain FHA or VA financing, Seller has no obligation to pay or satisfy any or all lender requirements unless agreed in writing.
- D. BALANCE OF PURCHASE PRICE (DOWN PAYMENT) (including all-cash funds)** to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
- E. SELLER AND OTHER CREDITS TO BUYER AND LENDER LIMITS ON CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender, if any, and made at **Close Of Escrow**. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit from Seller shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
6. **ADDITIONAL FINANCING TERMS:**
- A. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Written verification of Buyer's down payment and closing costs may be made by Buyer or Buyer's lender or loan broker pursuant to paragraph 6B.
- B. LOAN APPLICATIONS:** Buyer shall deliver to Seller, within the time specified in paragraph 3H(3) a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3E. If any loan specified in paragraph 3E is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate.
- C. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including, but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in this Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.
7. **CLOSING AND POSSESSION:**
- A. RESIDENCY TYPE:** Buyer intends to use Property as indicated in paragraph 3E(3). The type of residency may impact the types of financing available.

Buyer's Initials _____ / _____

Seller's Initials _____ / _____



B. CONDITION OF PROPERTY ON CLOSING:

- (1) Unless **Otherwise Agreed**: **(i)** the Property shall be delivered "AS-IS" in its PRESENT physical condition as of the date of **Acceptance**; **(ii)** the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of **Acceptance**; and **(iii)** all debris and personal property not included in the sale shall be removed by Close Of Escrow or at the time possession is delivered to Buyer, if not on the same date. If items are not removed when possession is delivered to Buyer, all items shall be deemed abandoned. Buyer, after first giving Seller a Notice to Seller to Perform (C.A.R. Form NSP), may pay to have such items removed or disposed of and may bring legal action, as per the Agreement, to recover any such reasonable costs from Seller.
- (2) **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

C. SELLER REMAINING IN POSSESSION AFTER CLOSE OF ESCROW: If Seller has the right to remain in possession after **Close Of Escrow** pursuant to **paragraph 3K(2)** or **Otherwise Agreed**, **(i)** the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; **(ii)** Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan; and **(iii)** consult with a qualified California real estate attorney where the property is located to determine the ongoing rights and responsibilities of both Buyer and Seller with regard to each other, **including possible tenant rights**, and what type of written agreement to use to document the relationship between the Parties.

D. At Close Of Escrow: **(i)** Seller assigns to Buyer any assignable warranty rights for items included in the sale; and **(ii)** Seller shall **Deliver** to Buyer available **Copies** of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. Seller shall, on Close Of Escrow unless **Otherwise Agreed** and even if Seller remains in possession, provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems, intranet and Internet-connected devices included in the purchase price, garage door openers, **and all items included pursuant to paragraph 3P and paragraph 9**. If the Property is a condominium or located in a common interest subdivision, Seller shall be responsible for securing or providing any such items for Association amenities, facilities, and access. Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

8. CONTINGENCIES AND REMOVAL OF CONTINGENCIES:

A. LOAN:

- (1) This Agreement **is, unless otherwise specified in 3J(1)**, contingent upon Buyer obtaining the loan(s) specified above. If contingent, Buyer shall act diligently and in good faith to obtain the designated loan(s). **If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan and buyer is able to satisfy lender's non-appraisal conditions for closing the loan.**
- (2) Buyer is advised to investigate the insurability of the Property as early as possible, as this may be a requirement for lending. Buyer's ability to obtain insurance for the Property, including fire insurance, is part of Buyer's Investigation of **Property** contingency. Failure of Buyer to obtain insurance may justify cancellation based on the Investigation contingency but not the loan contingency.
- (3) Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement, unless **Otherwise Agreed**.
- (4) If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
- (5) **NO LOAN CONTINGENCY:** If No loan contingency is checked in **paragraph 3J(1)**, obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan specified, and as a result is unable to purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

B. APPRAISAL:

- (1) This Agreement **is, unless otherwise specified in paragraph 3J(2)**, contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the amount specified in **paragraph 3J(2)**, without requiring repairs or improvements to the Property. Appraisals are often a reliable source to verify square footage of the subject Property. However, the ability to cancel based on the measurements provided in an appraisal falls within the Investigation of Property Contingency. The appraisal contingency is solely limited to the value determined by the appraisal. **For any cancellation based upon this appraisal contingency, Buyer shall Deliver a Copy of the written appraisal to Seller, upon request by Seller.**
- (2) **NO APPRAISAL CONTINGENCY:** If "No appraisal contingency" is checked in **paragraph 3J(2)**, the inability of the **Property** to appraise at a certain value shall not allow Buyer to cancel based on the loan contingency.

C. INVESTIGATION OF PROPERTY: This Agreement is, as specified in **paragraph 3J(3)**, contingent upon Buyer's acceptance of the condition of, and any other matter affecting the property.

D. REVIEW OF SELLER DOCUMENTS: This Agreement **is**, as specified in **paragraph 3J(4)**, contingent upon Buyer's review of Seller's Documents **required in paragraph 14A**.

E. TITLE:

- (1) This Agreement **is**, as specified in **paragraph 3J(5)**, contingent upon Buyer's **ability to obtain the title policy provided for in paragraph 13E and on Buyer's** review of a current Preliminary ("**Title**") Report and items that are disclosed or observable even if not on record or not provided in the Preliminary ("**Title**") Report, and satisfying itself regarding the current status of title. Buyer is advised to review all underlying documents, including, but not limited to, any documents or deeds referenced in the Preliminary ("**Title**") Report and any plotted easements.
- (2) Buyer has **5 Days after receipt** to review a revised Preliminary ("**Title**") Report, **if any**, ordered by the Title Company and cancel the transaction if the revised Preliminary ("**Title**") Report reveals material or substantial deviations from a previously provided Preliminary ("**Title**") Report.

