

California One to Four Family Residential Standard Master Agreement

[Sale for Cash, Sale with 3rd Party Financing, Lease Option, Contract for Deed, Subject to Existing Financing or Wraparound Mortgage, Mortgage Assignment, Sale with Equity Sharing]

[Do not use for condominium, community apartment or stock cooperative, or mobile or manufactured housing without additional addenda attached]

1. **PARTIES:** The parties to this Agreement ("Agreement") are 2011-10-24, ("Seller"), and _____, ("Buyer") (Buyer and Seller may be collectively referred to as the "Parties"). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property ("Property") defined below.

2. **PROPERTY:**

A. LAND: Legal Description rajiv _____, City of _____ THRALL _____, County of _____ rajiv _____, California, including all appurtenances, commonly known as:

testtesttest.rajiv, rajiv testtesttest, rajivtest, 1234, akataria@systematixtechnocrates.com, www.need2sell.us/sw12

B. **IMPROVEMENTS:** The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following **permanently installed and built-in items**, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas and satellite dish system and equipment, heating and air conditioning units, propane tanks, sump pumps, security and fire detection equipment, wiring, plumbing and lighting fixtures, attached mirrors, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all other property owned by Seller and attached to the above described real property.

C. **ACCESSORIES:** The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, controls for satellite dish system, controls for garage door openers, entry gate controls, door keys, mailbox keys, above ground pool, swimming pool equipment, and maintenance accessories, and artificial fireplace logs.

D. **EXCLUSIONS:** The following improvements and accessories will be retained by Seller, and removed prior to delivery of the possession:

E. **INCLUDED:** The following personal property is included in this Agreement: _____

3. **SALES PRICE:**

- A. Cash Portion of Sales Price Payable by Buyer at closing \$ _____
- B. Sum of all financing described below (if sale for cash, leave blank).....\$ _____
- C. Sales Price (sum of A+B) \$ _____

4. **SALE WITH FINANCING/LEASE OPTION/CONTRACT FOR DEED:**

(Check the box and complete the blanks in the option(s) that apply)

[] **A. Seller Financing:** Seller agrees to provide financing in the amount of \$ rajiv _____. Seller financing, if any, shall be provided through a promissory note, secured by deed of trust or a mortgage on the Property, from Buyer to Seller for \$ _____, bearing a maximum _____% interest per year (Interest Rate), payable in monthly installments of \$ _____, with the first payment beginning on _____ and continuing every month thereafter with a like amount on the same date each month until the full amount of this note and all accrued interest is paid in full. **THE ABOVE TERMS ARE ONLY ESTIMATES, IF APPLICABLE, PURSUANT TO THE S.A.F.E. ACT, ALL OFFERS OF FINANCING, TERMS AND CONDITIONS ARE TO BE DETERMINED SUBSEQUENTLY HERETO SOLELY BY THE TOROK LAW FIRM P.C. OR BY A LICENSED RESIDENTIAL LOAN MORTGAGE ORIGINATOR.**

[] **B. Assumption:** The assumption of the unpaid principal balance of one or more promissory notes described as follows:

1. A loan in the original principal amount of \$ _____, with _____ as the lender, currently held or serviced by _____, loan # _____.

2. A second loan in the original principal amount of \$ _____ ,

with _____ as the lender, currently held or serviced by _____ , loan # _____ .

SUBJECT TO EXISTING FINANCING: If any of the existing loans or liens are not to be paid off or cleared at closing, and a title policy will not be obtained, Seller shall furnish to Buyer within seven (7) days from execution hereof a copy of the promissory note and a statement setting forth the identification of the Property, the name, address, and phone number of each lienholder, the principal balance, the terms of such loan or lien, the method of payment, the interest rate, the periodic installments that need to be paid, the account number, whether the loan or lien is in good standing, details of any insurance policy that will remain on the property, the property taxes, and if the lienholder consents to the transfer of the property. Such statement shall be accompanied by the statement and required information pursuant to Civil Code Sections 2920 – 2944.7, if required and not otherwise exempt from those provisions.

☐ **LOAN SERVICING:** Any loans hereunder shall be serviced by The Torok Law Firm P.C. at the

☐ Buyer's ☐ Seller's expense at the rates then existing or as may be modified in the future.

