

# RESIDENTIAL PURCHASE AGREEMENT

By initialing below and using this form of Residential Purchase Agreement for this sale, all parties acknowledge that this Residential Purchase Agreement is for use in California only. All parties further acknowledge that Homepie, Inc. is providing this form of agreement as a courtesy only, and that Homepie, Inc. makes no representation as to the legal validity or suitability of any of its provisions for this transaction. All parties are advised to consult with legal counsel and tax professionals for legal or tax advice concerning this Residential Purchase Agreement and this transaction. Homepie, Inc. does not provide legal, tax, or real estate advice.

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Seller's Initials \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

BUYER(S): (referred to below as "Buyer")

SELLER(S): (referred to below as "Seller")

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Buyer(s) and Seller(s) (together "Parties") above agree to the purchase and sale of real property located at:

\_\_\_\_\_

(the "Property") subject to the following terms:

## 1. PURCHASE CONSIDERATION:

A. TOTAL PURCHASE PRICE: \_\_\_\_\_

B. CLOSE OF ESCROW: \_\_\_\_\_ Days after the Contract Date.

C. GOOD FAITH DEPOSIT: \_\_\_\_\_

1. To be delivered by Buyer to Escrow Holder within 3 business days of the Contract Date.

D. DOWN PAYMENT: \_\_\_\_\_

1. If Buyer is obtaining financing, these funds are to be delivered by Buyer to Escrow Holder within sufficient time to meet the agreed upon close of escrow date. Good Faith Deposit funds are credited at closing to the Down Payment.

E. BALANCE OF PURCHASE PRICE: \_\_\_\_\_

1. To be delivered by Buyer or Buyer's lender to Escrow Holder pursuant to Escrow Holder instructions.

F. SELLER CREDIT TO BUYER(S): \_\_\_\_\_

1. If applicable, Seller credit to Buyer(s) is subject to section 2.B.(1).

Buyer shall not assign Buyer's interest in this Residential Purchase Agreement (the "Agreement") without the written consent of Seller to a named assignee. Seller shall not unreasonably withhold such consent. Any assignment shall not relieve Buyer of Buyer's obligations under this Agreement unless Seller otherwise agrees in writing.

This Agreement shall not take effect until all Parties have signed below and are in receipt, electronically or otherwise, of the fully signed Agreement.

Upon signing this Agreement, the Parties agree to open escrow with the Escrow Holder identified at Paragraph 5.B. below, and to comply with escrow instructions consistent with the terms of this Agreement. The Parties also agree that the Title Company identified in Paragraph 5.C. shall be used for title insurance.

## 2. ALL CASH OR FINANCING TERMS:

- A.  **IF CHECKED:** This is an **all cash** offer and Buyer will not obtain a loan to purchase the Property. Buyer represents that Buyer has sufficient funds. Buyer agrees to provide Seller proof of sufficient funds within 3 business days of the Contract Date.
- B.  **IF CHECKED:** Buyer will **finance** the above balance of purchase price (1.E.) for the purchase of the Property.
1. Allowable buyer credits and seller paid costs. Should Buyer and Seller agree to any credit to Buyer for closing or other costs ("Buyer's Credit"), the parties agree that such credit shall be disclosed to Buyer's lender. If Buyer's lender allows total credits (" Allowable Lender Credit") that are less than the amount of the Buyer's Credit, then Buyer shall receive a credit in no more than the amount of the Allowable Lender Credit, and the purchase price shall not be changed by the reduced amount of the Buyer's credit unless the Parties enter into a written agreement providing for such a change.
  2. If Buyer obtains an FHA or VA loan to purchase the Property, the following **FHA AMENDATORY CLAUSE & REAL ESTATE CERTIFICATION** shall apply and by signing this Agreement, the Parties so agree. [NOTE: Regarding the FHA/VA amendatory clause, Buyer is advised to consult with an attorney. In addition to the FHA Amendatory Clause and Real Estate Certification, both Buyer and Seller agree to sign any other FHA/VA lender required documents]:

### **FHA AMENDATORY CLAUSE**

It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender, setting forth the appraised value of the property of not less than \_\_\_\_\_. The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

### **REAL ESTATE CERTIFICATION**

The borrower (Buyer) and Seller certify that the terms and conditions of this Agreement are true to the best of their knowledge and belief, and that any other agreement entered into by the Parties relating to the real estate transaction that is the subject of this Agreement is part of, by express reference or attachment, this Agreement.

Should the purchase price increase after the Parties sign this agreement, Buyer and Seller will sign before Close of Escrow an additional Amendatory Clause addendum reflecting the final contract purchase price agreed to by the Buyer and Seller.

