

STANDARD RESIDENTIAL PURCHASE AGREEMENT - CALIFORNIA

DEFINITIONS

BROKER includes cooperating broker 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, and the written acceptance is put in the course of transmission to the other party. This rule also applies to the removal of contingencies. DELIVERED means personally delivered, transmitted electronically in accordance with applicable laws, 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 electronically at the 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. 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):
[ ] 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):
[ ] 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 10042 CAL) required by law

Buyer, hereinafter designated as BUYER, offers to purchase the real property commonly known as \_\_\_\_\_ (Legal Address) \_\_\_\_\_ (City/State) 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. (Buyer represents that the funds required for the initial deposit, additional deposit, cash balance and closing cost are readily available.)

- A. \$ \_\_\_\_\_ DEPOSIT evidenced by [ ] check, or [ ] EFT, or [ ] other: [ ] shall be deposited into escrow by Buyer (or [ ] has been given to \_\_\_\_\_ and shall be held uncashed until acceptance and not later than three (3) business days thereafter deposited toward the purchase price with [ ] Escrow Holder \_\_\_\_\_ or [ ] \_\_\_\_\_
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 \_\_\_\_\_.
[ ] Lenders will appraise the property at no less than the purchase price prior to loan contingency removal. The appraiser will be suitably experienced in the geographic location of the property.
[ ] 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: [ ] 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 1-0 CAL, is attached and made a part of this Agreement.
G. \$ \_\_\_\_\_ OTHER FINANCING TERMS: \_\_\_\_\_
H. \$ \_\_\_\_\_ TOTAL PURCHASE PRICE (not including closing costs).

Buyer (\_\_\_\_\_) (\_\_\_\_\_) and Seller (\_\_\_\_\_) (\_\_\_\_\_) have read this page.

Property Address \_\_\_\_\_

**2. LOAN APPROVAL.** (Please check one of the following)

- A.  **CONTRACT IS NOT CONTINGENT** upon Buyer obtaining a loan.  
B.  **CONTRACT IS CONTINGENT** upon Buyer's ability to obtain 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 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  preapproval letter from lender or mortgage broker based on Buyer's application and credit report within \_\_\_\_\_ days after acceptance or  a preapproval letter is attached. In the event a loan commitment or consent is obtained but not timely honored without fault of Buyer, Buyer may terminate this Agreement.
3. **DONDS 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, including where applicable any Mello-Ross fees and CA State Fire fees 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 loans. Seller warrants that all loans will be current at close of escrow. Seller will pay any prepayment charge triggered 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 clause.

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 assessments 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 the 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 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 \_\_\_\_\_ 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 unspecified 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 of 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 of acceptance. Escrow fee (including any cancellation fee) to be paid by \_\_\_\_\_ County/City transfer taxes, if any, to be paid by \_\_\_\_\_ Homeowner association transfer fee to be paid by \_\_\_\_\_. Unless the transaction is exempt, the escrow holder is instructed to remit the required tax withholding amount to the Franchise Tax Board from the proceeds of sale. **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 recording of the deed, not later than \_\_\_\_\_  a.m.,  p.m.;  
 On the \_\_\_\_\_ day after recording, not later than \_\_\_\_\_  a.m.,  p.m.;  
In the event possession is to be delivered **before or after recording**, such possession is conditioned upon the execution by both parties of a written occupancy agreement (P.P. Form 103 CAL, 104 CAL, or comparable), **within \_\_\_\_\_ days after 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 (including 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) any existing window and door screens that are damaged will be replaced. **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 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 fifteen (15) (or \_\_\_\_\_) days after acceptance.** In the event of Buyer's disapproval of inspection reports, or discovery of other material facts affecting the value or desirability of the property, 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 101M, Addendum Regarding Removal of Inspection Contingencies.)
15. **ACCESS TO PROPERTY.** Seller agrees to provide reasonable access to the property to Buyer and inspectors, appraisers, and all other professionals representing Buyer.
16. **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.
17. **INCLUDED APPLIANCES AND PERSONAL PROPERTY.** The following items, on the premises when inspected by Buyer, will be included in the purchase price and transferred to Buyer free of liens with any personal property identified by a list of Sale at close of escrow:  stove  refrigerator  freezer  washer  dryer  microwave  other \_\_\_\_\_  
Unless removed here, personal property is not included in the sale. Except for any built-in appliances, no warranty is made as to the condition of the items in this paragraph.
18. **TRANSFER DISCLOSURE STATEMENT (TDS).** Unless exempt, 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:  
 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.
19. **STATUTORY DISCLOSURE DOCUMENTS.** Within \_\_\_\_\_ days after acceptance, or earlier if required by law, Seller (unless exempt) will provide the following (if comparable statutory disclosures to Buyer):  
 P.P. FORM 110 22 CAL, NATURAL HAZARD DISCL. (OP)  3RD PARTY NATURAL HAZARD REPORT BY \_\_\_\_\_  
 P.P. FORM 110 24 RESIDUAL LEAD-PAINT DISCLOSURE (for dwellings built prior to 1978, must be delivered prior to acceptance.)  
 P.P. FORM 110 81 SARGAS DETECTOR CARBON MONOXIDE DETECTOR WATER HEATER CERTIFICATION  HOMEOWNERS GUIDE TO EARTHQUAKE SAFETY AND ENVIRONMENTAL HAZARDS BOOKLET AND Residential Earthquake Hazard Report for Homes built prior to 1990  
 P.P. FORM 101-V NON-FOREIGN SELLER AFFIDAVIT AND CALIFORNIA WITH-HOLDING AFFIDAVIT

