

California Real Estate Purchase Contract and Escrow Instruction

Date: _____ Escrow No. _____

File No. 3674150

Buyer: _____

Buyer's Vesting: _____

THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. Buyer should give the matter serious consideration.

Buyer's mailing address: _____

Buyer's home telephone: _____ Buyer's work telephone: _____

Seller: Cartus Financial Corporation

Received from Buyer the sum of \$_____ by [] Wire Transfer, [] Cashier's Check, [] Personal Check, payable to: _____ to be held uncashed until Acceptance of this offer to be applied to the purchase of property commonly known as and located at the address of 2046 Thrush Rd Wrightwood, CA 92397

Buyer agrees to buy and Seller agrees to sell the Property, and both parties agree to instruct the Escrow Holder as follows:

1. PURCHASE FUNDS: The funds for the purchase of the Property by Buyer shall be provided as follows:
\$_____ Initial deposit, to be deposited upon acceptance.
\$_____ Increased deposit, if any, to be deposited within ____ calendar days.
\$_____ Balance of down payment to be deposited in available funds before close of escrow.
\$_____ Financing by new first/second trust deed, or cash.
\$_____ TOTAL PURCHASE PRICE

2. ESCROW: THIS OFFER IS SUBJECT TO FINAL CORPORATE APPROVAL BY SELLER.

- (A) THIS AGREEMENT CONTAINS THE ESCROW INSTRUCTIONS OF BUYER AND SELLER TO ESCROW HOLDER.

In connection with the purchase of the property, Buyer may need to obtain title insurance and escrow services.

If pursuant to Section 4 (D) Buyer pays for owner's title insurance:

We recommend that you use our title company which is listed for your area on the Affiliated Business Arrangement Disclosure Form provided to you along with Cartus' other disclosures, or, if not an affiliate, the company name provided by the listing agent. That company has already performed a title search on behalf of the Seller and is knowledgeable with respect to the uniqueness of the relocation process. Please note, however, that you are **NOT** required to use our title company as a condition for the purchase of this property. If you would like to use a different title agent, please let us know in writing within 10 days following Acceptance. If you do not so inform us within that time, we will interpret your silence as your selection of our title company and place the title order with our title company accordingly.

If pursuant to Section 4 (D) Seller pays for owner's title insurance:

Seller may choose the title agent to issue such policy. Buyer may elect either to use the same title agent to issue the lender's title insurance policy or to select an alternative title insurer or agent. If Buyer selects an alternative title insurer or agent to issue the lender's title insurance policy, Buyer

should contact Seller to confirm the title insurance provider selected in accordance with the previous paragraph; and agrees to schedule the closing at a time and place convenient for Seller's closing representative. In cases where Seller agrees to pay for owner's title insurance policy, Seller does **NOT** agree to pay for other costs of the escrow holder unless specified herein.

Escrow Holder shall be: _____

Address: _____

Telephone Number: _____

- (B) The phrase "close of escrow" as used in this agreement means the date on which documents transferring title are recorded. The date of close of escrow shall be on or before _____, 20____.
- (C) Any change in terms or provisions of this Purchase Contract requires the mutual, written consent of Buyer and Seller. Seller and Buyer agree that for the purposes of facilitating the negotiations for the sale and purchase of the Property, FACSIMILE TRANSMITTALS of signed documents will be considered as legally binding upon the parties.
- (D) Buyer and Seller hereby jointly instruct Escrow Holder and/or Brokers that Buyer's deposits be placed into escrow immediately, and the deposit shall be held as a good faith deposit toward the completion of this transaction. Release of Buyer's funds will require mutual, signed release instructions from both Buyer and Seller or judicial decision.

3. FINANCING:

(A) **ALL CASH OFFER:** No loan is needed to purchase the Property. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or _____) days after Acceptance, deliver to Seller such verification.

(B) **LOAN(S):**

(1) **FIRST LOAN:** in the amount of \$ _____. This loan will be Conventional financing or FHA, VA, Other _____. This loan shall be at a fixed rate not to exceed _____% or, an adjustable rate loan with initial rate not to exceed _____%. Regardless of the type of loan, Buyer shall pay points not to exceed _____% of the loan amount.

(2) **SECOND LOAN** in the amount of \$ _____ This loan will be Conventional financing Other _____. This loan shall be at a fixed rate not to exceed _____% or, an adjustable rate loan with initial rate not to exceed _____%. Regardless of the type of loan, Buyer shall pay points not to exceed _____% of the loan amount.

(C) **LOAN TERMS:**

(1) **LOAN APPLICATIONS:** Within 3 (or ____) days after Acceptance, Buyer shall deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3(B). If any loan specified in paragraph 3(B) is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above **is a contingency** of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Purchase Contract.