## 3. CONTINGENCIES:

### A. **IF CHECKED: FINANCING CONTINGENCY APPLIES**

1. Buyer's qualification for a purchase loan is a contingency of this Agreement.
  - a) Buyer has \_\_\_\_\_ Days from the Contract Date to remove the loan contingency or cancel this Agreement in writing.
  - b) If the loan Buyer applied for is an FHA or VA loan, then Buyer will have \_\_\_\_\_ Days after the Contract Date to deliver written notice of any lender-required repairs or costs to Seller for which Buyer requests Seller to pay or correct. Unless Seller expressly agrees in writing to pay for or otherwise satisfy lender requirements, Seller has no obligation to do so.
  - c) If Buyer does not have a financing contingency but still plans on obtaining a loan and subsequently does not obtain any such loan, and fails to complete the purchase of the Property, Seller may have a legal right to recover Buyer's deposit among other potential claims.

### B. **IF CHECKED: APPRAISAL CONTINGENCY APPLIES**

1. A written appraisal of the Property at a value that is not less than the purchase price agreed to herein by the Parties performed by a licensed or certified appraiser is a contingency of this Agreement. Buyer shall remove the appraisal contingency or cancel this Agreement in writing within \_\_\_\_\_ Days after the Contract Date. Should there be a loan contingency, the Buyer's removal of the loan contingency shall not operate to remove the appraisal contingency.

### C. **IF CHECKED: BUYER'S INSPECTION OF CONDITION OF THE PROPERTY CONTINGENCY APPLIES**

1. Buyer's acceptance of the condition of the Property is a contingency of this Agreement. Within \_\_\_\_\_ Days, at Buyer's expense, Buyer has the right to conduct inspections and investigations, including related tests, surveys, measurements and the like, of the main residence and attached and detached structures. However, unless otherwise agreed in writing by the Parties, Buyer's inspection rights under this paragraph and paragraph 10 shall

not include invasive or destructive testing, except that for purposes of conducting a Pest Control inspection and preparing a pest control report some minimal amount of invasive testing is allowable. Buyer does not have a right to inspections by governmental agencies, unless required by Law, in which case such governmental inspections are also a contingency of this Agreement.

- a) In addition, Buyer's inspection contingency may include, at buyer's option, the following:
  - I. Pest Control Inspection. Only a registered Structural Pest Control company may perform an inspection for wood destroying pests and organisms and shall produce a report of its findings including a Section 1 for evidence of infestation or infections and a Section 2 for conditions likely to lead to infestation or infection. For condominiums and other common interest owned properties, the pest control inspection shall a) include only the separate unit interest and any exclusive-use areas Buyer is purchasing, b) shall not include common areas, and c) shall not include tests or measures that may interfere with the condition of the other common interest owners' properties unless the owners affected have given their written consent;
  - II. Lead-Based Paint Inspection. To include inspection for lead-based paint and any other lead-based paint hazards.
- b) Seller shall make the Property available to Buyer and Buyer's inspectors and their personnel for all inspections. Buyer shall be provided access to the Property to conduct inspections and investigations for \_\_\_\_ Days after the Contract Date.
- c) In performing Buyer's inspections and investigations, Buyer shall not cause any liens to be recorded against the Property, will repair all damage caused by Buyer's inspections and investigations, and will indemnify and hold Seller harmless from all resulting liability, claims, damages and costs. Buyer and Buyer's inspectors and investigators shall carry applicable insurance covering injuries to persons or property occurring as a result of any inspections or work performed on the Property by Buyer or Buyer's inspectors and investigators, or their personnel.
- d) Should Buyer cancel this Agreement, Buyer shall deliver to Seller upon written request by Seller copies of all inspection and investigation reports obtained by Buyer for the Property.
- e) Seller to ensure all utilities are on through the Close Of Escrow.