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

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20. **SUPPLEMENTARY DISCLOSURE DOCUMENTS.** Within \_\_\_\_\_ days after acceptance, Seller will provide the following additional documents for Buyer's acknowledgement of receipt:

- P.P. FORM 112 (1-01) CAL. SUPPLEMENT TO TDS  P.P. FORM 112 (6-00) CAL. COMMON INTEREST DISCLOSURE  
 P.P. FORM 112 (2) ADDENDUM SEPTIC SYSTEMS  P.P. FORM 112 (6-00) CAL. STANDARD DISCLOSURES AND DISCLAIMERS  
 P.P. FORM 112 (6) CAL. NOTICE RE SUPPLEMENTAL TAX BILL  OTHER \_\_\_\_\_

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 16, MAINTENANCE, and Item 17, 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.   **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 Agreement may be assigned to a third party intermediary to facilitate the exchange. The other party will be indemnified and held harmless against any liability which arises or is claimed to have arisen on account of the exchange.

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 §1555. 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. Seller agrees to pay the cost of any private transfer fees.

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 105-A)  is,  is not attached and made a part of this Agreement.

23-E.   **RENTAL PROPERTY.** If checked , property will be vacated no less than five (5) (or  \_\_\_\_\_) days prior to close of escrow. If not checked, 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, stoppage 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.

Buyer   and Seller   have read this page.

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23-F.  **RENT CONTROL ORDINANCE.** Buyer shall investigate to his or her satisfaction the local ordinance in effect which regulates the rights and obligations of property owners. Such an ordinance may also affect how future rents can be adjusted. Note it also may control whether or not the Seller is able to deliver the property vacant as specified in Item 23-E.

24. **CONTINGENT ON SALE.** (Please check one of the following):

A.  **CONTRACT IS NOT CONTINGENT** upon the sale or close of any property owned by Buyer.

B.  **CONTRACT IS CONTINGENT** on Buyer's Property at \_\_\_\_\_ which is in escrow and concerning which all contingencies  have  have not been satisfied, closing on or before \_\_\_\_\_ if Buyer's escrow is terminated, abandoned, or does not close on time, this Agreement will terminate without further notice unless the parties agree otherwise in writing.

C.  **CONTRACT IS CONTINGENT** on Buyer accepting an offer for his or her property at \_\_\_\_\_ within \_\_\_\_\_ days after acceptance of this Agreement, and that sale closing on or before \_\_\_\_\_.

Seller will have the right to continue to offer the property for sale. When Buyer has accepted an offer on the sale of his or her property, Buyer will promptly deliver a written notice of the sale to Seller. If Buyer's purchase agreement is subject to the sale of another property, it does not qualify without the written consent of Seller. Upon delivering notice of the qualified sale, this Agreement will still be contingent on Buyer's property closing as specified in this Item 24-C. If Buyer's escrow is terminated, abandoned, or does not close on time, this Agreement will terminate without further notice unless the parties agree otherwise in writing.

If Seller accepts a bona-fide written offer from a third party prior to Buyer's delivery of notice of acceptance of an offer on the sale of Buyer's property, Seller may give Buyer written notice of that fact. Within three (3) days of receipt of the notice, Buyer will waive the contingency of the sale and close of his or her property, or this Agreement will terminate without further notice. In order to be effective, the waiver of contingency must be accompanied by reasonable evidence that funds needed to close escrow will be available and Buyer's ability to obtain financing is not contingent upon the sale and/or close of any property.