(3) **LOAN CONTINGENCY REMOVAL:** Within **21 (or ____)** Days after Acceptance, Buyer shall, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) Additional financing terms: _____

_____.

(5) **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Purchase Contract. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(6) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

(7) **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Purchase Contract. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Purchase Contract.

(D) APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is NOT (or is) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, in writing, remove the appraisal contingency or cancel this Agreement within **17 (or ____)** Days after Acceptance.

(E) Obtaining deposit, down payment and closing costs are not contingencies unless agreed in writing. Should any lender's commitment be conditioned on any repairs, Seller reserves the right to cancel this Purchase Contract and return all earnest money to Buyer with no further obligation by Seller.

4. **ALLOCATION OF COSTS:** (Check boxes which apply):

(A) Buyer, Seller, Buyer and Seller split 50-50, to pay County Transfer Tax or Transfer Fee.

(B) Buyer, Seller, Buyer and Seller split 50-50, to pay City Transfer Tax or Transfer Fee.

(C) Buyer, Seller, to pay Homeowner's Association Transfer Fee.

(D) Buyer, Seller, to pay for owner's title insurance policy.

Title policy to be issued by _____

(E) Buyer, Seller, Buyer and Seller split 50-50, to pay Escrow Fee.

SEWER/SEPTIC/WELL COSTS:

- (F) Buyer to pay for septic system inspection and certification as operative, if applicable.
- (G) Buyer to pay to have septic system pumped, if required by inspector for certification.
- (H) Buyer to pay for sewer connection, if required by law in effect prior to close of escrow.
- (I) Buyer to pay for well(s) tested for potability.
- (J) Buyer to pay for well testing for productivity, if applicable.
- (K) Buyer to pay for well testing for recovery rate, if applicable.

OTHER COSTS:

- (L) Buyer Seller, to pay for costs associated with Zone Disclosures. _____
- (M) Buyer, Seller, shall pay the cost for a one-year home warranty plan not to exceed \$_____, to be issued by _____ with the following optional coverage: _____.
- (N) Buyer, Seller, shall pay the cost of compliance with any other minimum mandatory government retrofit standards and inspections required as a condition of closing escrow under local, state or federal law (including smoke detectors and water heater bracing).

- 5. ESCROW PRORATIONS: Unless otherwise agreed in writing, real property taxes and assessments, interest, rents, Homeowner's Association dues and assessments, and payments on bonds and assessments shall be PAID CURRENT and prorated between Buyer and Seller as of the close of escrow. Payments on Mello-Roos and other Special Assessment District bonds and assessments which are now a lien, payments on Homeowner's Association special assessments which are now a lien, shall be PAID CURRENT and prorated between Buyer and Seller as of the close of escrow, with payments that are not yet due to assumed by Buyer WITHOUT CREDIT toward the purchase price. There will be no re-prorations after closing nor will Seller be responsible for any taxes resulting from a supplemental assessment.
- 6. TITLE AND VESTING: Buyer shall be provided a current preliminary (title) report covering the Property. Buyer shall, within the time specified in Paragraph 11, provide written notice to Seller of any items reasonably disapproved. At close of escrow, Buyer shall receive title free of liens except as shown in this Purchase Contract, subject to the other title items shown in the preliminary report except as disapproved. Buyer shall receive an ALTA-R owner's title insurance policy, if reasonably available. If not, Buyer shall receive a standard coverage owner's policy (CLTA or ALTA with regional exceptions). NOTE: If Buyer desires other title coverage, Buyer shall so instruct Escrow Holder and pay the increased cost, if any. Buyer shall pay for LENDER'S title insurance policy. Title shall vest as designated on Page 1 of this Purchase Contract.
 - (A) A preliminary (title) report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. The designated title company can provide information, at Buyer's request, about availability and desirability of various title insurance coverages.
 - (B) Title to the Property shall be transferred by Grant Deed (or, for stock cooperative, by assignment of stock certificate), and shall include OIL, MINERAL AND WATER RIGHTS, if currently owned by Seller, unless otherwise agreed in writing.
 - (C) Title shall be subject to all other encumbrances, easements, covenants, conditions, restrictions, rights and other matters which are either: (1) Of record and shown in the preliminary (title) report unless disapproved in writing by Buyer within the time specified in Paragraph 11, or (2) Disclosed to or discovered by Buyer prior to close of escrow, unless disapproved in writing by Buyer within the time specified in Paragraph 11, whichever is later.