**D.  IF CHECKED: SALE OF BUYER'S PROPERTY CONTINGENCY APPLIES**

1. Buyer's sale of property owned by Buyer and located at \_\_\_\_\_ ("Buyer's Property"), by the earliest of the Close of Escrow of the Property under this Agreement, or the close of escrow on Buyer's Property as set forth in paragraph 3.D.1.b. below, is a contingency of this Agreement.
  - a)  **IF CHECKED: BUYER'S PROPERTY NOT IN ESCROW:** Buyer's Property is not now in escrow.
    - I. Buyer has \_\_\_\_ Days After the Contract Date to open escrow for the sale of Buyer's Property. Accordingly, Buyer shall, within 3-days from the opening of escrow for same, provide Seller with copies of the purchase contract and escrow instructions showing that Buyer's Property is in contract with an opened escrow.
  - b)  **IF CHECKED: BUYER'S PROPERTY IN ESCROW:** Buyer's Property is in escrow and escrow is scheduled to close on \_\_\_\_\_.
    - I. Buyer shall, within 5 Days After the Contract Date, deliver to Seller copies of the purchase contract and escrow instructions for Buyer's Property showing that Buyer's Property is in escrow.
  - c) **CANCELLATION OF SALE OF BUYER'S PROPERTY:** If, once in escrow, Buyer and the buyer of Buyer's Property gives notice to the other party of the cancellation of the purchase contract, Buyer, within 2 Days of receipt of said notice, shall give Seller written notice of that cancellation.
  - d) **SELLER RIGHT TO CANCEL:** Seller may cancel this Agreement as follows:
    - I. After giving Buyer a Notice to Perform, if Buyer's Property does not close escrow by the time specified in paragraphs 3.D.1.b. or by the closing date of Buyer's Property as specified in the related purchase contract and escrow instructions pursuant to 3.D.1.a.I.
    - II. After giving Buyer a Notice to Perform, if Buyer fails to provide Seller with copies of the purchase contract and escrow instructions within the time specified in paragraph 3.D.1.a.I., or
    - III. If Buyer gives notice to Seller of the intent to cancel the purchase contract for Buyer's Property by either party to the purchase and sale of Buyer's Property.
  - e) **BUYER RIGHT TO CANCEL:** The Agreement may be cancelled in writing by Buyer if, before Buyer removes the contingency set forth in this section 3.D., either (I) Buyer's Property fails to close escrow by the time stated in paragraphs 3.D.1.b. or (ii) Buyer receives notice from the buyer for Buyer's Property of that buyer's intent to cancel the escrow for Buyer's Property.
  - f) **TIME PERIODS:** If 3.D. is checked above, time periods in the Agreement for all obligations concerning disclosures, inspections, close of escrow, and other contingencies and obligations shall begin on the Day After (i) Buyer delivers the purchase contract and escrow instructions for Buyer's Property required by paragraph 3.D.1.a.I. above or (ii) Buyer's written notice to Seller to begin time periods, or (iii) Buyer's removal of this section 3.D contingency for the sale of Buyer's Property.
  - g) **BUYER'S DEPOSIT: Notwithstanding the above,** Buyer's deposit shall be delivered to escrow within the time set forth in the Agreement.

**E.  IF CHECKED: SELLER REPLACEMENT PROPERTY CONTINGENCY APPLIES**

1.  **IF CHECKED: SELLER'S REPLACEMENT PROPERTY IN ESCROW:** If Seller's Replacement Property is already in contract with an opened escrow, Seller shall provide Buyer copies of the purchase contract and escrow instructions showing that Seller's Replacement Property is in contract with an opened escrow within 3 Days of the Contract Date.
2.  **IF CHECKED: SELLER TO ENTER INTO CONTRACT TO PURCHASE REPLACEMENT PROPERTY:** Seller's entering into a contract to purchase replacement property ("Replacement Property") is a contingency of the Agreement. Seller has \_\_\_\_\_ Days after the Contract Date to remove this contingency or cancel the Agreement. If Seller does not remove this contingency by delivering notice to Buyer in writing within that time period, Buyer may cancel the Agreement after first having delivered to Seller a written Notice to Perform. Until Buyer cancels pursuant to this paragraph, Seller shall have the right to remove this contingency or cancel the Agreement.
3.  **IF CHECKED: SELLER TO CLOSE ON PURCHASE OF REPLACEMENT PROPERTY:** Seller's closing of escrow on the purchase of Replacement Property by the Close Of Escrow is a contingency of the Agreement. Seller has until the Close of Escrow to remove this contingency or cancel the Agreement. If Seller does not remove this contingency by delivering notice to Buyer in writing within that time period, Buyer may cancel the Agreement after first having delivered to Seller a written Notice to Perform. Until Buyer cancels pursuant to this paragraph, Seller shall have the right to remove this contingency or cancel the Agreement.
4. **TIME PERIODS:** If 3.E. is checked above, time periods in the Agreement for all obligations concerning disclosures, inspections, close of escrow, and other contingencies and obligations shall begin:
  - a) If 3.E.1. is checked, the Day after Seller provides Buyer copies of the purchase contract and escrow instructions showing that Seller's Replacement Property is in contract with an opened escrow.
  - b) If 3.E.2. is checked, the Day Seller delivers to Buyer a written notice removing the 3.E.1 Contingency.
5. **BUYER'S DEPOSIT:** Notwithstanding the above, Buyer's deposit shall be delivered to escrow within the time set forth in the Agreement.

