

Real Estate Purchase Agreement for California

THIS SALES AGREEMENT (the 'Agreement') dated this 26th day of May, 2017 (the 'Execution Date')

BETWEEN :

Samantha Smith
(the "Seller")

OF THE FIRST PART

-AND-

John Wong
(the "Buyer")

OF THE SECOND PART

BACKGROUND

The Seller wishes to sell a certain completed home and the Buyer wishes to purchase this completed home.

IN CONSIDERATION and as a condition of the Seller selling the Property and the Buyer purchasing the Property and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged here, the parties to this Agreement (individually the "Party" and collectively the "Parties") agree as follows:

Property

1. Legal description of the Property is as follows: 87 Argyle Lane, Oceanside, CA 92056, which includes fixtures and improvements located on the Property and all rights, privileges and appurtenances associated with it, including but not limited to permits, easements, and cooperative and association memberships. (the 'Property')

2. The Seller agrees to sell and convey to the Buyer and the Buyer agrees to purchase from the Seller the Property.

Sales Price

3. The sales price for the Property (the "Sales Price") will be paid as follows:

- a. earnest money payable after the Effective Date of this Agreement is: \$ 5,000 ;
- b. at closing, the cash portion of Sales Price payable by the Buyer is: \$ 5,000 ;
- c. excluding any loan funding fee or mortgage insurance premium, the sum of all financing is: \$
- d. the total Sales Price payable is: \$ 5,000 .

Financing Terms

4. The portion of Sales Price not payable in cash will be paid by a promissory note in the amount of \$0.00 with 0.0 % interest per annum to be secured by a deed of trust liens. The terms and conditions set out in any attached Seller Financing Addendum are incorporated into this Agreement by reference. If an owner policy of title insurance is furnished, the Buyer will furnish the Seller with a mortgagee policy of title insurance.

Earnest Money

5. The Buyer will deposit 5,000 as earnest money at 8991 College Drive, Los Angeles, CA 90026 with Propy Escrow acting as escrow agent, within 30 after the Effective Date of this Agreement. Failure to deposit the earnest money as provided in this clause will result in the Buyer being in default under this Agreement.

Title Policy

6. At the Buyer's expense, the Seller will furnish to the Buyer an owner's policy of title insurance (the 'Title Policy') from Propy Titles, inc. (the 'Title Company') in an amount of the Sales Price dated as of the date that the sale of the Property becomes final and the Buyer takes possession (the 'Closing Date'), which insures and indemnifies the Buyer against loss as stipulated under the provisions of the Title Policy, subject to the following exceptions (collectively the 'Title Exceptions') which includes: building and zoning ordinances; standard utility easements; standard riparian matters; common restrictive covenants relating to platted subdivision; oil, gas and mineral rights; taxes, mortgages and assessments which the Buyer will be assuming; discrepancies in regards to shortages in area or boundary lines; and liens created as part of the financing for the Buyer.

Commitment

7. At the Seller's sole cost, the Seller will furnish or cause to be furnished to the Buyer a commitment for title insurance (the "Commitment") and copies of restrictive covenants and documents evidencing exceptions in the Commitment (the "Exception Documents") other than the standard printed exceptions. The Seller hereby authorizes the Title Company to deliver the Commitment and Exception Documents to the Buyer's address provided in this Agreement.

Property Survey

8. Prior to the Closing Date and at the Buyer's sole cost, the Seller will furnish a new survey to the Buyer and the said survey must be made by a registered professional land surveyor acceptable to the Buyer, Title Company and any lender.

Objections and Cure

9. The Buyer may submit a written objection, within 14 after the Buyer receives the Commitment, Exception Documents and the survey, in relation to any defects, exceptions or encumbrances to title which makes the title unmarketable, excluding the Title Exceptions.
10. With the exception of the requirements in the Commitment which are not waived, if the Buyer fails to provide a written objection within the allowed time, it will constitute as a waiver on the part of the Buyer to object. Any timely objections by either the Buyer or any third party lender must be cured by the Seller, at the Seller's expense, prior to closing and the Closing Date will be delayed as necessary. If the objections are not cured, this Agreement will terminate and the earnest money will be refunded to the Buyer within ten days unless the Buyer has waived the objections in writing and elected to close the sale and accept the title with the existing defect.