(D) **In the event the Seller is not the owner at the time of execution of this Purchase Contract, the Seller's obligations hereunder are contingent on the Seller becoming owner of the property. If the Seller does not become the owner, this Purchase Contract shall become null and void.**

7. OCCUPANCY: Buyer does, does not, intend to occupy Property as Buyer's primary residence.

8. POSSESSION: Seller shall deliver possession of the Property to Buyer at close of escrow.

9. DISCLOSURES:

(A) Seller shall provide a Sellers Real Estate Disclosure statement to Buyer within five (5) days from Acceptance unless previously provided to Buyer. Buyer shall acknowledge receipt of Seller's Disclosure statement by signing a copy upon receipt and returning a copy to Seller or Seller's agent.

In the event Seller, prior to close of escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer (including those made in the Seller's Real Estate Disclosure, Seller shall promptly provide a supplemental or amended disclosure in writing covering those items. If Buyer disapproves of any conditions so disclosed, Buyer may terminate this Purchase Contract under the procedure in Paragraph 11.

(B) PROPERTY DISCLOSURES:

(1) Zone Disclosures: When required by law, Seller shall, within the time specified in Paragraph 11, provide the Buyer with the following disclosures and information: Natural Hazard Zone: The fact that the property is located in Geological, Earthquake and/or Seismic Hazard Zones, Special Flood Hazard Areas, State Fire Responsibility Areas, or any other federal, state or locally designated zone for which disclosure is required by law.

(2) Earthquake Guides (and questionnaire), Environmental Hazards Booklet. Buyer shall then, within the time specified in Paragraph 11, investigate the disclosures and information and provide written notice to Seller of any item disapproved.

(3) Notice of Violation: If, prior to close of escrow, Seller receives notice or is made aware of any notice filed or issued against the Property for any violation of law, Seller shall immediately notify Buyer in writing.

(4) **DATA BASE DISCLOSURE: NOTICE: The California Department of Justice, sheriffs' departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a database of locations of persons required to register as a sex offender pursuant to Section 290 of the Penal Code. The database is updated on an ongoing basis and is a source of information about the presence of these individuals in any neighborhood. The web site through which information may be obtained about listed individuals is www.meganslaw.ca.gov.**

(5) LEAD-BASED PAINT: For residential property constructed prior to 1978, Buyer and Seller are required to sign a lead-based paint disclosure addendum. In addition, Buyer shall be provided a copy of the "Protect Your Family From Lead in Your Home" booklet. Buyer shall have the right to investigate and disapprove lead-based paint under Paragraph 11.

(6) MELLO-ROOS: Seller shall make a good faith effort to obtain a disclosure notice from any local agencies which levy on the Property a special tax pursuant to the Mello-Roos Community Facilities Act, and shall promptly deliver to Buyer any such notice made available by those agencies.

(7) SMOKE DETECTOR(S) AND WATER HEATER BRACING: State law requires that residences be equipped with operable smoke detector(s) and that all water heaters must be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake. Local law may impose additional requirements. Unless exempt, Seller shall, prior to close of escrow, provide to Buyer a written statement of compliance and any other documents required in accordance with applicable state and local laws.

(8) CONDOMINIUM/Common Interest Subdivision: If the Property is a unit in a condominium, planned development or other common interest subdivision:

(a) The Property has _____ parking spaces assigned to it.

- (b) The current regular Homeowners' Association (HOA) dues/assessments are \$ _____
 monthly, or _____.
- (c) Seller shall, within the time specified in Paragraph 11, request and provide to Buyer any known pending special assessments, claims or litigation; copies of covenants, conditions and restrictions; articles of incorporation; bylaws; other governing documents; most current financial statement distributed; statement regarding limited enforceability of age restrictions, if applicable; current HOA statement showing any unpaid assessments; any other documents required by law; and the most recent 12 months of HOA minutes, if available. Buyer shall, within the time specified in Paragraph 11, provide written notice to Seller of any items disapproved. Cost of obtaining those items shall be paid by Seller.
- (d) Buyer may be required to pay a deposit to a Homeowner's Association (HOA) to obtain keys to accessible HOA facilities.
- (9) SIZE AND AGE: Square footage, room dimensions, lot size and age of property improvements. Any numerical statements regarding these items are APPROXIMATIONS ONLY. The aforementioned have not been and will not be verified, and should not be relied upon by Buyer.
- (10) LINES AND BOUNDARIES: Property lines and boundaries, fences, hedges, walls and other natural constructed barriers or markers do not necessarily identify true Property boundaries. The actual Property lines should be verified by Buyer by survey.

10. PROPERTY CONDITION: Buyer acknowledges that the property is the subject of a relocation transaction, and that Seller is acting in the capacity as a non-occupant, owner, and has limited first-hand knowledge of the Property.