☐ This transaction is subject to the lender's notification of disapproval of the sale with the financing remaining in effect within 15 days of the date such request is provided to lender. In the event lender does not approve after consent is requested, this Agreement may be declared void by the Buyer and all funds paid by Buyer shall be returned to Buyer.

☐ **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ _____, at an interest rate not to exceed _____ % for a term not less than 30 years. Application for financing is to be made within 5 days of the effective date hereof. If financing is not obtained, Seller may retain the earnest money as liquidated damages, unless such disapproval is because the Property does not meet lender's underwriting requirements.

☐ If this box is checked, Buyer at Buyer's expense may within 5 days of the date hereof, obtain an appraisal of the Property by an independent appraiser licensed to perform appraisals in this state. If the final appraised value of the Property, as determined by the appraiser (after reconsideration if requested by the Seller) is not equal to or greater than the Purchase price, Buyer may cancel this agreement by written notice to Seller, pursuant to the termination option noted in paragraph 6.

☐ **LEASE OPTION:** Buyer agrees to lease the property for a term not to exceed _____ days pursuant to a lease for the amount of \$ _____ per month. Seller shall provide an option to purchase the Property for the price noted above. Consideration for such option shall be as follows: _____. In addition to the consideration noted herein, Seller shall apply \$ _____ of each monthly rent payment to the purchase price, if the option is exercised. If such option is not exercised, all sums received shall be considered rent.

☐ **INSTALLMENT LAND SALE CONTRACT/CONTRACT FOR DEED:** Seller agrees to place a deed to buyer in escrow for _____ years, and such deed is to be released by escrow agent to Buyer upon payment of the purchase price payable \$ _____ per month. Such payment represents an amount of \$ _____ amortized over _____ years, at _____ percent per annum.

☐ **EQUITY SHARING TRUST:** Sale of the property shall be to the trustee for the trust listed as Buyer above (existing or to be created). The Buyer and Seller and _____ shall be the beneficiaries under the trust and shall divide proceeds after expenses if the Property is subsequently sold as follows: _____ % of the proceeds to Buyer, _____ % to the Seller and _____ % to _____.

5. EARNEST MONEY AND OTHER DEPOSITS: Upon execution of this Agreement by both parties, Buyer shall deposit \$ _____ as earnest money with **The Torok Law Firm P.C., Main Office: 13300 Old Blanco Road, Suite 260, San Antonio TX 78216**, as escrow agent within 5 days of the effective date of this Agreement. If Buyer fails to deposit the earnest money as required by this Agreement, Buyer will be in default.

6. TERMINATION OPTION: For \$ _____ , in consideration, in hand paid and receipt acknowledged, Seller grants Buyer the unrestricted right to terminate this Agreement by giving notice, in writing, within _____ days after the effective date of this Agreement. If Buyer gives notice within the time prescribed, the Option Fee will not be refunded except as otherwise provided herein; however, any earnest money will be refunded to Buyer. The option fee will be credited to the sale price at closing.

7. TITLE POLICY AND SURVEY:

A. Title Policy: Note: under federal law (RESPA), if buyer is paying for a title policy, Buyer has the right to choose the title insurer that will issue the policy for the transaction. Seller at ☐ Seller's expense ☐ Buyer's expense shall provide ☐ Title Investigation Only by The Torok Law Firm P.C. (approx. cost \$200-\$350) OR ☐ an owner policy of title insurance issued by Providence Title Company or other authorized title insurer, in the amount of the Sales Price, dated after closing, insuring buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

1. Restrictive covenants common to the platted subdivision in which the Property is located;
2. The standard printed exception for standby fees, taxes and assessments;
3. Liens created as part of the financing described in Paragraph 4;

4. Utility easements created by the dedication deed or plat of the subdivision in which the Property is located;
5. Reservations or exceptions otherwise permitted by this Agreement or as may be approved by Buyer in writing;
6. The standard printed exception as to marital rights;
7. The standard printed exception as to waters, tidelands, beaches, streams, and related matters;
8. The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have the exception amended to read, "shortages in area".

B. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company. (check one box only)

☐ 1. Within days, after the effective date of this Agreement, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and an affidavit attesting that there are no changes in any structures or items noted on the survey provided. If the existing survey or affidavit is not acceptable to Title Company, Buyer shall obtain a new survey at ☐ Seller's ☐ Buyer's expense no later than 3 days prior to the closing date.