Real Property Disclosure

11. SELLER'S DISCLOSURE: The Seller does not know of any material facts that would affect the value of the Property, except those observable by the Buyer or any known to the Seller which are disclosed in this Agreement and the attached addenda.
12. STATUTORY DISCLOSURES: The Seller is responsible to furnish the Buyer with the following disclosures and items as soon as practicable before the signing of this Agreement:
- a. Real Estate Transfer Disclosure Statement ("TDS");
 - b. Natural Hazard Disclosure Statement ("NHD"); and

c. Smoke Detector Statement of Compliance.

13. INDUSTRIAL ZONE: The Property is not affected by or zoned to allow an industrial use described in the Code of Civil Procedure.

14. ORDNANCE LOCATION: Former federal or state ordnance locations are not within one mile in the neighborhood where the Property is situated. Former federal or state ordnance locations means an area

15. DATABASE DISCLOSURE: In accordance with the California Civil Code, the Seller hereby notifies the Buyer of the Buyer's right to access the State's database of registered sex offenders:

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.

16. COUNTY DISCLOSURE: The Seller is responsible for satisfying any local disclosure requirements prior to the signing of this Agreement. Please consult the local county department in which the Property is

Property Access and Inspection

17. The Buyer may, at its sole cost, select inspectors and pest controllers licensed to practice within the State of California or any lawful agent authorized to make inspections to inspect the Property. The Buyer will deliver to the Seller a written notice of any defects in addition to a copy of the inspection report within ten days after the inspection. At all reasonable times, the Seller is to permit the Buyer or its agents access to the Property for the purpose of inspection and will pay for turning on existing utilities.

Property Condition

18. The Buyer accepts the Property in its current state and condition without any further work, repairs, treatments or improvements.

Warranties

19. The Seller makes no express warranties aside from those expressly described in this Agreement or the attached addenda. Upon closing, the Seller agrees to assign all manufacturer warranties that are assignable to the Buyer.

20. The information pertaining to the insulation installed or will be installed in the Property as required by the Federal Trade Commission Regulations is as follows:

a. The exterior walls are insulated with [How many inches thick is the insulation?] inches of [Exterior walls of living area are insulated with what material?] which yields an R-Value of [R-value of

b. The walls of the other areas are insulated with [How many inches thick is the insulation?] inches of [Walls in other areas are insulated with what material?] which yields an R-Value of [R-value of

c. The ceiling is insulated with [How many inches thick is the insulation?] inches of [Ceiling is insulated with what material?] which yields an R-Value of [R-value of insulation:];

d. The floors which are not applied to a slab foundation are insulated with [How many inches thick is the insulation?] inches of [Floors are insulated with what material?] which yields an R-Value of [R-

e. The other insulated areas are insulated with [How many inches thick is the insulation?] inches of [Other insulated areas are insulated with what material?] which yields an R-Value of [R-value of

All R-Values stated are based on information from the manufacturer of the insulation in the Property.

Lender Required Repairs

21. Neither the Seller nor the Buyer is obligated to pay for any lender required repairs or remediations, unless both Parties agreed in writing. If repairs will exceed five percent, the lender has the sole option to terminate the agreement. If the Parties cannot come to an agreement for the lender required repairs or remediations, this Agreement will terminate and the earnest money will be refunded to the Buyer within ten days of the receipt of the written notice.