Buyer acknowledges that neither Seller nor Seller's agents have made any warranties or representations, either expressly or implied, as to the condition of the Property or contents thereof and that Buyer is not relying on any such warranty or representation as a condition to purchase unless specifically set forth in writing, fully executed by all parties and attached thereto. Buyer is purchasing the Property, and all included appliances, in "AS IS" condition, except as otherwise specifically set forth herein.

Naturally occurring radon, molds, fungi, spores, pollens and/or botanical substances, or other allergens (e.g., dust, pet dander, insect waste material, etc.) may be found in a home, including radon and mold. In addition, certain building materials (such as asbestos, urea-formaldehyde foam insulation ("UFFI")) have been linked to health concerns. Collectively, these are all referred to as "Substances." Buyer(s) acknowledges and accepts that Seller does not in any way disclose (except as expressly set forth in any other documents provided to you in writing signed by Seller), warrant or indemnify indoor air quality conditions (including the presence or absence of Substances) at the property and is not responsible in any way for conditions that may exist at the property or health problems that might develop from or be related to such conditions. Buyer(s) agree to indemnify and hold Seller and prior owners, harmless from any claims raised after the closing transaction relating to the presence or non-disclosure of Substances in the property (said indemnity to include reasonable attorneys' fees). Buyer(s) are directed to consult the U.S. Environmental Protection Agency website at www.epa.gov or the equivalent state environmental/health services agency if additional information concerning indoor air quality and Substances is desired.

BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS AND DEFECTS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY AND IMPROVEMENTS CONTAIN DEFECTS AND CONDITIONS WHICH ARE NOT READILY APPARENT AND WHICH MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER IS ALSO AWARE OF BUYER'S AFFIRMATIVE DUTY TO EXERCISE REASONABLE CARE TO PROTECT HIMSELF OR HERSELF, INCLUDING THOSE FACTS WHICH ARE KNOWN TO OR WITHIN THE DILIGENT ATTENTION AND OBSERVATION OF THE BUYER (Civil Code 2079.5). BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY.

Buyer has had, or will have prior to closing, an opportunity to perform Buyer's own inspections and to verify inspection reports and matter disclosed on the Real Estate Disclosure as provided by Seller. Buyer shall report to Seller in writing any defects disclosed by Buyer's inspection and supply Seller with a copy of the

inspection report itself, not later than ten (10) days after Acceptance. If Buyer fails to conduct the inspections or fails to so notify Seller in writing within ten (10) days of Acceptance, Buyer shall be deemed to have waived all inspection rights and Buyer shall be obligated to accept the property in its then current, "AS IS" condition. In the event of any requests or demands by Buyer as a result of Buyer's inspections, Seller shall have the option of:

- (A) Making said items operational or functional, agreeing to the expense in writing, or
- (B) Giving Buyer a credit for items, agreeing to the credit in writing, or
- (C) Canceling this Purchase Contract and refunding Buyer's earnest money deposit in full.

The conditions of this paragraph shall apply to all inspections conducted by the Buyer, including but not limited to, general home, termite and pest, well and septic, and radon inspections. Should any loan commitment be conditioned upon repairs to the property, the Seller reserves the right to either make the required repairs or cancel this Purchase Contract and return all earnest money deposited to the Buyer with no further obligation by the Seller.

Any and all credits granted by the Seller in lieu of actual repairs must appear on the Closing Disclosure. In any case Seller shall not be responsible for the quality of any repairs which may be required, and Buyer(s) agree to look solely to the person or company performing any such repairs. Buyer(s) agree to promptly inspect any repairs following notice from Seller that the repairs have been completed. If repairs are performed, credit is given (including without limitation, a closing cost/prepaid credit agreed to after inspections are performed), or the price is reduced in response to inspections issues, Buyer(s) agree to sign a release and hold harmless with respect to the condition of the property. In the event Buyer's lender or any other person acting on the Buyer's behalf refuse to permit the credit to appear on the Closing Disclosure, for any reason, Seller will not be required to provide this credit to buyer, and closing shall occur at the stated sales price.

FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 72 hours prior to close of escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: that the Property has been maintained in substantially the condition it was on date of Acceptance and any repairs have been completed as agreed.

11. **TIME PERIODS: SATISFACTION/REMOVAL OF CONTINGENCIES; DISAPPROVAL/CANCELLATION RIGHTS:**

(A) **TIME PERIODS:** The following time periods shall apply unless changed by mutual agreement:

BUYER HAS:

- (1) 10 days from Acceptance to complete all inspections (including inspections for lead-based paint, if applicable, investigations and review of documents and other applicable information, and either disapprove in writing any items which are unacceptable to Buyer or remove the contingency associated with such disapproval right, by the method specified in Paragraph 11B. EXCEPT that for GEOLOGICAL INSPECTIONS, Buyer shall have an additional 7 days to complete those inspections.
- (2) 5 days from receipt of each of the following items either to disapprove in writing any items unacceptable to Buyer or to remove the contingency associated with such disapproval right, by the method specified in Paragraph 11B: Preliminary (Title) Report, Geological/Earthquake/Seismic/Flood/State Fire Responsibility Zones/Areas Disclosures, Known Seismic Deficiency Disclosures, Condominium/Common Interest Subdivision Documents. Governmental and Compliance Disclosures, Well System reports furnished by Seller.