Buyer's Initials _____ / _____

Seller's Initials _____ / _____



- F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES (IF APPLICABLE):** This Agreement is, as specified in **paragraph 3J(6)**, contingent upon Buyer's review of Common Interest Disclosures required by Civil Code Section 4525 and under **paragraph 11G** ("CI Disclosures").
- G. BUYER REVIEW OF LEASED OR LIENED ITEMS CONTINGENCY:** Buyer's review of and ability and willingness to assume any lease, or accept the Property subject to any lien, disclosed pursuant to **paragraph 9B(6)**, is, as specified in **paragraph 3J(8)**, a contingency of this Agreement. Any assumption of the lease shall not require any financial obligation or contribution by Seller.
- H. REMOVAL OR WAIVER OF CONTINGENCIES WITH OFFER:** If Buyer removes or waives any contingencies without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.
- I. REMOVAL OF CONTINGENCY OR CANCELLATION:**
- (1) For any contingency specified in **paragraph 3J or 8**, Buyer shall, within the applicable period specified, remove the contingency or cancel this Agreement.
 - (2) For the contingency for Review of Seller Documents and the contingency for Condominium/Planned Development Disclosures, Buyer shall, within the time specified in **paragraph 3J or 5 Days** after receipt of Seller Documents or CI Disclosures, whichever occurs later, remove the applicable contingency in writing or cancel this Agreement.
 - (3) If Buyer does not remove the contingency within the above timeframes, Seller, after first giving Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), shall have the right to cancel this Agreement.
- J. SALE OF BUYER'S PROPERTY:** This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer unless the Sale of Buyer's Property (C.A.R. Form COP) is checked as a contingency of this Agreement in **paragraph 3J(9)**.
- 9. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**
- A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the Multiple Listing Service (MLS), flyers, marketing materials, or disclosures are NOT included in the purchase price or excluded from the sale unless specified in **paragraph 3P**. Any items included herein are components of the home and are not intended to affect the price. All items are transferred without value and without Seller warranty, unless Otherwise Agreed.
- B. ITEMS INCLUDED IN SALE:**
- (1) All EXISTING fixtures and fittings that are attached to the Property;
 - (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances not specified in **paragraph 3P** (appliances for which special openings or encasements have been made), window and door screens, awnings, shutters, window coverings (which includes blinds, curtains, drapes, shutters or any other materials that cover any portion of the window), attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment (including, but not limited to, any cleaning equipment such as motorized/automatic pool cleaners, pool nets, pool covers), garage door openers/remote controls, mailbox, in-ground landscaping, potted trees/shrubs, water features and fountains, water softeners, water purifiers, light bulbs (including smart bulbs) and all items specified as included in **paragraph 3P, if currently existing at the time of Acceptance.**
Note: If Seller does not intend to include any item specified as being included above because it is not owned by Seller, whether placed on the Property by Broker, stager or other third party, the item should be listed as being excluded in **paragraph 3P** or excluded by Seller in a counter offer.
 - (3) Security System includes any devices, hardware, software, or control units used to monitor and secure the Premises, including but not limited to, any motion detectors, door or window alarms, and any other equipment utilized for such purpose. If checked in **paragraph 3P**, all such items are included in the sale, whether hard wired or not.
 - (4) Home Automation (Smart Home Features) includes any electronic devices and features connected to a control unit, computer, tablet, phone, or other "smart" device, including but not limited to thermostat controls, kitchen appliances not otherwise excluded, and lighting systems including light bulbs. Any devices and features that are connected to the real property are included in the sale.
 - (5) Non-Dedicated Devices: If checked in **paragraph 3P**, all smart home control devices are included in the sale, except for any non-dedicated personal computer, tablet, or phone used to control such features. **Buyer acknowledges that a separate device and access to wifi or internet may be required to operate some smart home features and Buyer may have to obtain such device after Close of Escrow. Buyer is advised to change all passwords and ensure the security of any smart home features.**
 - (6) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller, within the time specified in **paragraph 3L(1)**, shall (i) disclose to Buyer if any item or system specified in **paragraph 3P or 9B** or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance or loan, and (ii) Deliver to Buyer all written materials (such as lease, warranty, financing, etc.) concerning any such item.
 - (7) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to **paragraph 9B(6)**, and (ii) are transferred without Seller warranty regardless of value.
- C. ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: (i) All items specified in **paragraph 3P(2)**; (ii) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (iii) furniture and other items secured to the Property for earthquake or safety purposes. **Unless otherwise specified, brackets attached to walls, floors or ceilings for any such component, furniture or item will be removed and holes or other damage shall be repaired, but not painted.**
- 10. ALLOCATION OF COSTS:**
- A. INSPECTIONS, REPORTS AND CERTIFICATES:** Paragraphs **3Q(1) - (3)** only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; **it does not determine who is to pay for any work recommended or identified in the Report. Agreements for payment of required work should be specified in paragraph 3R or in a separate agreement. (such as C.A.R. Forms RR, RRRR, ADM or AEA).**