Completion of Repairs and Improvements

22. The Seller will complete all agreed work, repairs, treatments, and improvements (the "Work") prior to the Closing Date unless both Parties agree otherwise in writing. The Work to be completed must be done by individuals who are licensed to perform such tasks and all required permits and regulations must be obtained and observed. Any transferable warranties received by the Seller for completed Work will be transferred to the Buyer at closing. If the Seller fails to complete the Work prior to the Closing Date, the Buyer may elect to complete the said Work and the Buyer will be entitled to claim

Closing

23. The Closing Date will be on or before December 4th, 2016 or be within seven days after objections revealed from the Commitment or survey have been cured, whichever date is later. In the absence of legal excuse, the failure to close the sale on the Closing Date by either Party will enable the non-defaulting party to pursue any remedies on default provided in this Agreement.
24. Upon closing, the Seller will execute and deliver to the Buyer a general warranty deed which has title to the Property and shows no further exceptions to title of the Property except the Title Exceptions, and furnish a current tax statement which shows no delinquent taxes on the Property.
25. The Buyer will pay the Sales Price in good funds acceptable to the escrow agent.
26. Any notices, statements, certificates, affidavits, releases, loan documents and other documents required by this Agreement, by the Commitment or by law which is necessary for the closing of the sale or the issuance of the Title Policy must be promptly executed and delivered by the Seller and the Buyer.
27. All covenants, representations and warranties in this Agreement will survive closing and may be

Possession

28. Possession of the Property in its current or required state, ordinary wear and tear excepted, will be delivered by the Seller to the Buyer upon proper funding at closing. A tenancy at sufferance relationship will be created between the Parties where there is no authorized written lease agreement and either the Buyer has possession prior to closing or the Seller has possession after closing. The Parties should consult their respective insurance agent and are responsible to ensure adequate coverage exists upon the transfer of ownership and possession.

Settlement and Other Expenses

29. Unless both Parties otherwise agree in writing, the following expenses payable by the Seller (the "Seller's Expenses") must be paid at or prior to closing:
- a. All existing liens; prepayment penalties; recording fees; lender, tax statements or certificates; preparation of deed; half of escrow fee; and all expenses payable by the Seller under this Agreement must be released or discharged accordingly.
30. The following expenses payable by the Buyer (the "Buyer's Expenses") must be paid at or prior to closing:
- a. Loan origination, discount, buy-down, and commitment fees.
 - b. All expenses related or incident to any loan, including but not limited to, appraisal fees; application fees; credit reports; loan documents preparation fees; recording fees on notes and mortgages; recording fees on the deed and financing statements; inspection fees; half of escrow fees; all prepaid items including flood and hazard insurance premiums; documentary stamp tax; title policy; and all other expenses payable by the Buyer, necessary to perform the Buyer's obligation under this
31. Any Private Mortgage Insurance Premium (the "PMI"), the VA Loan Funding Fee, or the FHA Mortgage Insurance Premium (the "MIP") as required by the lender, must be paid by the Buyer. However, the Buyer may not pay charges and fees expressly prohibited by FHA and VA financing or other governmental loan
32. If any expense to be paid by either Party exceeds the amount expressly stated in this Agreement, the Party responsible for the said exceeding amount may terminate this Agreement unless the other Party agrees to pay the excess amount.

Prorations

33. The following items will be prorated and adjusted as property as of the Closing Date: any taxes due for the current year, association fees, maintenance fees, assessments, dues, heating tank fuel, utility charges and rents of the Property. If the tax rate for the current year is unknown, the Parties will use the rate from the previous year plus five percent at closing. If the tax rate for the previous year is also unknown, the escrow agent will estimate an amount to prorate, holdback sufficient funds and adjust the prorated amount when the new tax statements become available. The Buyer will be obligated to pay the share of the prorated taxes for the current year if the taxes are not paid at or prior to the

Risk of Loss

34. The Seller will bear all risk of loss to the Property or its improvements, which includes, but is not limited to, physical damage or destruction to the Property, or loss caused by eminent domain, until the Closing Date. If at any point after the Effective Date but prior to closing, any part of the Property is damaged or destroyed, the Seller will restore the Property to its previous condition as soon as possible before the Closing Date, reasonable delays excepted. If the Seller fails to restore the Property due to unforeseeable factors beyond the control of the Seller, the Buyer may elect one of the following:
- a. the Agreement will terminate and the earnest money will be refunded to the Buyer within ten days;
 - b. the Closing Date will be extended as necessary to accommodate the performance of restoration;
 - c. at closing, the Property in its damaged state will be accepted and all insurance proceeds will be assigned from the Seller to the Buyer and the Buyer will receive an amount equal to the deductible under the Seller's insurance policy.