25. **DEFAULT.** In the event Buyer defaults in the performance of this Agreement (unless Buyer and Seller have agreed to liquidated damages), Seller may, subject to any rights of Broker, retain Buyer's deposit to the extent of damages sustained and may take such actions as he or she deems appropriate to collect such additional damages as may have been actually sustained. Buyer will have the right to take such action as he or she deems appropriate to recover such portion of the deposit as may be allowed by law. In the event that Buyer defaults (unless Buyer and Seller have agreed to liquidated damages) Buyer agrees to pay the Broker(s) any commission that would be payable by Seller in the absence of such default.

26. **ATTORNEY FEES.** In any action, arbitration, or other proceeding involving a dispute between Buyer and Seller arising out of the execution of this Agreement or the sale, whether for tort or for breach of contract, and whether or not brought to trial or final judgment, the prevailing party will be entitled to receive from the other party a reasonable attorney fee, expert witness fees, and costs to be determined by the court or arbitrator(s).

27. **EXPIRATION OF OFFER.** This Offer will expire unless acceptance is delivered to Buyer or to \_\_\_\_\_ (Buyer's Broker) on or before (date) \_\_\_\_\_  a.m.  p.m.

28. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which is deemed to be an original.

29. **CONDITIONS SATISFIED/WAIVED IN WRITING.** Each condition or contingency, covenant, approval or disapproval will be satisfied according to its terms or waived by written notice delivered to the other party or his or her Broker.

30. **TIME.** Time is of the essence of this Agreement, provided, however, that if either party fails to comply with any contingency in this Agreement within the time last specified, this Agreement will not terminate until the other party delivers written notice to the defaulting party requiring compliance within 24 hours after receipt of notice. If the party receiving the notice fails to comply within the 24 hours, the non-defaulting party may terminate this Agreement without further notice. It is understood that neither the making of deposits nor the close of escrow is a contingency.

31. **LIQUIDATED DAMAGES.** By entering in the spaces below,

Buyer agrees  Buyer does not agree  
 Seller agrees  Seller does not agree

that in the event Buyer defaults in the performance of this Agreement, Seller will retain as liquidated damages the deposit set forth in Items 1-A and 1-B, and that said liquidated damages are reasonable in view of all the circumstances existing on the date of this Agreement. If the property is a dwelling with no more than four (4) units, one of which Buyer intends to occupy as his or her residence, the liquidated damages will not exceed three percent (3%) of the purchase price and any deposit in excess of that amount will be refunded to Buyer. In the event that Buyer defaults and has not made the deposit required under Item 1-B, or refuses to execute liquidated damage provision with respect to additional deposits, then Seller will have the option of retaining the initial deposit(s) that have been made, or terminating the obligations of the parties under this Item 31 and recovering such damages from Buyer as may be allowed by law. The parties understand that in case of dispute mutual cancellation instructions are necessary to release funds from escrow or trust accounts.

Buyer  \_\_\_\_\_ and Seller  \_\_\_\_\_ have read this page.

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32. **MEDIATION OF DISPUTES.** If a dispute arises out of or relates to this Agreement or its breach, by initialing in the "agree" space below the parties agree to first try in good faith to settle the dispute by voluntary mediation before resorting to court action or arbitration, unless the dispute is a matter excluded under Item 33-ARBITRATION. The fees of the mediator will be shared equally between all parties to the dispute. If a party initials the "agree" space and later refuses mediation, that party will not be entitled to recover prevailing party attorney fees in any subsequent action.

Buyer agrees        Buyer does not agree  
  Seller agrees        Seller does not agree

33. **ARBITRATION OF DISPUTES.** Any dispute or claim in law or equity between the Buyer and Seller arising out of this Agreement will be decided by neutral binding arbitration in accordance with the California Arbitration Act (C.C.P., §1280 et seq.), and not by court action except as provided by California law for judicial review of arbitration proceedings. If the parties cannot agree upon an arbitrator, a party may petition the Superior Court of the county in which the property is located for an order compelling arbitration and appointing an arbitrator. Service of the petition may be made by first class mail, postage prepaid, to the last known address of the party served. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties will have the right to discovery in accordance with Code of Civil Procedure §1283.05.

The parties agree that the following procedure will govern the making of the award by the arbitrator: (a) a Tentative Award will be made by the arbitrator within 30 days following submission of the matter to the arbitrator; (b) the Tentative Award will explain the factual and legal basis for the arbitrator's decision as to each of the principal controverted issues; (c) the Tentative Award will be in writing unless the parties agree otherwise; provided, however, that if the hearing is concluded within one (1) day, the Tentative Award may be made orally at the hearing in the presence of the parties. Within ten (10) days after the Tentative Award has been served or announced, any party may serve objections to the Tentative Award. Upon objections being timely served, the arbitrator may call for additional evidence, oral or written argument, or both. If no objections are filed, the Tentative Award will become final without further action by the parties or arbitrator. Within thirty (30) days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected.

