

DEFINITIONS

BROKER includes cooperating brokers and all sales persons. **DAYS** means calendar days, midnight to midnight, unless otherwise specified. **BUSINESS DAY** excludes Saturdays, Sundays and legal holidays. **DATE OF ACCEPTANCE** means the date Seller accepts the offer or the Buyer accepts the counter offer. **DELIVERED** means personally delivered, transmitted by facsimile machine, by a nationally recognized overnight courier, or by first class mail, postage prepaid. In the event of mailing, the document will be deemed delivered three (3) business days after deposit; in the event of overnight courier, one (1) business day after deposit; and if by facsimile, at time of transmission provided that a transmission report is generated and retained by the sender reflecting the accurate transmission of the document. Unless otherwise provided in this Agreement or by law, delivery to the agent will constitute delivery to the principal. **DATE OF CLOSING** means the date title is transferred. **TERMINATING THE AGREEMENT** means that both parties are relieved of their obligations and all deposits will be returned to Buyer less expenses incurred by or on account of Buyer to date of termination. **PROPERTY** means the real property and any personal property included in the sale.

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

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

the Seller exclusively; or both the Buyer and the Seller.

SELLING AGENT: _____ (if not the same as the Listing Agent) is the agent of (check one):
(Print Firm Name)

the Buyer exclusively; or the Seller exclusively; or both the Buyer and the Seller.

Note: This confirmation DOES NOT take the place of the AGENCY DISCLOSURE form (P.P. Form 110.42 CAL) required by law.

_____ hereinafter designated as BUYER, offers to purchase the real property situated in _____, County of _____, California, commonly known as _____

FOR THE PURCHASE PRICE OF \$ _____ (_____ dollars) on the following terms and conditions:

Buyer does Buyer does not intend to occupy the property as his or her residence.

1. FINANCING TERMS AND LOAN PROVISIONS.

A. \$ _____ DEPOSIT evidenced by check, or other: _____, held uncashed until acceptance and not later than three (3) business days thereafter deposited toward the purchase price with: _____

B. \$ _____ ADDITIONAL CASH DEPOSIT to be placed in escrow within _____ days after acceptance, upon receipt of Loan Commitment per Item 2, Other: _____

C. \$ _____ BALANCE OF CASH PAYMENT needed to close, not including closing costs.

D. \$ _____ NEW FIRST LOAN: CONVENTIONAL, FHA, VA, Other financing acceptable to Buyer:

FIXED RATE: For _____ years, interest not to exceed _____%, payable at approximately \$ _____ per month (principal and interest only), with the balance due in not less than _____ years.

ARM: For _____ years, initial interest rate not to exceed _____%, with initial monthly payments of \$ _____ and maximum lifetime rate not to exceed _____%.

Buyer will pay loan fee or points not to exceed _____.

Lender to appraise property at no less than purchase price.

If FHA or VA, Seller will pay _____% discount points. Seller will also pay other fees and costs, as required by FHA or VA, not to exceed \$ _____.

E. \$ _____ EXISTING FINANCING: FIRST LOAN, SECOND LOAN:

ASSUMPTION OF, SUBJECT TO existing loan of record described as follows:

F. \$ _____ SELLER FINANCING: FIRST LOAN, SECOND LOAN, THIRD LOAN, secured by the property.

Seller Financing Addendum, P.P. Form 131.1-3 CAL, is attached and made a part of this Agreement.

G. \$ _____ OTHER FINANCING TERMS: _____

H. \$ _____ TOTAL PURCHASE PRICE (not including closing costs).

2. LOAN APPROVAL. (Please check on of the following):

A. CONTRACT IS NOT CONTINGENT upon Buyer obtaining a loan.

B. CONTRACT IS CONTINGENT upon Buyer's ability to obtain a commitment for new financing, as set forth above, from a lender or mortgage broker of Buyer's choice, and/or consent to assumption of existing financing provided for in this Agreement, within _____ days

Buyer [_____] [_____] and Seller [_____] [_____] have read this page.

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after acceptance. Buyer will in good faith use his or her best efforts to qualify for and obtain the financing and will complete and submit a loan application **within five (5) days after acceptance.** Buyer will, will not provide a prequalification letter or preapproval letter from lender or mortgage broker based on Buyer's application and credit report **within _____ days after acceptance.** In the event a loan commitment or consent is obtained but not timely honored without fault of Buyer, Buyer may terminate this Agreement.