☐ 2. Within days after the effective date of this Agreement, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt.

☐ 3. Within days after the effective date of this Agreement, Seller at Seller's expense shall furnish a new survey to Buyer.

C. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed on the survey other than items described above, excluding the standard, printed exceptions; disclosed in the Commitment other than all of the items above; or which prohibit use for Buyer's intended purpose, Buyer's failure to object in writing, the earlier of the closing date or 5 days after Buyer receives the Commitment, Exception Documents, and/or the survey, shall constitute a waiver of Buyer's right to object, except that the requirements of Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after the Seller receives the objections and the Closing Date will be extend as necessary. If objections are not cured within such 15 day period, this agreement will terminate and the earnest money and other funds paid to Seller will be refunded to Buyer unless Buyer waives the objections.

D. NOTICES:

(1) ABSTRACT OR TITLE POLICY: Buyer is advised to have an abstract of title covering the property examined by an attorney of Buyer's selection or Buyer shall be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment ("Commitment") should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) PROPERTY OWNERS' ASSOCIATION MANDATORY MEMBERSHIP (HOA): The Property ☐ is ☐ is not subject to mandatory membership in a property owners' association. If the Property is subject to mandatory membership in a property owners' association, Seller notifies Buyer that as a purchaser of the Property, you are obligated to be a member of the property owners' association. Such association may have restrictive covenants governing the use and occupancy of the Property and Buyer is notified that they should review any dedicatory instrument(s) governing the establishment, maintenance, and operation of the residential community in which the Property is located. Association fees, if any, are the obligation of Buyer and are not to be prorated or paid at closing. Payment of a transfer fee may be required as determined by the HOA. Please contact the HOA for additional details.

(3) INDUSTRIAL USE ZONING: The property ☐ is or ☐ is not adjacent to or zoned to allow an industrial use. Buyer's failure to object in writing, the earlier of the closing date or 5 days after Buyer receives the Commitment, Exception Documents, and/or the survey, shall constitute a waiver of Buyer's right to object, except that the requirements of Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after the Seller receives the objections and the Closing Date will be extend as necessary. If objections are not cured within such 15 day period, this Agreement will terminate and the earnest money and other funds paid to Seller will be refunded to Buyer unless Buyer waives the objections.

(4) FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by applicable law, or if Seller fails to deliver an affidavit to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

(5) NATURAL HAZARD DISCLOSURE STATEMENT: The Seller and his or her agent(s) or a third-party consultant discloses the following information with the knowledge that even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

The following are representations made by the Seller and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any agreement between Seller and Buyers.

THIS REAL PROPERTY MAY LIE WITHIN THE FOLLOWING HAZARDOUS AREA:

i. A SPECIAL FLOOD HAZARD AREA (any type zone "A" or "V") designated by the Federal Emergency Management Agency. ☐ YES ☐ NO ☐ Don't know and information not available from local jurisdiction

ii. AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Government Code Section 889.5. ☐ YES ☐ NO ☐ Don't know and information not available from local jurisdiction

iii. A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code. ☐ YES ☐ NO

iv. A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not in the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to section 4142 of the Public Resources Code. ☐ YES ☐ NO

v. AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

☐ YES ☐ NO

vi. A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code. ☐ YES (landslide zone) ☐ NO (landslide zone) ☐ YES (liquefaction zone) ☐ NO (liquefaction zone)

☐ Map not yet released by state

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. BUYERS AND SELLERS MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Seller and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by Seller and agent(s).

Seller and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substitute disclosure pursuant to Civil Code Section 1103.4.

Neither Seller nor their agent(s) (1) independently verified the information contained in this statement and report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement. This statement was prepared by the provider below:

Third-Party Disclosure Provider(s) _____ date _____

By executing this Agreement, Buyer represents that he or she has read and understands these disclosures. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement/section do not constitute all of the Seller's or their agent(s) disclosure obligations in this transaction.

Further information about Earthquake safety can be obtained at www.seismic.ca.gov including the "Homeowner's Guide to Earthquake Safety" guide.

Further information about environmental hazards is available in the "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords, and Tenants" at www.car.org/mall/mall.htm.

(6) NOTICE OF YOUR 'SUPPLEMENTAL' PROPERTY TAX BILL: Under CA Civil Code Section 1102.6c, California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local tax Collector's Office.