(B) CONTINGENCY REMOVAL:

- (1) METHOD: Contingencies and disapproval rights are removed automatically at the end of the time provided unless a written notice of disapproval or of inability to meet the contingency is given by the party who has the contingency or disapproval right. If Buyer does not give to Seller written notice of items reasonably disapproved, removal of contingencies or cancellation (based on any cancellation right of Buyer), within the strict time periods specified, Buyer shall be deemed to have removed or waived the contingency and the right to take those actions.
- (2) EFFECT OF CONTINGENCY REMOVAL: If Buyer removes any contingency, Buyer shall conclusively be deemed to have: (a) completed all inspections, investigations, review of applicable documents and disclosures pertaining to that contingency; (b) elected to proceed with the transaction; and (c) assumed all liability, responsibility and expense for repairs or corrections pertaining to that contingency (or for inability to obtain financing, if the contingency pertains to financing) except for items which Seller has agreed in writing to repair or correct.
- (3) SELLER'S REAL ESTATE DISCLOSURE OR MELLO-ROOS DISCLOSURE: If the Seller's Real Estate Disclosure Statement or Mello-Roos disclosure notice, or a supplemental or amended disclosure is delivered to Buyer after this offer is signed, Buyer shall have the right to terminate this Purchase Contract within 3 days after delivery in person, or 5 days after delivery by deposit in the mail, by giving written notice of termination to Seller or Seller's agent.

(C) CANCELLATION OF SALE/ESCROW; RETURN OF DEPOSITS: If Buyer or Seller give written NOTICE OF CANCELLATION pursuant to rights duly exercised under the terms of this Purchase Contract, the deposits, less costs and fees as applicable, shall be returned to Buyer. In the event of cancellation, Buyer and Seller must sign mutual instructions to cancel the sale and escrow and release deposits. Fees and costs may be payable to service providers and vendors for services and products provided during escrow.

(D) A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions (Civil Code 1057.3) if no good faith dispute exists as to who is entitled to the deposited funds.

12. FIXTURES: All EXISTING fixtures and fittings that are attached to the Property, or for which special openings have been made, are INCLUDED IN THE PURCHASE PRICE (unless excluded below), and shall be transferred free of liens and without warranty of condition or fitness for use. **ITEMS EXCLUDED:**

13. PERSONAL PROPERTY: The following items of personal property, free of liens and without warranty or condition or fitness for use, are included: _____

14. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination laws.

15. **REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

A. Any clause added by the parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Purchase Contract shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the California Civil Code.

B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling

with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF any INCREASED DEPOSIT Buyer and Seller shall sign a separate liquidated damages provision incorporating the increased deposit as liquidated damages (C.A.R. Form RID).