The Seller's obligations under this provision are independent of any obligations of the Seller found under the heading Property Condition.

Remedies on Default

35. The Buyer will be in default if the Buyer fails to comply with the provisions of this Agreement, upon which, the Seller may:

- a. seek specific performance;
- b. seek other relief as may be provided by law; or
- c. seek a combination of any or all of the above remedies; or
- d. treat all earnest money as forfeited and the said money be deemed as liquidated damages and the sole remedy for the Seller.

Remedies on Default

36. If the Seller, due to factors beyond the control of the Seller, fails to make any non-casualty repairs or deliver the Commitment or survey as required, the Buyer may:

- a. extend the performance time and the Closing Date as necessary; or
- b. terminate this Agreement and the earnest money will be refunded to the Buyer within ten days as

Remedies on Default

37. The Seller will be in default if the Seller fails to comply with the provisions of this Agreement, upon which, the Buyer may:

- a. seek specific performance;
- b. seek such other relief as may be provided by law; or
- c. a combination of any or all of the above remedies; or
- d. treat this Agreement as terminated and receive the earnest money within ten days of cancellation.

38. In the event that any action is commenced in relation to this Agreement, the unsuccessful Party in the action will pay to the successful Party reasonable attorney's fees and all costs incurred during the proceedings by the prevailing Party.

Escrow

39. The Seller and the Buyer agree that the escrow agent is not:

- a. a party to this Agreement and will not assume any liabilities incurred as a result of the performance or nonperformance of either the Buyer or the Seller, and that no liability will be incurred unless the escrow agent is grossly negligent or willfully breaches the terms of this Agreement;
- b. liable for the loss of earnest money as a result of the failure of any financial institution in which the earnest money has been deposited unless the said institution is acting as an escrow agent; and

c. liable for interest on the earnest money.

40. Upon closing, the earnest money will be applied in the following order with the excess refunded back to

a. any cash down payment; and

b. Buyer's Expenses.

41. At all relevant times during the course of this Agreement, the escrow agent is required to notify the other Party prior to the releasing of any funds to the Party who is requesting the funds.

42. The notice of the escrow agent to either Party will be deemed effective upon its deposit to any US Postal Service offices or mailboxes with receipt requested, provided that the notice contains adequate postage and the correct mailing address of the Party contained in this Agreement is inscribed on the notice. The notice of objection to the demand of earnest money will be deemed effective upon receipt by the escrow agent.

Seller Representations

43. The Seller represents and warrants that there will be no liens, assessments, or security interests from third parties against the Property which will not be satisfied out of the sales proceeds. The Seller makes no representation aside from those expressly provided in this Agreement. If the representations of the Seller are untrue upon the Closing Date, the Buyer may terminate this Agreement and the earnest money will be refunded within ten days.

Federal Tax Requirements

44. The Buyer is responsible for withholding from the sales proceeds ten percent of the gross Sales Price in compliance with applicable tax law and submit the said amount to the Internal Revenue Service in conjunction with the relevant tax forms if the Seller falls under the definition of a "foreign person" within applicable law. The primary grounds for exemption is if the Seller furnishes an affidavit to the Buyer stating that the Seller is not a "foreign person" within applicable law along with the Seller's United States taxpayer identification number or if the Sales Price does not exceed \$300,000.00 and the Property will be used as the Buyer's residence. Because of the number of exemptions and other requirements relating to this law, it is the Buyer's responsibility to consult the IRS or a qualified tax advisor for more information and to ensure compliance has been met.