(7) MELLO-ROOS BONDS AND TAXES: This property ☐ IS ☐ IS NOT in a Mello-Roos Community Facilities District. If so, Seller will make a good faith effort to obtain from the district, a disclosure notice concerning the special tax and provide it to the Buyer.

(8) NOTICE OF SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION JURISDICTION: This property ☐ IS ☐ IS NOT located within the jurisdiction of the San Francisco Bay Conservation Commission. Use and development of the property within the commission's jurisdiction may be subject to special regulations, restrictions, and permit requirements. You may wish to investigate and determine whether they are acceptable to you and your intended use of the property before you complete your transaction.

(9) ORDNANCE LOCATION: To the best of Seller's knowledge, the property ☐ IS ☐ IS NOT located within one mile of a certain areas designated as having once been used for military training.

(10) METHAMPHETAMINE CONTAMINATION: The property ☐ IS ☐ IS NOT under an order prohibiting the habitation of the property by the local health officer. If such order exists, a copy is attached hereto and Buyer will acknowledge receipt of such order when provided.

(11) DATABASE/LOCATION OF REGISTERED SEX OFFENDERS/MEGANS LAW: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and zip code in which he or she resides.

(12) RIGHT TO RESCIND: SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE AGREEMENT WITHIN AT LEAST THREE DAYS AFTER THE DELIVERY OF THE DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE AGREEMENT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

(13) NOTICE OF DEFAULT/ FORCLOSURE: THERE ☐ IS ☐ IS NOT AN OUTSTANDING NOTICE OF DEFAULT RECORDED PURSUANT TO CIVIL CODE SECTION 2920 – 2944.7. **IF THERE IS AN OUTSTANDING NOTICE OF DEFAULT RECORDED THEREWITH, PURSUANT TO CIVIL CODE SECTION 1695 – 1695.17, ADDITIONAL DOCUMENTS WILL BE ATTACHED TO THIS AGREEMENT.**

(14) A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

8. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property Inspected by inspectors selected by Buyer. Seller shall, at Seller's expense, turn on all utilities for inspections. A copy of all inspection reports shall be furnished to Seller.

B. SELLER'S DISCLOSURE OF PROPERTY CONDITION(S): Seller shall disclose any and all conditions of the Property as required by law on the Real Estate Transfer Disclosure Statement or Local Option Real Estate Transfer Disclosure Statement within 5 days of the effective date hereof. Failure to provide such form, shall constitute a default under the Agreement.

C. SELLERS DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS: This form and brochure is required by federal law for all properties built or constructed prior to 1978. If applicable, the disclosure is attached and made a part hereof.

D. ACCEPTANCE OF THE PROPERTY: Buyer, acknowledging that Buyer is a knowledgeable sophisticated purchaser, accepts the Property in its Present "AS-IS" Condition, except that Seller shall complete the following specific repairs and treatments prior to closing unless otherwise agreed to in writing by the parties:

E. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened endangers species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about such issues, additional addendums shall be attached to this Agreement.

F. HOMEOWNERS WARRANTY Buyer and Seller are advised that Homeowners Warranties are available. A Homeowners Warranty is only part of this Agreement if Buyer or Seller agrees to purchase a warranty. Buyer and Seller are advised to request information about what is included in the warranty and what is excluded (for example, preexisting conditions) and the amount of the deductible.

G. MAINTENANCE OF PROPERTY: Seller shall maintain the Property (including any lawn, shrubbery and/or pool) in its present condition through the date of possession, ordinary wear and tear excepted. In the event of any material change in the condition of the Property before the Closing, Seller shall promptly notify Buyer.

H. RADON TESTING: Radon is a natural occurring radioactive gas that, when it accumulates in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed federal and state guidelines may have been found in buildings in the state where the Property is located. Additional information about Radon and Radon testing may be obtained from the state or county public health officer.

☐ If checked, Seller shall ☐ at Seller's expense ☐ buyer's expense, arrange and pay for a report concerning the level of Radon gas in the Property and provide the report to Buyer at least fifteen (15) days prior to closing. The report shall be made by a reputable inspector, complying with federal law and the law of the jurisdiction where the Property is located. If the level of Radon gas exceeds four picocuries per liter (4pCi/L) and Seller refuses to pay for the cost of installing Radon reduction equipment acceptable to Buyer, then Buyer may cancel this Agreement and the Earnest Money shall be refunded to Buyer.