Buyer's Initials _____ / _____

16. ARBITRATION OR MEDIATION: Seller and/or its successors and/or assigns do not agree to participate in any arbitration or mediation in the event of any dispute arising from this transaction.
17. GENERAL ESCROW CONDITIONS AND INSTRUCTIONS:
- (A) All funds received in this escrow shall be deposited with a state or federal bank with other escrow funds, and all disbursements shall be made by Escrow Holder's check. Escrow Holder is hereby authorized to deposit any funds or documents handed to it, or cause same to be deposited, with any duly authorized sub-escrow agent, subject to Buyer's and/or Seller's order, if applicable, at or prior to close of escrow, in the event such deposit shall be necessary or convenient for the consummation of this escrow.
- (B) Escrow Holder, if applicable, shall make all adjustments and prorations on the basis of a 30-day month. Close of escrow is the day instruments are recorded. Adjustments and/or prorations called for in this escrow shall be made pursuant to Paragraph 5 and in the following manner:
- (1) Prorate rentals based on rental statement supplied by Seller. Escrow Holder is to consider on basis of said rent statement that Seller will collect all rents that fall due prior to the close of this escrow unless both parties instruct Escrow Holder in writing to the contrary. No adjustment against Buyer on uncollected rentals.
 - (2) Interest on notes secured by trust deed of record based on statement of beneficiary or agent.
 - (3) Debit Buyer and credit Seller with amount of impounded funds as disclosed by statement of beneficiary or agent.
 - (4) Insurance premiums shall not be prorated. All existing insurance policies will be canceled at the time of closing.
- (C) It is agreed by the parties hereto that so far as your rights and liabilities as Escrow Holder are involved this transaction is an escrow and not any other legal relation, and you are an Escrow Holder only on the foregoing expressed terms, and Escrow Holder.
- (1) Shall have no responsibility of notifying any of the parties of this escrow of any sale, resale, loan, exchange, or other transaction involving any property herein described or any profit by any person, firm or corporation (broker, agent and parties to this and /or any other escrow included) in connection therewith, regardless of the fact that such transaction(s) may be handled by you in this escrow or in another escrow. The knowledge of Escrow Holder or its officers and employees of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to the responsibility of Escrow Holder under these instructions.
 - (2) Shall not be obligated to make any physical examination of any real or personal property described in any document deposited into this escrow. The parties agree Escrow Holder is not making any representations whatsoever regarding said property.
 - (3) Shall not be held liable for the sufficiency or correctness as to form, manner, execution, or validity of any instrument deposited in this escrow, nor as to identify authority or rights of any person executing the same, nor failure to comply with any of the provisions of any agreement, contract or other instrument filed herein or referred to herein, and your duties hereunder shall be limited to the safekeeping of such money, instruments or other documents received by you as Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by you in this escrow. Shall not be required to take any action in connection with the collection, maturity or apparent outlaw of any obligations deposited on this escrow unless otherwise instructed, and Escrow Holder shall not be liable for any acts or omission done in good faith, nor any claims, demands, losses or damages made, claimed or suffered by any party to this escrow excepting such as may arise through or be caused by Escrow Holder's willful neglect or gross misconduct.
- (D) If before or after recording documents, you receive or become aware of any conflicting demands or claims with respect to this escrow, the rights or obligations of any of the parties, or any money or property

deposited or affected, you shall have the right to discontinue further performance on your part and to withhold all monies, securities, documents, etc. until the conflict is resolved to your satisfaction. In addition, you shall have the right to commence or defend any action or proceeding you deem necessary for the termination of the conflict. A conflict shall be deemed to be your receipt of unilateral instructions or mutual instructions from some, but not all, of the parties to this escrow.

- (1) In the event any action is commenced to determine a conflict or otherwise to enforce or declare the provisions of these instructions or to rescind them including, but not limited to: a suit in interpleader whether or not the action is prosecuted to final judgment, voluntarily dismissed or settled and irrespective of whether you are the prevailing party in any such action, or if it becomes necessary or desirable for you to obtain legal advice with respect to conflict or on account of any matter or thing arising out of or in any way related to these instructions, whether or not the suit is actually commenced, the parties to this escrow jointly and severally agree to pay all of your costs, damages, judgments and expenses, including attorney fees, incurred by Escrow Holder in connection with the same.
 - (2) It is understood that the fees agreed to be paid for your services are for ordinary and usual services only and should there be any extraordinary or unusual services, together with any costs and expenses which may be incurred by Escrow Holder in connection with the same, and you are hereby given a lien upon all documents, monies and securities deposited in this escrow until you have been so compensated or reimbursed, it is understood that in the event this escrow is canceled, you will receive compensation for such services as you have rendered in connection with this escrow.
- (E) In the event that the conditions of this escrow have not been complied with at the expiration of the time provided herein, you are instructed to complete the same at the earliest possible date thereafter, unless we or either of us has made written demand upon you for the return of the money and/or instruments deposited by either of us, in which case you may withhold and stop all further proceedings in this escrow without liability for interest or funds held for damages, until receipt of mutual cancellation instructions by all parties shall have been deposited in this escrow whereupon you are then instructed to disburse the escrow funds and instruments according, less your proper charges.
- HOLDING FEE: In the event that this escrow does not close for any reason whatsoever, including without limitation cancellation, ninety (90) days following the original estimated closing date, the Escrow Holder, if still in possession of funds, may, at its option, withdraw from said funds so held and pay to itself a holding fee of \$25 for each calendar month or fraction thereof, that said undistributed funds are retained in escrow not exceeding, however, the whole of such withheld funds.
- (F) We, jointly and severally, agree to release and Escrow Holder by reason of any misrepresentation or omission by Seller, Buyer or their agent, as to the compliance of the parties hereto with rules and/or regulations of any governmental agency, state, federal, county, municipal or otherwise. Parties to this escrow have satisfied themselves outside escrow that this transaction is not in violation of the Subdivision Map Act or any other law relating to land division, and Escrow Holder is relieved of all responsibility and/or liability in connection with the same and is not to be concerned with the enforcement of said laws.
- (G) It is further agreed that:
- (1) Escrow is authorized and instructed to furnish information from this escrow to lenders specifically involved in this transaction as may be requested by the _____, including but not limited to copies of all instructions and closing statements in this escrow.
 - (2) Escrow is authorized to accept funds deposited to our account by our broker or agent specifically represented and only as expressly permitted in writing to broker or agent if not representing said party.
 - (3) These instructions may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All such counterparts together shall constitute one and the same document. You are hereby given a lien upon all the rights, title and interest of each of the parties hereto in escrow documents, funds, and other property and all monies or property for any and all expenses, attorney fees, losses and other liabilities caused you in this escrow.
 - (4) Escrow Holder is authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other material pertaining to this escrow at the expiration of five (5) years from the date of close or cancellation of escrow without liability and without further notice to us.