3. BONDS AND ASSESSMENTS. All bonds and assessments which are part of or paid with the property tax bill will be assumed by the Buyer. In the event there are other bonds or assessments which have an outstanding principal balance and are a lien upon the property, the current installment will be prorated between Buyer and Seller as of the date of closing. Future installments will be assumed by Buyer WITHOUT CREDIT toward the purchase price, EXCEPT AS FOLLOWS: _____

This Agreement is conditioned upon both parties verifying and approving in writing the amount of any bond or assessment to be assumed or paid **within ten (10) days after receipt** of the preliminary title report or property tax bill whichever is later. In the event of disapproval, the disapproving party may terminate this Agreement.

4. PROPERTY TAX. **Within three (3) days after acceptance,** Seller will deliver to Buyer for his or her approval a copy of the latest property tax bill. Buyer is advised that: (a) the property will be reassessed upon change of ownership which may result in a tax increase; and (b) the tax bill may not include certain exempt items such as school taxes on property owned by seniors. Buyer should make further inquiry at the assessor's office. **Within five (5) days after receipt** of the tax bill, Buyer will in writing approve or disapprove the tax bill. In the event of disapproval, Buyer may terminate this Agreement.

5. EXISTING LOANS. Seller will, **within three (3) days after acceptance,** provide Buyer with copies of all notes and deeds of trust to be assumed or taken subject to. **Within five (5) days after receipt** Buyer will notify Seller in writing of his or her approval or disapproval of the terms of the documents. Approval will not be unreasonably withheld. **Within three (3) days after acceptance,** Seller will submit a written request for a current Statement of Condition on the above loan(s). Seller warrants that all loans will be current at close of escrow. Seller will pay any prepayment charge imposed on any existing loan paid off at close of escrow. Buyer will pay the prepayment charge on any loan which is to remain a lien upon the property after close of escrow. The parties are encouraged to consult his or her lender regarding prepayment provisions and any due on sale clauses.

6. DESTRUCTION OF IMPROVEMENTS. If the improvements of the property are destroyed, materially damaged, or found to be materially defective as a result of such damage prior to close of escrow, Buyer may terminate this Agreement by written notice delivered to Seller or his or her Broker, and all unused deposits will be returned. In the event Buyer does not elect to terminate this Agreement, Buyer will be entitled to receive, in addition to the property, any insurance proceeds payable on account of the damage or destruction.

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

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

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

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

10. CLOSING. Full purchase price to be paid and deed to be recorded on or before _____, OR within _____ days after acceptance. Both parties will deposit with an authorized escrow holder, to be selected by Buyer, all funds and instruments necessary to complete the sale in accordance with the terms of this Agreement. Where customary, signed escrow instructions will be delivered to escrow holder **within _____ days after acceptance.** Escrow fee to be paid by _____. County/City transfer tax(es), if any, to be paid by _____. Homeowner association transfer fee to be paid by _____.

THIS PURCHASE AGREEMENT TOGETHER WITH ANY ADDENDA WILL CONSTITUTE JOINT ESCROW INSTRUCTIONS TO THE ESCROW HOLDER.

Buyer [_____] [_____] and Seller [_____] [_____] have read this page.

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

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

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

12. **FIXTURES.** All items permanently attached to the property, including light fixtures and bulbs, attached floor coverings, all attached window coverings, including window hardware, window and door screens, storm sash, combination doors, awnings, TV antennas, burglar, fire, smoke and security alarms (unless leased), pool and spa equipment, solar systems, attached fireplace screens, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), are included in the purchase price free of liens, EXCLUDING:

13. **CONDITION OF PROPERTY.** Seller agrees that upon delivery of possession to the Buyer: (a) all built-in appliances included in the sale, and the electrical, plumbing, (excluding irrigation systems), heating and cooling systems will be in working order and free of leaks; (b) the roof will be free of leaks; (c) all broken or cracked glass, including mirrors and shower/tub enclosures and broken seals between double-pane windows, will be replaced; (d) and existing window and door screens that are damaged will be repaired. **Unless specifically excluded, all of the above are the obligation of the Seller regardless of any disclosures made or conditions discovered by the parties or their agents.** The following items are specifically excluded from the above: _____