I. PEST CONTROL: Seller shall deliver, as soon as practical before closing, a copy of a structural pest control inspection prepared in accordance with Section 8516 of the Business and Professions Code.

J. WATER HEATER: The water heater(s) located on the property has/have been braced, anchored or strapped to resist falling or horizontal movement due to earthquake motion.

K. CARBON MONOXIDE DEVICE: The property contains a device to determine the presence of carbon monoxide or shall install such device(s) in accordance with current law before closing.

L. WINDOW SECURITY BARS: window security bars ☐ EXIST ☐ DO NOT EXIST on the property. If they are present, Seller discloses that the ☐ DO ☐ DO NOT have a safety release mechanism on the bars.

M. SMOKE DETECTOR COMPLIANCE: The property is in compliance with California law and local laws with respect to smoke detectors.

N. NOTICE OF AIRPORT IN VICINITY: This property ☐ IS ☐ IS NOT presently located in the vicinity of an airport, within what is known as a airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine if they are acceptable to you.

O. NOTICE OF RIGHT TO FARM: ☐ APPLICABLE ☐ NOT APPLICABLE this property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

9. CLOSING: The closing of the sale will be on or before _____, 20____, or within 7 days after objections made hereunder have been cured or waived, whichever is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in paragraph 15. Seller shall execute, transfer and deliver marketable title to the property to Buyer by a grant or warranty deed and take all other steps reasonably necessary to complete the closing. The grant deed shall convey to Buyer fee simple title to the Property free and clear of all liens and encumbrances, except as provided in this Agreement. Personal property shall, at the request of Buyer, be conveyed by an absolute bill of sale with warranty of title, subject to such liens as may be otherwise provided for herein. Subject to the terms, conditions and provisions hereof, and concurrently with the performance by Seller of its obligations set forth in the Agreement, Buyer shall deliver to Seller, a cashier check or other immediate local funds in the amount set forth in this Agreement and any required mortgage, mortgage note, security agreement and financing statement and any other closing documents required. Both parties shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents or other documents required of them by this agreement, the title company, or by law necessary for the closing of the Property, and agree to complete or revise any documents required to implement the intentions of the Agreement between the Parties after closing if necessary.

10. SETTLEMENT AND OTHER EXPENSES: The following expenses must be paid at or prior to closing unless otherwise addressed herein:

- A. Expenses payable by Seller (Seller Expenses): Releases of existing liens, including prepayment penalties and recording fees, release of Seller's loan liability, tax statements or certificates, preparation of deed, one-half of escrow fee, and other expenses payable by Seller as allocated by this Agreement.
- B. Expenses payable by Buyer (Buyer's Expenses): Loan origination, discount, buy down, and commitment fees (loan fees), appraisal fees, loan application fees, credit reports, preparation of loan documents, interest on the notes from date of disbursement to one month prior to dates of first monthly payment, recording fees, copies of easements and restrictions, mortgagee title policy and required endorsements, loan related inspection fees, photos, amortization schedules, one-half the escrow fee, all prepaid items, flood and insurance premiums, reserve deposits, ad valorem taxes and special governmental assessments, final compliance inspection, courier fee, repair inspection, underwriting fee, wire transfer fee, expenses incident to the loan, other expenses payable by Buyer as allocated by this Agreement.
- C. ☐ Seller ☐ Buyer shall pay the other party's closing costs unless expressly prohibited by law or lending requirements not to exceed \$ _____ .

11. POSSESSION: Seller shall deliver to buyer, possession of the Property in its present or required condition, ☐ upon closing and funding ☐ pursuant to a temporary lease between the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties.

12. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the closing date. The tax proration may be calculated taking into consideration any changes in exemptions that will affect the current year's taxes.

Buyer shall have the option of taking over any existing policies of insurance on the Property, if assumable, in which event premiums shall be prorated. The cash at the Closing shall be increased or decreased as may be required by said prorations. All references in the Agreement to prorations as of date of closing will be deemed "date of occupancy" if occupancy occurs prior to closing, unless otherwise provided for herein.

All prorations will be final as between the parties and the parties agree to hold closing agent harmless from any errors or increases or decreases in amounts prorated.