Buyer's Initials _____ / _____

Seller's Initials _____ / _____

B. GOVERNMENT REQUIREMENTS AND CORRECTIVE OR REMEDIAL ACTIONS:

- (1) **LEGALLY REQUIRED INSTALLATIONS FOR PROPERTY, REGARDLESS OF SALE:** Any required installation of smoke alarm or carbon monoxide device(s) or securing of water heater shall be completed within **the time specified in paragraph 3L(4)**. If Buyer is to pay for these items, Buyer, as directed by escrow, shall deposit funds into escrow or directly to the vendor completing the repair **or installation**. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with any **Law**, unless Seller is exempt. If Seller is to pay for these items and does not fulfill its obligation in the time specified, and Buyer incurs costs to comply with lender requirements concerning those items, Seller **shall be** responsible for Buyer's costs. Buyer may notify Escrow Holder of the costs incurred and request Escrow Holder deduct the amount from Seller's proceeds and release those funds to Buyer.
- (2) **POINT OF SALE REQUIREMENTS:** (i) Point of sale inspections, reports and repairs refer to any such actions **required to be completed before or after Close Of Escrow** that are required in order to close under any **Law**. Unless agreed otherwise, any such repair shall be completed prior to final verification of Property. If Buyer is to pay for any portion of such repair, Buyer, as directed by escrow, shall deposit funds into escrow or direct to the vendor completing the repair.
(ii) Buyer shall be provided, within the time specified in **paragraph 3L(1)**, unless **Otherwise Agreed**, a copy of any required government-conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.
- (3) **REINSPECTION FEES:** If any repair in **paragraph 10B(1)** is not completed within the time specified and the lender requires an additional inspection to be made, Seller shall be responsible for any corresponding reinspection fee. If Buyer incurs costs to comply with lender requirements concerning those items, Buyer may notify Escrow Holder of the costs incurred and request Escrow Holder deduct the amount from Seller's proceeds and release those funds to Buyer.
- (4) **INFORMATION AND ADVICE ON REQUIREMENTS:** Buyer and Seller are advised to seek information from a knowledgeable source regarding local **and State** mandates and whether they are point of sale requirements or requirements of ownership. Brokers do not have expertise in this area **and cannot ascertain all of the requirements or costs of compliance**.

C. HOME WARRANTY:

- (1) Buyer shall choose the coverages within the cost limit specified in **paragraph 3Q(18)**. Buyer shall pay the cost of the home warranty plan chosen by Buyer that exceeds the amount allocated to Seller in **paragraph 3Q(18)**. Buyer is informed that home warranty plans have many optional coverages, including but not limited to, coverages for Air Conditioner and Pool/Spa. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.
- (2) **If Buyer waives the purchase of a home warranty policy in paragraph 3Q(18), Buyer may purchase a home warranty policy, at Buyer's expense, prior to Close Of Escrow.**

11. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

A. STATUTORY DISCLOSURES

- (1) Seller shall, within the time specified in **paragraph 3L(1)**, **Deliver** to Buyer: unless exempt, **fully completed** disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and Signed the Seller section(s) and the Seller's Agent, if any, has completed and Signed the Seller's Brokerage Firm section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Brokerage Firm, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Brokerage Firm.
- (3) **Waiver of Statutory Disclosures is prohibited by Law.**
- (4) Seller shall, within the time specified in **paragraph 3L(1)**, (i) unless exempt from the obligation to provide a TDS, complete a Seller Property Questionnaire (C.A.R. Form SPQ) by answering all questions and **Deliver a Copy** to Buyer; (ii) if exempt from the obligation to provide a TDS, complete an Exempt Seller Disclosure (C.A.R. Form ESD) by answering all questions and deliver a **Copy** to Buyer.
- (5) Buyer shall, within the time specified in **paragraph 3J(3) OR 5 Days** after **Delivery** of Statutory Disclosures, whichever is later, return **Signed Copies** of the Statutory Disclosures to Seller.
- (6) In the event Seller or Seller's Brokerage Firm, prior to **Close Of Escrow**, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer under this paragraph, Seller shall promptly provide a subsequent or amended TDS, Seller Property Questionnaire or other document, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are discovered by Buyer or disclosed in reports or documents provided to or ordered and paid for by Buyer.**
- (7) If any Statutory Disclosure, or subsequent or amended TDS, Seller Property Questionnaire or other document is **Delivered** to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** after **Delivery** in person, or **5 Days** after **Delivery** by deposit in the mail, or by an electronic record satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of cancellation to Seller or Seller's Agent. If Buyer does not cancel within this time period, Buyer has been deemed to have **approved** the new disclosure and shall not have the right to cancel.

B. LEAD DISCLOSURES:

- (1) Seller shall, within the time specified in **paragraph 3L(1)**, for any residential property built before January 1, 1978, unless exempted by **Law**, **Deliver** to Buyer a fully completed Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures").