**F.  IF CHECKED: RIGHT OF SELLER TO CONTINUE IN POSSESSION AFTER CLOSE**

1. Based on the terms set forth below, Buyer grants Seller a license to continue to occupy the Property after the Close of Escrow. **Note: Local rent control ordinances or other Law may affect Buyer's and Seller's rights hereunder.**
  - a) **LICENSE TERM:** Buyer grants Seller a license to occupy the Property After Close of Escrow for \_\_\_\_\_ Days.
  - b) **LICENSE FEE:** Seller shall pay Buyer (i) a non-refundable License Fee for the term specified in 3.F.1.a. in the amount of \_\_\_\_\_.
    - l. Seller shall deposit the License Fee with escrow holder prior to Close Of Escrow or Escrow Holder shall withhold the License Fee from Seller's proceeds. At Close Of Escrow, the License Fee will be released to Buyer. The License Fee is non-refundable and will not be returned to Seller unless otherwise agreed in writing even if Seller vacates the Property prior to the end of the term set forth in paragraph 3.F.1.a..
  - c) **SELLER'S MAINTENANCE OBLIGATIONS:** During the license period, it shall be Seller's obligation to maintain the Property, and its equipment, grounds and all other property included in the sale, in substantially the same condition as on the Contract Date. Seller shall make no alterations to the Property without Buyer's prior written consent.
  - d) **ADDITIONAL FEE:** In addition to the License Fee specified in paragraph 3.F.1.b., Seller shall deposit with Escrow Holder, or Escrow Holder shall withhold from Seller's proceeds an Additional Fee in the amount of \_\_\_\_\_. This Additional Fee will be released to Buyer at Close of Escrow. If Seller delivers Property to Buyer in the condition stated in paragraph 3.F.1.c., and at the end of the license term set forth in paragraph 3.F.1.a. Buyer shall return the Additional Fee to Seller.
  - e) **UTILITIES:** Seller shall pay for all utilities and services.
  - f) **ENTRY:** Seller shall make Property available to Buyer and Buyer's representatives to make repairs, alterations or improvements, to maintain the Property or supply services, or to show the Property to potential purchasers, tenants, lenders, appraisers or contractors. Buyer and Seller agree that 24 hours notice, either oral or written, is reasonable and sufficient notice. In case of emergency, Buyer may enter the Property without notice at any time.
  - g) **ASSIGNMENT; SUBLETTING:** Seller shall not assign, sublet or transfer the Property, any part of the Property, or this license. If Seller breaches this covenant, Buyer may terminate this license to occupy.
  - h) **INSURANCE:** Buyer does not insure Seller's personal property against loss or damage for any cause. Seller is advised to carry Seller's own insurance to protect Seller from any such loss or damage.
  - i) **WAIVER:** The waiver of any breach of the license to occupy under this section 3.F shall not be construed, deemed or interpreted as a continuing waiver of the same breach, or any subsequent breach.

**G. OTHER CONTINGENCIES**

1. **Insurability.** Confirmation of the Property's insurability following purchase, including the availability and cost of flood and fire insurance is a contingency of this Agreement.
2. **Tenant Occupied Property Leases.** If the Property is tenant occupied, and Buyer desires to have tenant remain, then the Buyer's review and approval of tenant leases that may be assumed by Buyer is a contingency of this Agreement. Any such tenant leases shall be delivered to Buyer by Seller within 7 calendar days after the Contract Date.
  - a) If Buyer is not assuming tenant leases, then Seller is responsible to ensure that all tenants and tenant belongings shall have vacated the property at least 5 calendar days prior to the Close of Escrow. Seller shall bear all cost and liability for terminating any occupancy rights under existing leases that tenants may have.
3. **Leased or Liened Systems:** Review and approval of systems leases and/or associated liens (solar, etc.) that are included in the sale and may be assumed by Buyer is a contingency of this Agreement. Any such systems leases and lien information shall be delivered to Buyer by Seller within 7 calendar days after the Contract Date.
4. **Title:** Buyer's review and acceptance of the preliminary title report and any other matters which may affect title are a contingency of this Agreement.
5. **Common Interest Development/Homeowner's Association:** Buyer's approval of the homeowner association disclosures specified in paragraph 7.D. is a contingency of this Agreement
6. Buyer shall remove contingencies in Section 3.G or cancel this Agreement within 10 Days of the Contract Date.