The provisions of the Code of Civil Procedure authorizing the imposition of sanctions as a result of bad faith actions or tactics will apply to the arbitration proceedings, provided, however, that the arbitrator shall not have the power to commit errors of law, errors of legal reasoning, or rely upon unsupported findings of fact in imposing sanctions for any reason against a party or a party's attorney. In the event such error is claimed, the applicable sanctions may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. A prevailing party will also be entitled to an action for malicious prosecution if the elements of such cause of action are met.

The following matters are excluded from arbitration: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code §2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court, bankruptcy court, or small claims court; or (e) an action for bodily injury or wrongful death. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, will not constitute a waiver of the right to arbitrate under this provision.

**NOTICE:** By initialing in the "agree" 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 "agree" 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 agrees        Buyer does not agree  
  Seller agrees        Seller does not agree

34. **SURVIVAL.** The omission from escrow instructions of any provision in this Agreement will not waive the right of any party. All representations or warranties will survive the close of escrow.

Buyer   and Seller   have read this page.

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Property Address \_\_\_\_\_

**35. ENTIRE AGREEMENT/ASSIGNMENT PROHIBITED.** This document contains the entire agreement of the parties and supersedes all prior agreements with respect to the property which are NOT expressly set forth. This Agreement may be modified only in writing signed and dated by both parties. Buyer may not assign any right under this agreement without the prior written consent of Seller. Any such assignment will be void and unenforceable.

**36. ADDENDA.** The following addenda are attached and made a part of this Agreement:

Short Sale Addendum (PP Form 1015-CAL)

Addendum No. \_\_\_\_\_

Addendum No. \_\_\_\_\_

**37. ADDITIONAL TERMS AND CONDITIONS.**

**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 <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.

**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.

**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 \_\_\_\_\_

PRINT NAME \_\_\_\_\_

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

PRINT NAME \_\_\_\_\_

Address \_\_\_\_\_

#### ACCEPTANCE

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

**38. BROKER COMPENSATION.** Seller irrevocably assigns to Broker(s) from escrow the compensation as provided in the written agreement between Seller and Broker(s). 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.

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

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Property Address \_\_\_\_\_

**39. PROVISIONS TO BE INITIALED.** The following items must be "agreed to" or "not agreed to" by both parties to be binding on either party. In the event of disagreement, Seller should make a counter offer.

Item 31, LIQUIDATED DAMAGES    Item 32, MEDIATION OF DISPUTES    Item 33, ARBITRATION OF DISPUTES

Seller acknowledges receipt of a copy of this Agreement. Authorization is hereby given 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 at close of escrow.

40.  THIS OFFER IS BEING COUNTERED. Seller acceptance is subject to the attached counter offer dated \_\_\_\_\_

Seller _____ (Signature)	Seller _____ (Signature)
_____	_____
(Please Print Name)	(Please Print Name)
Date _____ Time _____	Date _____ Time _____
Address _____	Address _____

**ESCROW HOLDER ACKNOWLEDGEMENT**

Escrow Holder accepts this Purchase Agreement as part of the joint escrow instructions between Seller and Buyer. For the escrow timeline, the date of ratification of acceptance between the parties is \_\_\_\_\_

Escrow Holder: \_\_\_\_\_ Escrow #: \_\_\_\_\_  
Escrow Officer: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Email: \_\_\_\_\_  
Amount of Deposit Received: \_\_\_\_\_ Date: \_\_\_\_\_ FAX: \_\_\_\_\_

**Information Regarding Real Estate Licensees Acting as Agents in This Transaction:**

Selling Firm Broker _____	Brokerage CalBRE License # _____
By _____	Agent CalBRE License # _____
(Please Print Agent for Buyer)	
By _____	Agent CalBRE License # _____
(Please Print Agent for Buyer)	
Office Address _____	City/State/Zip _____
Telephone _____ Fax _____	E-Mail _____
Listing Firm Broker _____	Brokerage CalBRE License # _____
By _____	Agent CalBRE License # _____
(Please Print Agent for Seller)	
By _____	Agent CalBRE License # _____
(Please Print Agent for Seller)	
Office Address _____	City/State/Zip _____
Telephone _____ Fax _____	E-Mail _____

Note that neither the Real Estate Brokers nor the Real Estate Agents are parties to the Purchase Agreement between the Buyer and Seller.

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See to \_\_\_\_\_  
Date \_\_\_\_\_

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