Seller's obligations under this provision are not intended to create a duty to repair an item that may fail after possession is delivered. **Buyer and Seller acknowledge that Broker is not responsible for any alleged breach of these covenants.**

14. **INSPECTIONS OF PHYSICAL CONDITION OF PROPERTY.** Buyer will have the right to retain, at his or her expense, licensed experts including but not limited to engineers, geologists, architects, contractors, surveyors, arborists, and structural pest control operators to inspect the property for any structural and nonstructural conditions, including matters concerning roofing, electrical, plumbing, heating, cooling, appliances, well, septic system, pool, boundaries, geological and environmental hazards, toxic substances including asbestos, mold, formaldehyde, radon gas, and lead-based paint. Buyer, if requested by Seller in writing, will promptly furnish, at no cost to Seller, copies of all written inspection reports obtained. Buyer will approve or disapprove in writing all inspection reports obtained **within _____ days after acceptance.** In the event of Buyer's disapproval, Buyer may, within the time stated or mutually agreed upon extension, elect to terminate this Agreement, or invite Seller to negotiate repairs. (See P.P. Form 101-M, Addendum Regarding Removal of Inspection Contingencies.)

15. **MAINTENANCE.** Until possession is delivered, Seller will maintain all structures, landscaping, grounds, and pool in the same general condition as of the date of acceptance or physical inspection, whichever is later. Seller agrees to deliver the property in a neat and clean condition with all debris and personal belongings removed.

16. **PERSONAL PROPERTY.** The following personal property, on the premises when inspected by Buyer, is included in the purchase price and will be transferred to Buyer free of liens and properly identified by a Bill of Sale **at close of escrow.** Unless itemized here, personal property is not included in the sale. No warranty is made as to the condition of the personal property: _____

17. **TRANSFER DISCLOSURE STATEMENT (TDS).** Seller will comply with Civil Code § 1102 by providing Buyer with a completed Real Estate Transfer Disclosure Statement (P.P. Form 110.21-23 CAL). The completed statement will consist of disclosure by Seller, Listing Agent, and Selling Agent.

- Buyer has received and read the completed TDS.
- Seller will provide to Buyer the completed TDS **within _____ days after acceptance.**

Buyer and Seller agree that any new reports or other disclosure documents received by Buyer from the Seller after receipt of the TDS are automatically deemed an amendment to the TDS. If any disclosure or a material amendment of any disclosure is delivered by the Seller to the Buyer after the execution of an offer to purchase, Buyer will have **three (3) days** after delivery in person **or five (5) days** after deposit in the mail to terminate his or her offer by delivery of a written notice of termination to Seller or Seller's Agent.

Seller agrees to hold all Brokers in the transaction harmless and to defend and indemnify them from any claim, demand, action or proceedings resulting from any omission or alleged omission by Seller in his or her Real Estate Transfer Disclosure Statement or supplement.

18. **SUPPLEMENT TO STATUTORY DISCLOSURE STATEMENT.** Within _____ days after acceptance, or earlier if required by law, Seller will provide the following or comparable disclosure supplement(s) to Buyer:

- P.P. FORM 110.27 CAL, NATURAL HAZARD DISCL., 3RD PARTY NATURAL HAZARD REPORT BY _____
- P.P. FORM 110.31-33 CAL, SUPPLEMENT TO TDS, P.P. FORM 110.35-36 CAL, CONDOMINIUM DISCLOSURE SUPPLEMENT,
- P.P. FORM 110.72, NOTICE RE: SEPTIC SYSTEMS, P.P. FORM 110.90-92 CAL, STANDARD DISCLOSURES AND DISCLAIMERS,
- P.P. FORM 110.74, LEAD-BASED PAINT DISCLOSURE (for dwellings constructed prior to 1978 - must be delivered prior to acceptance.)
- P.P. FORM 110.81 CAL, SMOKE DETECTOR / WATER HEATER CERTIFICATION
- OTHER _____

19. **SAFETY BOOKLETS.** By initialing below, Buyer acknowledges receipt of the following booklets:
[_____] [_____] *Homeowner's Guide to Environmental Hazards and Earthquake Safety*, including earthquake hazard disclosure form required for homes constructed prior to 1960, and the lead-based paint pamphlet.
[_____] [_____] *Commercial Property Owner's Guide to Earthquake Safety.*

20. **ACCESS TO PROPERTY.** Seller agrees to provide reasonable access to the property to Buyer and inspectors, appraisers, and all other professionals representing Buyer.