Buyer's Initials _____/_____

Seller's Initials _____/_____



- (2) **Waiver of federal requirement is prohibited by Law.**
- (3) Buyer shall, for the time specified in **paragraph 3J(3)**, have the opportunity to conduct a risk assessment or to inspect for the presence of lead-based paint hazards.
- (4) Buyer shall, within the time specified in **paragraph 3J(3)** OR **5 Days** after **Delivery** of Lead Disclosures, whichever is later, return **Signed Copies** of the Lead Disclosures to Seller.
- (5) If any Lead Disclosure is **Delivered** to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement by the later of: **(i)** the time specified in **paragraph 3J(3)**, or **(ii)** **3 Days** after delivery in person, or **5 Days** after **Delivery** by deposit in the mail, or by an electronic record satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of cancellation to Seller or Seller's Agent. If Buyer does not cancel within this time period, Buyer has been deemed to have **approved** the new disclosure and shall not have the right to cancel.
- C. NATURAL AND ENVIRONMENTAL HAZARDS:** Seller shall, within the time specified in **paragraph 3L(1)**, if required by **Law: (i)** **Deliver** to Buyer earthquake guides (and questionnaire), which is required for all residential 1-4 and any manufactured or mobile home built before January 1, 1960, and environmental hazards booklet; and **(ii)** even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and **(iii)** disclose any other zone as required by Law and provide any other information required for those zones.
- D. WITHHOLDING TAXES:** Seller shall, within the time specified in **paragraph 3L(1)**, **Deliver** to Buyer or Escrow Holder as qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding law (C.A.R. Form AS or QS for federal withholding; and escrow holder's equivalent affidavit for California withholding). If the specified Seller affidavits are not **Delivered** to Buyer or qualified substitute prior to closing, Buyer and Seller instruct escrow to withhold the applicable required amounts to comply with federal and California withholding laws and forward such amounts to the Internal Revenue Service and Franchise Tax Board, respectively.
- E. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at **www.meganslaw.ca.gov**. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Brokers do not have expertise in this area.)
- F. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at **http://www.npms.phmsa.dot.gov/**. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Website. **(Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Brokers do not have expertise in this area.)**
- G. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) Seller shall, within the time specified in **paragraph 3L(1)**, disclose to Buyer whether the Property is a condominium or is located in a planned development, other common interest development, or otherwise subject to covenants, conditions, and restrictions (C.A.R. Form SPQ or ESD).
- (2) If the Property is a condominium or is located in a planned development or other common interest development with a HOA, Seller shall, within the time specified in **paragraph 3L(3)**, order from, and pay any required fee for the following items to the HOA (C.A.R. Form HOA-IR): **(i) Copies** of any documents required by Law; **(ii)** disclosure of any pending or anticipated claim or litigation by or against the HOA; **(iii)** a statement containing the location and number of designated parking and storage spaces; **(iv) Copies** of the most recent 12 months of HOA minutes for regular and special meetings; and **(v)** the names and contact information of all HOAs governing the Property; **(vi) pet restrictions; and (vii) smoking restrictions** ("CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Seller shall, as directed by escrow, deposit funds into escrow or direct to HOA or management company to pay for any of the above.
- H. KNOWN MATERIAL FACTS:** Seller shall, within the time specified in **paragraph 3L(1)**, **DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS** affecting the Property, including, **but not limited to**, known insurance claims within the past five years, or provide buyer with permission to contact lender to get such information (C.A.R. Form ARC), and make any and all other disclosures required by law.
- 12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A.** Buyer shall, within the time specified in **paragraph 3J(3)**, have the right, at Buyer's expense unless **Otherwise Agreed**, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations").
- B.** Buyer Investigations include, but are not limited to:
- (1) **Inspections regarding any physical attributes of the Property or items connected to the Property, such as:**
- (A) A general **home** inspection.
- (B) An inspection for lead-based paint and other lead-based paint hazards.
- (C) An inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2).

Buyer's Initials _____/_____

Seller's Initials _____/_____

(D) Any other specific inspections of the physical condition of the land and improvements.

(2) All other Buyer Investigations not specified above, such as, an investigation of neighborhood or area conditions, subdivision conditions, and personal factors; reviewing of the registered sex offender database; confirming the insurability of Buyer and the Property including, but not limited to, the availability and cost of flood and fire insurance; and reviewing and seeking approval of leases that may need to be assumed by Buyer, and all other matters affecting the property.

(3) A review of reports, disclosures or information prepared by or for Seller and Delivered to Buyer pursuant to paragraphs 3, 10, 11, and 14A, not otherwise specified;

C. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

D. Seller shall make the Property available for all Buyer Investigations. Seller is not obligated to move any existing personal property. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is delivered to Buyer. Buyer shall (i) as specified in paragraph 3J(3) complete Buyer Investigations and satisfy themselves as to the condition of the Property, and either remove the contingency or cancel this Agreement, and (ii) by the time specified in paragraph 3J(3) or 3 Days after receipt of any Investigation report, whichever is later, give Seller at no cost, complete Copies of all such reports obtained by Buyer, which obligation shall survive the termination of this Agreement. This delivery of Investigation reports shall not include any appraisal.

E. **Buyer indemnity and Seller protection for entry upon the Property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to **Close Of Escrow**. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement. This delivery of Investigation reports shall not include any appraisal, except an appraisal received in connection with an FHA or VA loan.

13. TITLE AND VESTING:

A. Buyer shall, within the time specified in paragraph 3L(1), be provided a current preliminary title report ("Preliminary (Title) Report") by the person responsible for paying for the title report in paragraph 3Q(8). The Preliminary (Title) Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. The company providing the Preliminary (Title) Report shall, prior to issuing a Preliminary (Title) Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of **Acceptance** except for: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing. For any lien or matter not being transferred upon sale, Seller will take necessary action to deliver title free and clear of such lien or matter.

Seller shall within **7 Days** after request, give Escrow Holder necessary information to clear title.