- (5) In the event of billing from lender, Escrow Holder is authorized to reimburse for the credit report and appraisal fees immediately from Buyer's funds on deposit, and said funds forwarded by Escrow Holder shall not be refundable provided Buyer has given Escrow Holder written permission.
- (H) You are further authorized and instructed to remit all funds by your check to the party(ies) depositing the same in this escrow if this escrow is not consummated unless specifically instructed to the contrary.
- (I) In the event you disburse more money to or for the benefit of any party than they are entitled to receive, said receiving party hereby agrees to reimburse and/or repay to Escrow Holder. The amount of overpayment within five (5) days after demand is made on said parties in writing; interest shall thereafter accrue and be paid to Escrow Holder at the lesser of the highest rate permitted by applicable law or 10% per annum; in case said party refuses or neglects to pay said money and interest to Escrow Holder, and it is necessary to resort to any legal proceedings to collect said money, the defendant agrees to pay all charges, court costs and attorney fees.

18. LEGISLATION AND FIRPTA:

Legislation (AB 512 effective 1-1-90) has serious impact on the function of the title insurance industry and escrow industry insofar as performance of their escrow sub-escrow services are concerned.

The law in essence provides that:

- (1) Disbursing on the date of deposit ("same day availability") is permitted only when funds are deposited by a wire transfer or lender's funds and/or Buyer's funds.
- (2) Disbursements on the day following deposit ("next day availability") are available when all funds are deposited by cashier's checks, certified checks or teller's checks.
- (3) Disbursements on all other checks may occur only on the day when funds must be made available to depositors under Federal Reserve Regulation CC that may take between 3 and 7 working days.

This will mean that Escrow Holder will request Buyer's or Borrower's funds 2 days prior to closing by "good funds" set forth in Paragraphs (1) and (2) above. Also, Buyer's/Borrower's new lender will be required to wire transfer funds directly to the title company involved in order to record the following morning and disburse that day. Should the new lender be unable to accomplish a wire transfer but rather issue their company check, this will delay our ability to disburse funds for a day or two until check is cleared.

In addition to the above, title companies, when making payoffs of existing liens of record, often come up "short" in amounts required to make payoffs and amounts received via new loan proceeds. That shortage is sent to the title company from escrow. Escrow Holder will now have to wire funds to the Title Company which may also delay closing. In order to accomplish your recording, it may be necessary for the Escrow Holder to deposit necessary funds with the title company just prior to recording. Escrow Holder is hereby authorized to forward the amount required from funds on deposit, it being understood that said funds will only be used upon recordation.

SECTION 480.3 OF THE REVENUE AND TAXATION CODE requires that a "Preliminary Change of Ownership Report" be completed and signed by the Buyer and filed concurrently with the deed or document reflecting a change of ownership of real property. Buyer agrees to deliver said form to escrow at least two (2) days prior to recording and understands that failure to do so will result in an additional charge of \$20.00 by the County Recorder, which Escrow Holder is hereby authorized to charge to Buyer's account at close of escrow.

- (B) FIRPTA: Seller shall deliver to Escrow Holder an affidavit sufficient to comply with the requirements of Internal Revenue Code, Section 1445, Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and California withholding law prior to close of escrow.
- (C) As a result of the passage of Senate Bill No. 813 (Property being reassessed upon recordation of Grant Deed) and the passage of Proposition 13, all parties herein acknowledge that they are aware there is a possibility that, and in all probability shall be, additional tax amounts which will be assessed by the County Assessor within the guidelines of those two statutes of the State of California, and the policy of title

insurance issued through this escrow shall be subject to this provision. Buyer will be responsible for any additional tax amounts due as a result of such reassessment.