**4. PROPERTY AND OTHER TERMS TO BE INCLUDED:**

**A.** In addition to the real property comprising the Property, and the fixtures, including the plumbing, heating, mechanical, electrical, and lighting fixtures that are affixed to the Property, the following items currently located on the property, are included and/or part of this sale:

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Seller represents and warrants that all property included in the sale are owned by Seller and shall be transferred to Buyer free and clear of liens and encumbrances.**

**B.** The following other terms listed below are hereby incorporated into this Agreement:

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**5. CLOSE OF ESCROW AND CLOSING PROCEDURES:**

- A.** Close of Escrow shall be \_\_\_\_\_ days after the Contract Date.
- B.** Escrow Holder shall be **STEWART TITLE.**
- C.** Title company shall be **STEWART TITLE.**
- D.** The Parties shall, within 5 calendar days after receipt, sign and return Escrow Holder's general provisions.
- E.** Possession shall be turned over to Buyer at 5 PM on the date of Close of Escrow.
- F.** Seller Possession after Close of Escrow. If possession is to be delivered after Close of Escrow, possession shall be delivered as follows: No later than 5 PM \_\_\_\_\_ days after Close of Escrow.
- G.** Seller assigns to Buyer all warranty rights for items included in the sale and shall deliver copies of all such warranties in Seller's possession at Close of Escrow.
- H.** Seller shall provide to Buyer at Close of Escrow all keys, codes, and all other such means to open and operate all

systems and devices remaining on the Property as part of the sale.

- I. At Close of Escrow, Buyer shall receive a grant deed conveying title and all real property rights to the Property currently owned by Seller.
- J. Condition of Property Through Close of Escrow. Seller shall maintain all utilities serving the Property in operable and running condition, including water, gas, electricity, heating and air conditioning for Buyer's inspections and through Close of Escrow. Seller shall maintain the Property, including all of its fixtures, systems and grounds, in substantially the same condition as on the Contract Date; all personal property not included in the sale shall be removed by Close of Escrow, all debris shall be removed by Close of Escrow, and the Property left in a clean condition at Close of Escrow.
- K. Should either Party fail to close escrow pursuant to this Agreement, the other Party must first deliver to the Party who has failed to close escrow a written demand to close escrow that shall give the Party who has failed to close escrow at least 3 calendar days after delivery of the notice to close escrow before the other Party may cancel this Agreement for failure to close escrow pursuant to this Agreement.
- L. Prorations and payment of property taxes and other assessments upon close of escrow: The following items shall be paid current and prorated between Buyer and Seller as of close of escrow: real property taxes and assessments, interest, rents, homeowner association dues and assessments of any kind assessed prior to close of escrow, premiums on any insurance policies assumed by Buyer, payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien, and payments on any bonds and assessments assumed by Buyer. Note: Mello-Roos and other Special Assessment District bonds and assessments and homeowner special assessments that are now a lien but not due as of close of escrow shall be assumed by Buyer without credit toward the purchase price. Prorations under this paragraph and the following paragraph shall be made based on a 30-day month.
- M. Upon change of ownership and following close of escrow, the Property will be reassessed by the property taxing authorities. If supplemental tax bills are issued, they shall be paid by Buyer for the prorated period after close of escrow, and shall be paid by Seller for the prorated period prior to close of escrow. Buyer and Seller shall deal directly with each other regarding the payment of such tax bills issued after close of escrow. Prorations shall be made based on a 30-day month.
- N. Final walk-through and repairs prior to close of escrow.
  - 1. Buyer has the right to make a final walk-through of the Property within 5 calendar days prior to close of escrow.
  - 2. Seller shall make all repairs required by this Agreement or any amendments thereto complying with applicable building codes and permit requirements, in good workmanship and using materials of good quality and appearance, before Buyer's final walk-through of the Property. Seller shall provide Buyer with copies of invoices and paid receipts for all such work and materials prior to close of escrow.

## 6. PAYMENT OF COSTS:

### A. FOR ESCROW AND TITLE FEES:

- 1. Buyer and Seller shall each pay their own escrow costs.
- 2. Buyer and Seller shall each pay their own title insurance costs. Buyer to pay for Lenders Title Policy. Seller to pay for Owner's Title Policy.

### B. FOR CERTAIN INSPECTIONS, REPORTS AND CERTIFICATES:

- 1. Seller shall pay for a natural hazard zone disclosure report.
- 2. Buyer shall pay for any inspection fees and reports ordered by Buyer pursuant to Paragraph 3.C. above.

### C. FOR CERTAIN COSTS REQUIRED BY LAW:

- 1. Seller shall pay for smoke alarm, carbon monoxide device installation, and water heater bracing, if required by law. Unless exempt, Seller shall provide Buyer with written compliance statement(s) if required by law.
- 2. Seller shall pay the cost for any other mandatory government inspections and reports if required by law as a condition of closing escrow.
- 3. Seller shall pay for the cost of any mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after close of escrow.
- 4. Seller shall provide Buyer copies of any required government inspection reports prepared in anticipation of the sale of the Property under this Agreement, within the time specified in paragraph 7K below.

### D. COUNTY AND CITY TRANSFER COSTS:

- 1. Seller shall pay City and County transfer tax or fee.