C. Seller shall, within the time specified in paragraph 3L(1), disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. Buyer shall, after **Close Of Escrow**, receive a recorded grant deed or any other conveyance document required to convey title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's vesting instructions. Escrow holder shall insert Buyer's post-closing mailing address on the document to enable Buyer's receipt of the recorded conveyance document from the County Recorder. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a "Homeowner's Policy of Title Insurance" if applicable to the type of property and buyer. Escrow Holder shall request this policy. If a Homeowner's Policy of Title Insurance is not offered, Buyer shall receive a CLTA Standard Coverage policy unless Buyer has chosen another policy and instructed Escrow Holder in writing of the policy chosen and agreed to pay any increase in cost. Buyer should consult with the title company about the availability, and difference in coverage, and cost, if any, between a Homeowner's Policy and a CLTA Standard Coverage policy and other title policies and endorsements. Buyer should receive notice from the title company on its Preliminary (Title) Report of the type of coverage offered. If Buyer is not notified on the Preliminary (Title) Report or is not satisfied with the type of policy offered, and Buyer nonetheless removes the contingency for Review of the Preliminary Report, Buyer will receive the policy as specified in this paragraph.

14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER DELIVERY OF DOCUMENTS:** Seller shall, within the time specified in paragraph 3L(1), Deliver to Buyer all Reports, disclosures and information for which Seller is responsible as specified in paragraphs 9B(6), 10, 11A, 11B, 11C, 11D, 1A, 11H, 13A, 13C and 31.

B. **BUYER REVIEW OF DOCUMENTS; REPAIR REQUEST; CONTINGENCY REMOVAL OR CANCELLATION**

(1) Buyer has **17 Days** after **Acceptance**, unless Otherwise Agreed in paragraph 3 or otherwise, to: (i) perform Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 9B(6), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraphs 11A and 11B.

(2) Buyer may, within the time specified in paragraph 3J(3), request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RR or RRRR) Buyer's requests.

Buyer's Initials _____ / _____

Seller's Initials _____ / _____



If Seller does not agree or does not respond, Buyer is not contractually entitled to have the repairs or other requests made and may only cancel based on contingencies in this Agreement.

- (3) Buyer shall, by the end of the times specified in **paragraph 3J** (or as otherwise specified in this Agreement), **Deliver** to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible, other than those in **paragraphs 11A** or **11B**, is not **Delivered** within the time specified in **paragraph 3L(1)**, then Buyer has **5 Days** after **Delivery** of any such items, or the times specified in **paragraph 3J**, whichever is later, to **Deliver** to Seller a removal of the applicable contingency or cancellation of this Agreement. If Buyer never had a contingency or removed or waived the contingency, then a late delivery of any report, disclosure or information, shall not give the Buyer the right to cancel **this Agreement** under this paragraph.
- (4) **Continuation of Contingency:** Even after the end of the time specified in **paragraph 3J** and before Seller cancels, if at all, pursuant to **paragraph 14C**, Buyer retains the right, in writing, to either **(i)** remove remaining contingencies, or **(ii)** cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is **Delivered** to Seller, Seller may not cancel this Agreement pursuant to **paragraph 14C(1)**.

C. SELLER RIGHT TO CANCEL:

- (1) **SELLER RIGHT TO CANCEL; BUYER CONTINGENCIES:** If, by the time specified in this Agreement, Buyer does not **Deliver** to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first **Delivering** to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
- (2) **SELLER RIGHT TO CANCEL; BUYER CONTRACT OBLIGATIONS:** Seller, after first **Delivering** to Buyer a **Notice to Buyer to Perform**, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): **(i)** Deposit funds as required by **paragraph 3D(1)** or **3D(2)** or if the funds deposited pursuant to **paragraph 3D(1)** or **3D(2)** are not good when deposited; **(ii)** **Deliver** a notice of FHA or VA costs or terms, if any, as specified by **paragraph 5C(3)** (C.A.R. Form RR); **(iii)** **Deliver** verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by **paragraph 5B** or **6A**; **(iv)** Deliver a letter as required by **paragraph 6B**; **(v)** In writing assume or accept leases or liens specified in **paragraph 9B(6)**; **(vi)** Return Statutory and Lead Disclosures as required by **paragraphs 11A and 11B**; or **(vii)** **Sign** or initial a separate liquidated damages form for an increased deposit as required by **paragraphs 5A(2) and 26**; **(viii)** Provide evidence of authority to **Sign** in a representative capacity as specified in **paragraph 26**; or **(ix)** Any additional Buyer contractual obligation included in the Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees allocated to Seller in the Agreement and already paid by Escrow prior to cancellation of the Agreement and notification to Escrow.
- (3) **SELLER RIGHT TO CANCEL; SELLER CONTINGENCIES:** Seller may cancel this Agreement by good faith exercise of any Seller contingency included in this Agreement, or **Otherwise Agreed**, so long as that contingency has not already been removed or waived in writing.

D. BUYER RIGHT TO CANCEL:

- (1) **BUYER RIGHT TO CANCEL; SELLER CONTINGENCIES:** If, by the time specified in this Agreement, Seller does not **Deliver** to Buyer a removal of the applicable contingency or cancellation of this Agreement, then Buyer, after first **Delivering** to Seller a Notice to Seller to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees allocated to Seller in the Agreement and already paid by Escrow prior to cancellation of the Agreement and notification to Escrow.
- (2) **BUYER RIGHT TO CANCEL; SELLER CONTRACT OBLIGATIONS:** If, by the time specified, Seller has not **Delivered** any item specified in **paragraph 3L(1)** or Seller has not performed any Seller contractual obligation included in the Agreement by the time specified, Buyer, after first **Delivering** to Seller a **Notice to Seller to Perform**, may cancel this Agreement.
- (3) **BUYER RIGHT TO CANCEL; BUYER CONTINGENCIES:** Buyer may cancel this Agreement by good faith exercise of any Buyer contingency included in paragraph 8, or **Otherwise Agreed**, so long as that contingency has not already been removed in writing.