California Real Estate Withholding

45. The Buyer must withhold three and one third percent of the total Sales Price as state income tax and deliver the amount to the State Franchise Board in certain real estate transactions. Failure to withhold the required amount may result in the Buyer being subject to penalties. For further information, the Buyer is advised to contact the Escrow Agent or the Franchise Tax Board.

Notices

46. All notices pursuant to this Agreement must be written and signed by the respective Party or its agent and all such correspondence will be effective upon it being mailed with return receipt requested, hand-delivered, or transmitted by facsimile as follows:

To the Buyer at:

Name: John Wong Address: 9
South Dogwood Rd. , Huntington
Park, CA 90255 Telephone: (123)
456-7890 Facsimile: (123) 456-
7890

To the Seller at:

Name: Samantha Smith Address:
8001 Hudson Street , San Jose,
CA 95123 Telephone: (123) 456-
7890 Facsimile: (123) 456-7890

Addenda

47. In addition to any aforementioned required documents, these addenda will also constitute as part of this Agreement:
Seller Financing Addendum.

Assignability

48. The Buyer may not assign this Agreement without the Seller's written consent. This Agreement is binding on the respective heirs, executors, administrators, successors, personal representatives and assigns, as the case may be, of the Seller and Buyer.

Effective Date

49. The effective date of this Agreement (the "Effective Date") is the latter of the date the Buyer executed this Agreement and the date the Seller executed this Agreement.

Governing Law

50. The Parties agree this Agreement will be construed under the laws of the State of California, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Spousal Interests

51. The spouse of each married Seller consents to this real estate transaction, and will sign and deliver such deeds and other documents as may reasonably be requested by the Title Company to evidence such consent and to effect the transfer to the Buyer of any dower, homestead, elective share, community property or any other rights which that spouse may have in or to the Property.

Severability

52. If there is a conflict between any provision of this Agreement and the applicable legislation of the State of California (the "Act"), the Act will prevail and such provisions of the Agreement will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Agreement.

53.If any terms or provision of this Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected and each unaffected term and provision of this Agreement will be valid and be enforceable to the fullest extent permitted by law.

No Broker or Agent

54. There are no obligations on either Party for the payment of broker fees in this Agreement. The Parties agree that no real estate brokers or agents were procured for their services in connection with this Agreement or any part of the sale agreement prior to the signing of this Agreement. If a broker or agent was retained, the Party which employed the said broker or agent will be solely liable for the costs associated with it.

Agreement of Parties

55. This document constitutes the entire agreement of the Parties and it may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreement. The provisions contained in this Agreement cannot be changed except by the signed and delivered written consent of both Parties.

Consult an Attorney

56. The Seller and the Buyer should consult an attorney before this Agreement is executed if any aspect of the Agreement is not understood. The Seller and the Buyer agree each will notify the other of the contact information for the respective attorney, if any, responsible for this real estate transaction.

General Provisions

57. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

58. All monetary amounts in this Agreement refer to US dollars, and all payments required to be paid under this Agreement will be paid in US dollars unless the Parties agree otherwise in writing.

59. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender mean and include the feminine gender and vice versa. Words importing persons include firms and corporations and vice versa.

60. Time is of the essence in this Agreement. Every calendar day except Saturday, Sunday or U.S. national holidays will be deemed a business day and all relevant time periods in this Agreement will be calculated in business days. Performance will be due the next business day, if any deadline falls on a Saturday, Sunday or a national holiday. A business day ends at five p.m. local time in the time zone in which the Property is situated.

EXECUTED by John Wong on the 26th day of May, 2017.

Witness

John Wong

EXECUTED by Samantha Smith on the 26th day of May, 2017.

Witness

Samantha Smith

RECEIPT

The Receipt of \$5,000 as Earnest Money in the form of cashe is hereby acknowledged on this 26th day of May, 2017.

Name: Propy Escrow

Address: 8991 College Drive, Los Angeles, CA 90026

Tel: 063785964

Fax: 067864232

Signature: _____