### E. HOMEOWNER ASSOCIATION COSTS:

- 1. Seller shall pay all homeowner association transfer, certification, document copying, delivery and preparation fees and other homeowner association fees in connection with the sale of the Property.

### F. HOME WARRANTY:

- 1.  **IF CHECKED:** Seller shall pay for the cost of a home warranty plan of Buyer's choice up to \_\_\_\_\_.  
**A CRES qualified Home Warranty shall be purchased through one of the following providers: Old Republic Home Protection, First American Home Warranty, or Fidelity National Home Warranty. If the cost of this Home Warranty is in excess of this amount, then Buyer shall cover the excess cost.**

## 7. SELLER DISCLOSURES AND WARRANTY OF OWNERSHIP:

- A. If required by law, and unless exempt, Seller shall deliver to Buyer within the timeframes set forth in paragraph 7.K.: (i) a Federal Lead-Based Paint Disclosures and pamphlet; and (ii) California Civil Code sections 1102 et. seq. and 1103 et. seq., disclosures and notices, including, but not limited to, the statutory Real Estate Transfer Disclosure Statement

("TDS"), the statutory Natural Hazard Disclosure Statement ("NHD"), notice of actual knowledge of release of illegal controlled substance, notice of special or supplemental tax and/or assessments, notice regarding special tax lien or assessment pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915; and (iii) Natural and Environmental Hazard Disclosure and Booklets including earthquake guide(s) (and questionnaire), and home energy rating pamphlet, 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, and Seismic Hazard Zone, disclose any other zone as required by Law and provide any other information required for those zones; and (iv) any other disclosure statement, statement of compliance, report or booklet if required by law. (Note: waiver of statutory and lead based disclosures is prohibited by law.)

- B.** Buyer shall, within \_\_\_\_\_ calendar days after the Contract Date return signed copies of the Lead-Based Paint Disclosures and other statutory disclosures to Seller.
- C.** For the disclosures and notices specified in this Agreement and delivered to the Buyer after the offer is signed, Buyer shall have the right to cancel this Agreement within 3 calendar days after delivery in person to Buyer, or 5 calendar 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.
- D.** If the Property is a condominium or located in a planned unit or other common interest development, Seller shall disclose that fact to Buyer within the timeframes set forth in paragraph 7.K. If the Property is a condominium or located in a planned unit or other common interest development, Seller has 1 business day after the Contract Date to request from the homeowner association those documents listed below. Seller shall deliver to Buyer all disclosures received from the homeowner association and any other homeowner association disclosures in Seller's possession and provide Buyer with a list of all such documents. Buyer's approval of the homeowner association disclosures is a contingency of this Agreement as set forth in and governed by Paragraph 3.G.5. Seller shall deposit funds into escrow or pay directly the homeowners association or its management company to pay for any of the above.
1. Copies of all homeowner association documents as required by law;
  2. Copies of the most recent 12 months of homeowner association minutes for regular and special meetings;
  3. Disclosure of any pending or anticipated claim or litigation by or against the homeowner association;
  4. A statement containing the location and number of designated parking and storage spaces;
  5. The names and contact information of all homeowner associations governing the Property
  6. Private transfer fees;
  7. Pet fee restrictions;
  8. Smoking restrictions;
- E.** Seller shall, disclose to Buyer all known homeowner insurance claims within the past five years.
- F.** Seller shall deliver to Buyer a current preliminary title report.
- G.** Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- H.** Additional disclosures requirements may be required for the county or city in which the Property is located. You should contact local governmental agencies regarding any such additional requirements under local ordinances or laws.
- I.** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- J.** Seller warrants Seller is the owner of the Property
- K.** Seller shall deliver all disclosures to Buyer within the time specified below based on Buyer's investigation time period in 3.C.1.:
1. If 3.C.1. is 10 days or more, seller shall deliver all disclosures within 7 calendar days of the Contract Date.
  2. If 3.C.1. is 7 to 9 days, seller shall deliver all disclosures within 5 calendar days of the Contract Date.
  3. If 3.C.1. is 3 to 6 days, seller shall deliver all disclosures within 2 calendar days of the Contract Date.
  4. If 3.C.1. is 0 to 2 days, seller shall deliver all disclosures within 1 calendar days of the Contract Date.
  5. If 3.C. is not checked, seller shall deliver all disclosures within 1 calendar day of the Contract Date.

## 8. OTHER STATUTORY NOTICES AND DISCLOSURES:

- A. 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 Web site. (California Civil Code Section 2079.10.5(a))
- B. REQUIRED NOTICE REGARDING REGISTERED SEX OFFENDER DATABASE:** 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](http://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. (If Buyer wants further information, Buyer can obtain information from this website during Buyer's inspection contingency period.)