E. NOTICE TO BUYER OR SELLER TO PERFORM: The **Notice to Buyer to Perform** or **Notice to Seller to Perform** shall: **(i)** be in writing; **(ii)** be **Signed** by the applicable Buyer or Seller; and **(iii)** give the other Party at least **2 Days** after **Delivery** (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A **Notice to Buyer to Perform** or **Notice to Seller to Perform** may not be **Delivered** any earlier than **2 Days** prior to the expiration of the applicable time ("scheduled performance day") (See **paragraph 25H**) for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in **paragraph 14**, whether or not the Scheduled Performance Day falls on a Saturday, Sunday or legal holiday. If a **Notice to Buyer to Perform** or **Notice to Seller to Perform** is incorrectly **Delivered** or specifies a time less than the above timeframe, the notice shall be deemed invalid and void. Seller or Buyer shall be required to **Deliver** a new **Notice to Buyer to Perform** or **Notice to Seller to Perform** with the appropriate timeframe.

F. EFFECT OF REMOVAL OF CONTINGENCIES:

- (1) **REMOVAL OF BUYER CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: **(i)** completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; **(ii)** elected to proceed with the transaction; and **(iii)** assumed all liability, responsibility and expense for the non-delivery of any reports, disclosures or information outside of Seller's control and for any Repairs or corrections pertaining to that contingency or cancellation right, not **Otherwise Agreed**, or for the inability to obtain financing.
- (2) **REMOVAL OF SELLER CONTINGENCIES:** If Seller removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Seller shall conclusively be deemed to have: **(i)** satisfied themselves regarding such contingency, **(ii)** elected to proceed with the transaction; and **(iii)** given up any right to cancel the contract based on such contingency.

G. DEMAND TO CLOSE ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first **Deliver** to the other Party a Demand to Close Escrow (C.A.R. Form DCE). The DCE shall: **(i)** be **Signed** by the applicable Buyer or Seller; and **(ii)** give the other Party at least **3 Days** after **Delivery** to close escrow. A DCE may not be **Delivered** any earlier than **3 Days** prior to the scheduled **Close Of Escrow**, whether or not the



Scheduled Performance Day falls on a Saturday, Sunday or legal holiday. If a DCE is incorrectly **Delivered** or specifies a time less than the above timeframe, the demand shall be deemed invalid and void. Seller or Buyer shall be required to Deliver a new DCE with the appropriate timeframe.

- H. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to **Sign** and **Deliver** mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less **(i)** fees and costs paid by Escrow on behalf of that party, if required by **this** Agreement; and **(ii)** any escrow cancellation fee charged to that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **A release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. A Party may be subject to a civil penalty of up to \$1,000 for refusal to Sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code § 1057.3). Note: Agents are not qualified to provide a legal opinion on who is entitled to the deposited funds. Buyer and Seller are advised to seek legal counsel regarding this matter.**
- 15. REPAIRS:** **Repairs** shall be completed prior to final verification of condition unless **Otherwise Agreed**. **Repairs** to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. **Repairs** shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all **Repairs** may not be possible. Seller shall: **(i)** obtain invoices and paid receipts for **Repairs** performed by others; **(ii)** prepare a written statement indicating the **Repairs** performed by Seller and the date of such **Repairs**; and **(iii)** provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 16. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property condition within **the time specified in paragraph 3M**, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: **(i)** the Property is maintained pursuant to **paragraph 7B**; **(ii)** **Repairs** have been completed as agreed; and **(iii)** Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 17. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless **Otherwise Agreed**, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of **Close Of Escrow**: real property taxes and assessments, interest, **Seller rental payments**, HOA regular assessments **due** prior to **Close Of Escrow**, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. **Seller shall pay any HOA special or emergency assessments due prior to Close Of Escrow**. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special or emergency assessments that are **due after Close Of Escrow**. Property will be reassessed upon change of ownership. Any supplemental tax bills delivered to Escrow Holder prior to closing shall be prorated and paid as follows: **(i)** for periods after **Close Of Escrow**, by Buyer; and **(ii)** for periods prior to **Close Of Escrow**, by Seller (see C.A.R. Form SPT or SBSA for further information). **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER**. Prorations shall be made based on a 30-day month.
- 18. BROKERS:**
- A. COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon **Close Of Escrow**, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer. If there is no separate written agreement for compensation between a Seller or Buyer and that principal's broker and Buyer or Seller wants to know how much the principal's broker is being paid in the transaction the applicable Seller or Buyer is advised to ask, in writing, its broker.
- B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Property; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; **(v)** Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; **(vi)** Shall not be responsible for inspecting public records or permits concerning the title or use of Property; **(vii)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(viii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(ix)** Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; **(x)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(xi)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
- 19. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder**, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: **paragraphs 1, 3B-K, 3J5, 3Q, 3R, 4A, 4B, 5 [except 5A(3)], 8, 10C, 11D, 13B, 13D and 13E, 14G, 14H, 17, 18A, 19, 23, 25, 30, 31, 32, 33, and paragraph C of the section titled Real Estate Brokers**. If a Copy of the separate compensation agreement(s) provided for in **paragraph 18A or paragraph C of the section titled Real Estate Brokers on Broker Signature Page** is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller shall sign and return Escrow Holder's general provisions or supplemental instructions within the time specified in **paragraph 3L(2)**. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within **3 Days**, shall pay to Escrow Holder or HOA or HOA managing company or others any fee required by **paragraphs 3, 8, 10, 11**, or elsewhere in this Agreement.