13. Removal of Contingencies: If any contingency in this Agreement is not removed by the required date, this Agreement becomes voidable. After the required date and until the contingency is removed, either party may cancel this Agreement by written notice to the other. In that case, Seller will return the deposit to Buyer or authorize the escrow agent or Earnest Money Holder, to do so.

14. Casualty Loss: Seller agrees to keep the improvements on the Property fully insured until delivery of Seller's deed to Buyer. Until the purchase is closed and the warranty deed delivered to Buyer, the risk of loss by fire, windstorm, earthquake, flood or other casualty (including those causes that could be covered by what is commonly referred to as fire and extended coverage insurance) is assumed by Seller.

If the improvements are damaged by fire or other casualty prior to the Closing, and the costs of restoring same does not exceed 10% of the assessed valuation of the improvements so damaged, cost of restoration shall be an obligation of the Seller and the Closing shall proceed pursuant to the terms of this Agreement with costs therefore escrowed at the Closing. In the event the cost of repair or restoration exceeds 10% of the assessed valuation of the improvements so damaged, Buyer shall have the option of either (a) taking the Property as is, together with either a credit as agreed by the parties or any insurance proceeds payable by virtue of such loss or damage or an assignment of the right to Seller's insurance proceeds for the loss or damage, or (b) Buyer may of cancel the Agreement and receive return of any Earnest Money deposit(s) made hereunder.

15. Defaults and Remedies: Failure of either party to comply with any material covenant, agreement, or obligation within the time limits required by this Agreement shall constitute a material default. All rights, powers, options or remedies afforded to Buyer or Seller either hereunder or by law shall be cumulative and not alternative and the exercise of one right, power, option or remedy shall not bar other rights, powers, options or remedies allowed herein or by law.

If Buyer defaults, Seller may (1) Within 45 days of the date of default hereunder, enforce specific performance of the Agreement (2) pursue any other available legal remedies or both or (3) cancel this Agreement and claim the deposit as liquidated damages and Seller agrees to accept and take said deposit as Seller's total damages and relief hereunder in such event. In such event the parties agree that said sum shall constitute liquidated damages since both Buyer and Seller agree that actual damages for default or breach of this Agreement could not readily be ascertained at the date of execution of this Agreement

If Seller defaults, Buyer may (1) within 45 days of the date of default, enforce specific performance of the Agreement; (2) pursue any other available legal remedies or both or (3) demand a refund of the deposit in termination of this Agreement, in which case this shall be the sole remedy of Buyer under this Agreement.

Upon termination of the agreement, all obligations of the Parties shall cease except for those that survive termination under this agreement.

16. Disputes: (select appropriate options)

☐ **Litigation:** If a dispute arises, either party may take the matter to court.

☐ **Mediation and Possible Litigation:** If a dispute arises, the parties will try in good faith to settle it through mediation conducted by a mediator to be mutually selected. The parties will share the costs of the mediator equally. Each party will cooperate fully and fairly with the mediator and will attempt to reach a mutually satisfactory compromise to the dispute. If the dispute is not resolved within 30 days after it is referred to the mediator, either party may take the matter to court.

☐ **Mediation and Possible Arbitration:** If a dispute arises, the parties will try in good faith to settle it through mediation conducted by a mediator to be mutually selected. The parties will share the costs of the mediator equally. Each party will cooperate fully and fairly with the mediator and will attempt to reach a mutually satisfactory compromise to the dispute. If the dispute is not resolved within 30 days after it is referred to the mediator, it will be arbitrated by an arbitrator to be mutually selected in accordance with the rules of the American Arbitration Association in effect at the time of the dispute. Judgment on the arbitration award may be entered in any court that has jurisdiction over the matter. Costs of arbitration, including lawyers' fees, will be allocated by the arbitrator.

17. Attorney Fees And Costs: In connection with any litigation or dispute including appellate proceedings arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

18. ESCROW:

A. ESCROW: The escrow agent is not: (i) a party to this Agreement and does not have liability for the performance or nonperformance of any party to this Agreement; (ii) liable for interest on the earnest money; and iii liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited.

B. EXPENSES: At closing the earnest money must first be applied first to any cash down payment, then to Buyer's expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and written release of liability of escrow agent from all parties.

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