- 9. SELLER AFFIDAVIT REGARDING WITHHOLDING TAXES:** In order to avoid the requirement of withholding taxes on the proceeds from the sale of the Property, within 7 calendar days after the Contract Date Seller shall deliver an affidavit in

compliance with U.S. federal (FIRPTA) and California state withholding law to Buyer or to a qualified substitute, including an attorney, title company or escrow company responsible for closing the transaction.

**10. CONTINGENCY REMOVALS AND CANCELLATION RIGHTS:**

**A. BUYER REMOVAL OF CONTINGENCIES OR CANCELLATION.** Buyer has \_\_\_\_ Days after the Contract Date to complete Buyer's investigation of the Property, and to review and approve all disclosures, notices, reports, leases, and other disclosures received from Seller, within which time period Buyer may request in writing that Seller make certain repairs or take other corrective action regarding the Property. In the absence of Seller's agreement in writing to repair or take other action requested by Buyer, Buyer's request is not part of this Agreement. Buyer shall remove each contingency within the applicable timeframe as specified in the Agreement, or cancel the Agreement based on an unremoved contingency. If Seller fails to deliver any disclosures, notices, reports, leases, and other information that Seller is obligated to provide within the timeframe specified in paragraph 7.K., then Buyer shall have 5 Days after Seller's delivery of such disclosures and other information, or \_\_\_\_ Days after the Contract Date, whichever is later, to deliver to Seller in writing either a removal of the applicable contingency or a cancellation of this Agreement. If Seller does not provide evidence of authority to sign in a representative capacity pursuant to paragraph 15; then, Buyer may cancel this Agreement after first delivering to Seller in writing a Notice to Perform "NTP". If Buyer does not remove an applicable contingency within the applicable timeframe after the Contract Date, and Seller has not cancelled in writing pursuant to Paragraph 10.B. below, Buyer may remove any remaining contingencies or cancel this Agreement in writing based on an unremoved contingency. Seller may not cancel this Agreement if Buyer has removed all applicable contingencies in writing before Seller has cancelled in writing pursuant to Paragraph 10.B. below. Buyer's removal of contingencies shall be in writing. Any NTP shall give the other Party at least 2 days to perform.

**B. SELLER CANCELLATION RIGHTS.**

**Buyer's failure to remove contingencies:** If Buyer does not deliver to Seller a removal of contingencies within the time agreed to for each contingency period after the Contract Date or any extended period provided in paragraph 7.C., then Seller, after first delivering to buyer, in writing, a Notice to Perform "NTP", may cancel this Agreement by delivering to Buyer in writing a cancellation of this Agreement. Upon Seller's cancellation under this paragraph, the Parties agree that Buyer's deposit shall be returned to Buyer less fees incurred by Buyer, and Seller shall sign any documentation required for return of the deposit to Buyer. Any NTP shall give the other Party at least 2 days to perform.

**Buyer's failure to satisfy obligations:** If Buyer fails to, within the times specified, 1) make the deposits as required by paragraph 1, 2) for any FHA or VA loan financing, deliver the notice of FHA or VA costs or terms within \_\_\_\_ Days of the Contract Date, 3) assume or accept leases in writing within \_\_\_\_ Days of the Contract Date, 4) return Lead-Based Paint Disclosures and other statutory disclosures as required by paragraph 7 and 8, or 5) provide evidence of authority to sign in a representative capacity pursuant to paragraph 14; then, Seller may cancel this Agreement after first delivering to Buyer in writing a Notice to Perform "NTP". Upon Seller's cancellation under this paragraph, the parties agree that Buyer's deposit shall be returned to Buyer less fees incurred by Buyer, and Seller shall sign any documentation required for return of the deposit to Buyer. Any NTP shall give the other Party at least 2 days to perform.

**C. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to the above terms, the Parties shall sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Release of funds held on deposit by escrow holder will require mutual instructions from the Parties to the escrow holder, or, in the absence of mutual instructions, judicial decision or arbitration award. **Notice: Under Civil Code §1057.3, 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 receive disbursement of the funds on deposit with the escrow holder.**

**11. REMEDIES FOR BREACH AND DISPUTE RESOLUTION:**

**A. Buyer's Breach and Liquidated Damages:** If Buyer fails to complete the purchase because of Buyer's breach of its terms, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, at least 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 to Seller as liquidated damages under this paragraph will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award.