Buyer's Initials _____ / _____ Seller's Initials _____ / _____



- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within **3 Days** after **Acceptance**. Buyer and Seller authorize Escrow Holder to accept and rely on **Copies** and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under **paragraph 11D**, Escrow Holder shall deliver to Buyer, Buyer's Agent, and Seller's Agent a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to **paragraph 18A and paragraph C of the section titled Real Estate Brokers**. Buyer and Seller irrevocably assign to Brokers compensation specified in **paragraph 18A**, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Buyer, Seller, and each Broker verification of Buyer's deposit of funds pursuant to **paragraph 5A(1) and 5A(2)**. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within **3 Days** after mutual execution of the amendment.
20. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
21. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon **Close Of Escrow**, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS. Any pictures or information that has been or will be inputted into the MLS, at the instruction of Seller or in compliance with MLS rules, are owned by the Seller's Broker and are not in the control of Buyer. Buyer **acknowledges** that such information **will not** be removed after **Close Of Escrow**, and Seller and Seller's Broker shall have no obligation to remove such items.
22. **ATTORNEY FEES AND COSTS:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in **paragraph 27**.
23. **ASSIGNMENT:** Buyer shall have the right to assign all of Buyer's interest in this Agreement to any wholly owned entity or trust of Buyer, that is in existence at the time of such assignment. For all other cases, Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Prior to any assignment, Buyer shall provide Seller with the name of the assignee and any monetary consideration between Buyer and assignee. Buyer shall provide assignee with all documents related to this Agreement including, but not limited to, the Agreement and any disclosures. Buyer shall, within the time specified in **paragraph 3N**, Deliver any request to assign this Agreement for Seller's consent. If Buyer fails to provide the required information within this timeframe, Seller's withholding of consent shall be deemed reasonable. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless Otherwise Agreed by Seller (C.A.R. Form AOAA).
24. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
25. **DEFINITIONS and INSTRUCTIONS:** As used in this Agreement:
- A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a Party and is delivered to the other Party's Authorized Agent or email address provided in accordance with the terms of this offer or a final counter offer.
- B. **"Agent"** means the broker, agent, sub-agent, broker-associate or any other agent licensed under the broker identified in the Confirmation of Agency.
- C. **"Agreement"** means this document and any counter offers and any incorporated addenda or amendments, collectively forming the binding agreement between the Parties. Addenda and amendments are incorporated only when Signed by all Parties.
- D. **"As-Is"** means that Seller shall make full disclosure of known material facts and defects as of the date of Acceptance and perform only those repairs specified in this Agreement, and Buyer shall have the right to inspect the Property and exercise any contingency cancellation specified in this Agreement.
- E. **"Authorized Agent"** means an individual real estate licensee specified in the Real Estate Broker Box on the Broker and Escrow signature page.
- F. **"C.A.R. Form"** means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- G. **"Close Of Escrow"**, including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded for any real property, or the date of Delivery of a document evidencing the transfer of title for any non-real property transaction
- H. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.
- I. **Counting Days** is done as follows: (1) The first **Day** after an event is the first full calendar date following the event. For example, if a Notice to Buyer to Perform (C.A.R. form NBP) is delivered on 3 pm on the 7th calendar day of the month, or acceptance of a counter-offer is personally received at 12 noon on the 7th calendar day of the month, then the 7th is Day "0" for purposes of counting days to respond to the **Notice to Buyer to Perform** or calculating the close of escrow date or contingency removal dates and the 8th of the month is day 1 for those same purposes. (2) All calendar days are counted in establishing the first Day after an event. (3) All calendar days are counted in determining the date upon which performance must be completed. (4) After Acceptance, if the last day for performance of any act required by this Agreement, including **Close Of Escrow**, ("Scheduled Performance Day") lands on a Saturday, Sunday, or legal holiday, the performing party shall be allowed to perform on the next day that is not a Saturday, Sunday or legal holiday ("Allowable Performance Day"). (5) For the purposes of COE, any day that the Recorder's office in the County where the property is located is closed, the COE shall occur on the next day the Recorder's office in that County is open. (6) COE is considered day 0 for purposes of counting days seller is allowed to remain in possession, if permitted by the Agreement.
- J. **"Days" or "DAYS"** means calendar day or days. However, delivery of deposit to escrow is based on business days.

Buyer's Initials _____ / _____

Seller's Initials _____ / _____



- K. **“Deliver”, “Delivered” or “Delivery”** of Notices, unless otherwise specified in writing, means and shall be effective upon personal receipt by Buyer or Seller or their Authorized Agent regardless of the delivery method used (i.e. e-mail, text, other). Personal receipt means (i) a physical Copy of the Notice is in the possession of the Party or Authorized Agent, or (ii) an electronic Copy of the Notice [1] has been transmitted by the sender [2] is in the electronic system designated in Broker Box, whether or not opened by the recipient [3] when the recipient has knowledge that the Notice is in the recipient’s designated electronic system [4] when the recipient opens the electronic communication. **“Notices”** refers to any notice, disclosure, demand, document, information, or other item that, after Acceptance, Buyer or Seller may or is required to give the other Party pursuant to this Agreement.
- L. **“Electronic Copy” or “Electronic Signature”** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- M. **“Law”** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- N. **“Legally Authorized Signer”** means an individual who has authority to sign for the principal as specified in **paragraph 32 or paragraph 33.**
- O. **“Otherwise Agreed”** means an agreement in writing, signed by both Parties and delivered to each.
- P. **“Repairs”** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- Q. **“Signed”** means either a handwritten or electronic signature on an original document, Copy or any counterpart.