Buyer [_____] [_____] and Seller [_____] [_____] have read this page.

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- 21. **WALK-THROUGH INSPECTION.** Buyer will have the right to conduct a walk-through inspection of the property **within _____ days prior to close of escrow**, to verify Seller's compliance with the provisions under Item 12, FIXTURES, Item 13, CONDITION OF PROPERTY, Item 15, MAINTENANCE, and Item 16, PERSONAL PROPERTY. This right is not a condition of this Agreement, and Buyer's sole remedy for an alleged breach of these items is a claim for damages. Utilities are to remain turned on until transfer of possession.
- 22. **COMPLIANCE WITH LOCAL LAWS.** Seller will comply with any local laws applicable to the sale or transfer of the property, including but not limited to: Providing inspections and/or reports for compliance with local building and permit regulations, including septic system inspection reports; compliance with minimum energy conservation standards; and compliance with water conservation measures. All required inspections and reports will be ordered **within three (3) days after acceptance** and will be paid by Seller, Buyer. If Seller does not agree **within five (5) days after receipt** of a report to pay the cost of any repair or improvement required to comply with such laws, Buyer may terminate this Agreement. It is understood that if Seller has given notice that necessary permits or final approvals were not obtained for some improvements, Seller will not be responsible for bringing the improvements into compliance unless otherwise agreed.
- 23. **OPTIONAL PROVISIONS.** The provisions in this Item 23, **if initialed by Buyer are included in this Agreement.**
- 23-A. [][] **MAINTENANCE RESERVE.** Seller agrees to leave in escrow a maintenance reserve in the amount of \$ _____. If, in the reasonable opinion of a qualified technician, any of the equipment listed under Item 13, CONDITION OF PROPERTY, is not in working order, Buyer will furnish Seller a copy of the technician's inspection report and/or submit written notice to Seller of non-compliance of any of the terms under Item 13, CONDITION OF PROPERTY, **within five (5) days after occupancy is delivered.**
In the event Seller fails to make the repairs and/or corrections **within five (5) days after receipt of said report or notice**, Seller authorizes the escrow holder to disburse to Buyer against bills for such repairs or corrections the sum of such bills, not to exceed the amount reserved. Said reserve will be disbursed to Buyer or returned to Seller **not later than fifteen (15) days after date occupancy is delivered.**
- 23-B. [][] **HOME PROTECTION CONTRACT,** paid for by Buyer, Seller, will become effective **upon close of escrow** for not less than one year at a cost not to exceed \$ _____. The Brokers have informed both parties that such protection programs are available, but do not approve or endorse any particular program. Unless this provision is initialed, Buyer understands that such a protection plan is waived.
- 23-C. [][] **COMMON INTEREST DEVELOPMENT DISCLOSURE.** **Within ten (10) days after acceptance**, Seller, at his or her expense, agrees to provide to Buyer the management documents and other information required by California Civil Code § 1368. **Within five (5) days after receipt**, Buyer will notify Seller in writing of approval or disapproval of the documents and information. In case of disapproval, Buyer may terminate this Agreement.
Any delinquent assessments including penalties, attorney's fees, and other charges that are or could become a lien on the property will be credited to Buyer at close of escrow.
- 23-D. [][] **PROBATE/CONSERVATORSHIP SALE.** Pursuant to the California Probate Code, this sale is subject to court approval at which time the court may allow open competitive bidding. An "AS IS" Addendum (P.P. Form 101-AI) is, is not attached and made a part of this Agreement.
- 23-E. [][] **RENTAL PROPERTY.** Buyer to take property subject to rights of parties in possession on leases or month-to-month tenancies. **Within five (5) days after acceptance**, Seller will deliver to Buyer for his or her approval copies of the following documents: (a) existing leases and rental agreements with tenants estoppel certificates; (b) any outstanding notices sent to tenants; (c) a written statement of all oral agreements with tenants; (d) existing defaults by Seller or tenants; (e) claims made by or to tenants; (f) a statement of all tenants deposits held by Seller; (g) a complete statement of rental income and expenses; (h) and any service and equipment rental contracts with respect to the property which run beyond close of escrow. Seller warrants all of this documentation to be true and complete.
Within five (5) days after receipt of documents, Buyer will notify Seller in writing of approval or disapproval of the documents. In case of disapproval, Buyer may terminate this Agreement. During the escrow period of this transaction Seller agrees that no changes in the existing leases or rental agreements will be made, nor new leases or rental agreements longer than month to month entered into, nor will any substantial alterations or repairs be made or undertaken without the written consent of the Buyer. Security deposits, advance rentals, or considerations involving future lease credits will be credited to Buyer in escrow.
- 23-F. [][] **RENT CONTROL ORDINANCE.** Buyer is aware that a local ordinance is in effect which regulates the rights and obligations of property owners. It may also affect the manner in which future rents can be adjusted.
- 23-G. [][] **TAX DEFERRED EXCHANGE (INVESTMENT PROPERTY).** In the event that Seller wishes to enter into a tax deferred exchange for the property, or Buyer wishes to enter into a tax deferred exchange with respect to property owned by him or her in connection with this transaction, each of the parties agrees to cooperate with the other party in connection with such exchange, including the execution of such documents as may be reasonably necessary to complete the exchange; provided that: (a) the other party will not be obligated to delay the closing; (b) all additional costs in connection with the exchange will be borne by the party requesting the exchange; (c) the other party will not be obligated to execute any note, contract, deed or other document providing for any personal liability which would survive the exchange; and (d) the other party will not take title to any property other than the property described in this Agreement. It is understood that a party's rights and obligations under this