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Seller's Initials \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**Note: Any remedy added by the Parties for Buyer's breach of this Agreement is invalid unless the remedy independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.**

**B. Mediation:** Should a dispute or claim arise between the Parties concerning this Agreement or the purchase or sale of the Property, the Parties agree to mediate any such dispute or claim before commencing arbitration or civil court proceedings. The Parties shall mutually agree on a mediator and the parties shall share equally all mediation fees charged by the mediator or mediation service. If a Party commences an arbitration or court proceeding without first attempting to resolve through mediation a dispute or claim arise between the Parties concerning this Agreement or the purchase or sale of the Property, or refuses to mediate before the commencement of arbitration or a court proceeding after the other Party has made a request for mediation, then that Party shall not be entitled to recover attorney fees, even if that Party would have been entitled to recover attorney fees in arbitration or a court proceeding. This mediation provision applies independent of the arbitration provision below. See below, paragraph 11.D., for certain exclusions to this Mediation provision.

**C. Arbitration of Disputes:** The Parties agree that any dispute or claim between them arising out of this Agreement or the purchase or sale of the Property, which is not settled through mediation, shall be decided by binding arbitration. 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. The arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Notwithstanding any provision in this paragraph to the contrary, enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. See below, paragraph 11.D., for certain exclusions to this Arbitration provision.

“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 \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**D. Additional Mediation and Arbitration Terms:**

- 1. 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 section 2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- 2. Filing of court proceeding to preserve claims:** The filing of a court action to 1) preserve a statute of limitations, 2) enable the recording of a notice of pending action, 3) to obtain an order of attachment, receivership, injunction, or other provisional remedies, or 4) the filing of a mechanic's lien shall not be a waiver or violation of the mediation and arbitration provisions.

**E. Attorney Fees To Prevailing Party:** In any arbitration or court proceeding between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller in such proceeding shall be entitled to recovery of that Party's reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 11.B.

**12. ADDITIONAL TERMS: INTEGRATED AND ENTIRE CONTRACT; CONTINUED RIGHT TO OFFER PROPERTY; GOVERNING LAW; CHANGES; TIME OF ESSENCE:** All understandings between the Parties are incorporated into this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to the purchase and sale of the Property, 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 invalid or unenforceable, the remaining provisions will nevertheless be given full force and effect. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to this Agreement being executed by both Parties. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the

laws of the State of California. This Agreement may not be modified, changed, or amended except in a writing signed by Buyer and Seller. Time is of the essence.

**13. DEFINITIONS:** The following words or terminology shall be used for purposes of this Agreement, as follows:

1. **“Agreement”** means this Residential Purchase Agreement together with any counter offers and addenda signed by all Parties.
2. **“Parties”** or **“Party”** - Buyer and Seller are referred to herein as the “Parties” or “Party”
3. **“Signed”** and **“signature”** means either a handwritten or electronic signature on an original document or copy.
4. **“Electronic Copy”** or **“Electronic Signature”** means an electronic copy or signature complying with California Law. It is expressly prohibited to use electronic means to change the content of this Agreement without the written consent of the other Party.
5. **“Close of Escrow”** (also referred to as “COE”) means the date the grant deed or other transfer of title instrument, is recorded with the county recorder’s office.
6. **“Contract Date”** - means the time and date when the last Party signs the Agreement.
7. **“Deliver”, “Delivered”** or **“Delivery”** - means personal receipt by the Party regardless of the method used, whether by email, fax, mail, or hand delivery.
8. **“Days”** means calendar days. However, after the Contract Date, the last Day for performance of any act required by this Agreement (including Close of Escrow) shall not include any Saturday, Sunday, or legal holiday, and instead shall be the next Day.
9. **“Days After”** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
10. **“Days Prior”** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
11. **“Law”** means any statute, ordinance, regulation, case law, rule or order, which is adopted by a governing city, county, state or federal legislative, judicial or executive body or agency having jurisdiction.
12. **“Repairs”** means any repairs, alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.

**14. BUYER(S) SIGNATURE(S):**

**15. SELLER(S) SIGNATURE(S):**

By signing below, Buyer(s) agree to the terms of this Agreement

By signing below, Seller(s) agree to the terms of this Agreement

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

X \_\_\_\_\_

**IF CHECKED:** One or more Buyers is signing in a representative capacity and not in his/her individual capacity.

**IF CHECKED:** One or more Sellers is signing in a representative capacity and not in his/her individual capacity.

**REPRESENTATIVE CAPACITY:** If one or more Buyers is signing this Agreement and signing/initialing this and related documents in a representative capacity then that Buyer shall so state in a Representative Capacity Statement, and shall deliver to the other Party and escrow holder within **3 calendar days** after the Contract Date, evidence of authority to act in that capacity.

**REPRESENTATIVE CAPACITY:** If one or more Sellers is signing this Agreement and signing/initialing this and related documents in a representative capacity then that Buyer shall so state in a Representative Capacity Statement, and shall deliver to the other Party and escrow holder within **3 calendar days** after the Contract Date, evidence of authority to act in that capacity.