26. LIQUIDATED DAMAGES:

If Buyer fails to complete this purchase because of Buyer’s default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer’s Initials _____/_____

Seller’s Initials _____/_____

27. MEDIATION:

- A. The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties **also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** Mediation fees, if any, shall be divided equally among the Parties involved, and shall be recoverable under the prevailing party attorney fees clause. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.**
- B. **ADDITIONAL MEDIATION TERMS: (i) Exclusions from this mediation agreement are specified in paragraph 28B; (ii) The obligation to mediate does not preclude the right of either party to seek a preservation of rights under paragraph 28C below; and (iii) Brokers rights and obligations are further specified in paragraph 28D below.**

28. ARBITRATION OF DISPUTES:

- A. The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. Enforcement of, and any motion to compel arbitration of, this agreement to arbitrate shall be governed by the procedural rules of the Federal Arbitration Act, and not the California Arbitration Act, notwithstanding any language seemingly to the contrary in this Agreement. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. The arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction.
- B. **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- C. **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic’s lien.
- D. **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.
- E. **“NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.”**

“WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION TO NEUTRAL ARBITRATION.”

Buyer’s Initials _____/_____

Seller’s Initials _____/_____



- 29. TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the terms and conditions herein. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. **If at least one but not all Parties initial, a counter offer is required until agreement is reached.** Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of **Acceptance** to market the Property for backup offers after **Acceptance**. The Parties have read and acknowledge receipt of a **Copy** of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any **Copy**, may be **Signed** in two or more counterparts, all of which shall constitute one and the same writing. By signing this offer or any document in the transaction, the signer is deemed to have read the document in its entirety.
- 30. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted, and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
- 31. LEGALLY AUTHORIZED SIGNER:** Wherever the signature or initials of the Legally Authorized Signer identified in **paragraph 32** or **33** appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer **(i)** represents that the entity for which that person is acting already exists and is in good standing to do business in California and **(ii)** shall Deliver to the other Party and Escrow Holder, within **3 Days** after Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

Buyer's Initials _____ / _____

Seller's Initials _____ / _____



32. OFFER

A. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless by the date and time specified in paragraph 3C, the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, by the Buyer's "Authorized Agent", or _____, who is authorized to receive it on behalf of the Buyer. Seller has no obligation to Accept, Reject or respond to an offer made.

B. ENTITY BUYERS: If this paragraph is completed, a Representative Capacity Signature Disclosure form is not required (C.A.R. Form RCSD)

- (1) One or more Buyers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or Other: _____. This Agreement is being signed by a Legally Authorized Signer in a representative capacity and not for him/herself as an individual.
- (2) The name(s) of the Legally Authorized Signer(s) is/are: _____.
- (3) If a trust, identify Buyer as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust). If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: _____.

C. BUYER SIGNATURE(S):

BUYER (print name): _____ **Date:** _____

(Signature) By, _____ Title, if applicable, _____

BUYER (print name): _____ **Date:** _____

(Signature) By, _____ Title, if applicable, _____

IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

33. ACCEPTANCE

A. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER-OFFER (C.A.R. Form SCO or SMCO) DATED: _____, AND SELLER SHALL INCLUDE THE ENTIRE AGREEMENT WITH THE COUNTER-OFFER, INCLUDING SIGNATURE(S) BELOW.

B. Entity Sellers: If this paragraph is completed, a Representative Capacity Signature Disclosure form is not required (C.A.R. Form RCSD)

- (1) One or more Sellers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or Other: _____. This Agreement is being signed by a Legally Authorized Signer in a representative capacity and not for him/herself as an individual.
- (2) The name(s) of the Legally Authorized Signer(s) is/are: _____.
- (3) If a trust, identify Buyer as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust). If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: _____.

C. SELLER SIGNATURE(S):

SELLER (print name): _____ **Date:** _____

(Signature) By, _____ Title, if applicable, _____

SELLER (print name): _____ **Date:** _____

(Signature) By, _____ Title, if applicable, _____

IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

34. ACCEPTANCE OF AGREEMENT: A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's Authorized Agent, or Delivered to the email address provided for the Authorized Agent as specified in the Real Estate Broker box.

OFFER NOT ACCEPTED: (____)(____) No counteroffer is being made. This offer was not accepted by Seller _____ (date)
Seller's Initials



REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

D. PRESENTATION OF OFFER: Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm _____ Lic. # _____

By _____ Lic. # _____ Date _____

By _____ Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Email _____ Text _____

Other Electronic Notice Method _____

Seller's Brokerage Firm _____ Lic. # _____

By _____ Lic. # _____ Date _____

By _____ Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Email _____ Text _____

Other Electronic Notice Method _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter-offer numbers _____ and _____, and agrees to act as Escrow Holder subject to **paragraph 19** of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

Department of Business Oversight, Department of Insurance, Department of Real Estate.

PRESENTATION OF OFFER: (_____/_____/_____) Seller's Brokerage Firm presented this offer to Seller on _____ (date).
Broker or Designee Initials _____

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525 South Virgil Avenue, Los Angeles, California 90020

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