Buyer [][] and Seller [][] have read this page.

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NOTICE: The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

LIMITATION OF AGENCY: A real estate broker or agent is qualified to advise on real estate. If you have any questions concerning the legal sufficiency, legal effect, insurance, or tax consequences of this document or the related transactions, consult with your attorney, accountant or insurance advisor.

The undersigned Buyer acknowledges that he or she has thoroughly read and approved each of the provisions of this offer and agrees to purchase the property for the price and on the terms and conditions specified. Buyer acknowledges receipt of a copy of this offer.

Buyer _____ Date _____ Time _____

Buyer _____ Date _____ Time _____

Address _____

ACCEPTANCE

Seller accepts the foregoing Offer and agrees to sell the property for the price and on the terms and conditions specified.

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

37. COMMISSION. Seller agrees to pay in cash the following real estate commission for services rendered, which commission Seller hereby irrevocably assigns to Broker(s) from escrow:

_____ % of the accepted price, or \$ _____, to the listing Broker: _____, and _____ % of the accepted price, or \$ _____, to the selling Broker: _____ without regard to the agency relationship. Escrow instructions with respect to commissions may not be amended or revoked without the written consent of the Broker(s).

If Seller receives liquidated or other damages upon default by Buyer, Seller agrees to pay Broker(s) the lesser of the amount provided for above or one half of the damages after deducting any costs of collection, including reasonable attorney fees.

Commission will also be payable upon any default by Seller, or the mutual rescission by Buyer and Seller without the written consent of the Broker(s), which prevents completion of the purchase. This Agreement will not limit the rights of Broker and Seller provided for in any existing listing agreement.

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

38. PROVISIONS TO BE INITIALED. The following items must be "agreed to" by both parties to be binding on either party. In the event of disagreement, Seller should make a counter offer.

Item 27. LIQUIDATED DAMAGES Item 28. MEDIATION OF DISPUTES Item 29. ARBITRATION OF DISPUTES

Seller acknowledges receipt of a copy of this Agreement. Authorization is given to the Broker(s) in this transaction to deliver a signed copy to Buyer and to disclose the terms of purchase to members of a Multiple Listing Service, Board or Association of REALTORS® at close of escrow.

39. IF CHECKED **ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER DATED** _____

Seller _____
(Signature)

Seller _____
(Signature)

(Please Print Name)

(Please Print Name)

Date _____ Time _____

Date _____ Time _____

Address _____

Rev. by _____
Date _____

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