- (D) Escrow Holder is instructed to prorate taxes based on the current tax figures available at the close of escrow. Escrow Holder has no liability as to any additional taxes that may be assessed after the close of escrow.
- (E) FACSIMILE: Should Buyer, Seller, agent and/or assigns utilize "Facsimile" transmitted instructions or electronically executed instructions, Escrow Holder is instructed to rely and act upon each instruction in the same manner as if original signed instruction and /or amendment were in possession of Escrow Holder and Buyer and/or Seller herein agree that, upon request of Escrow Holder, to forward signed hard copies of instructions and /or amendments within forty-eight (48) hours of transmission. Escrow Holder shall have no liability to any party for relying upon facsimile or electronically signed instructions which were erroneously transmitted to Escrow Holder. Buyer and Seller agree that when necessary to permit compliance with closing instructions, Escrow Holder may rely on facsimile transmitted or electronically signed and delivered demands.

19. ADDITIONAL TERMS:

- (A) REPAIRS: Repairs under this Purchase Contract shall be completed prior to close of escrow unless otherwise agreed in writing, and shall be performed in compliance with applicable governmental permit, inspection and approval requirements. It is understood that exact restoration of appearance or cosmetic items following all such repairs may not be possible. Repairs shall be performed in a skillful manner with materials of quality comparable to existing materials.
- (B) SELECTION OF SERVICE PROVIDERS: If Brokers give Buyer or Seller referrals to professional persons, service or product providers, or vendors of any type including, but not limited to, lending institutions, loan brokers, title insurers, escrow companies, inspectors, structural pest control companies, contractors and home warranty companies ("Providers"), the referrals are given based on the following disclosures: (1) Brokers do not guarantee the performance of any Providers, and (2) Buyer and Seller are free to select Providers other than those referred or recommended by Brokers.
- (C) NOTICES: All notices given under the Purchase Contract, subsequent to the acceptance of the Purchase Contract by both parties, shall be in writing and shall be deemed delivered: (1) upon personal delivery; (2) two business days after deposit in the United States Postal Service; (3) one business day following deposit with a nationally recognized overnight delivery service; or (4) 12 hours after transmission by facsimile, whichever occurs first. All notices shall be delivered to the party or the party's agent at the address or facsimile number given in the listing or this Purchase Contract, or any other address or facsimile number that a party specifies by notice.
- (D) MULTIPLE LISTING SERVICE (MLS): Brokers are authorized to report the terms of this transaction to any MLS, to be published and disseminated to persons authorized to use the information on terms approved by the MLS.
- (E) KEYS: Seller shall provide keys and/or means to operate all Property locks, mailboxes, security systems, alarms and garage door openers that are in the Seller's possession.
- (F) PROPERTY TAXES: THE PROPERTY WILL BE REASSESSED UPON CHANGE OF OWNERSHIP. THIS WILL AFFECT TAXES TO BE PAID. Any supplemental tax bills shall be paid as follows: (1) for periods after close of escrow by Buyer (or final acquiring party if part of an exchange), and (2) for periods prior to close of escrow by Seller.
- (G) ATTORNEY'S FEES: In any action or proceeding between Buyer and Seller arising out of this Purchase Contract, the prevailing party shall be entitled to reasonable attorney's fees and costs from the non-prevailing Buyer or Seller.

(H) DEFINITIONS: As used in this Purchase Contract:

- (1) "ACCEPTANCE" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
- (2) "DAYS" means calendar days unless otherwise required by law. However, after Acceptance, the last Day for performance of any act required by this Purchase Contract (including Close of Escrow) shall not include any Saturday, Sunday, or legal holiday and instead shall be the next Day.
- (3) "DAYS FROM ACCEPTANCE" means the specified number of calendar days after Acceptance, not counting the calendar date on which acceptance is communicated.
- (4) "CLOSE OF ESCROW" means the date grant deed or other evidence of transfer of title is recorded.
- (5) SINGULAR and PLURAL terms each include the other, when appropriate.

(I) TIME OF ESSENCE: ENTIRE CONTRACT; CHANGES: Time is of the essence. All agreements between the parties are incorporated in the Purchase Contract which constitutes the entire contract. Its terms are intended by the parties as a final, complete and exclusive expression of their agreement with respect to its subject matter and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. This Purchase Contract may not be extended, amended, modified, altered or changed in any respect whatsoever except in writing signed by Buyer and Seller.

19. All addenda to this Purchase Contract are expressly made a part of this Purchase Contract.
20. INTERNET CONNECTED DEVICES: Home automation products, devices, components, electronics, hardware, software, hard drives, computer towers (CPU's), and all home automation or smart home controls and accessories, including but not limited to, smartphones, tablets, apps and applications, routers, wireless routers, wireless networks, "Wi-Fi" technology and equipment, automated or smart lighting controls, wireless or networked doorbells, keyless locks, wireless or networked thermostats, home security systems including cameras and microphones, and automated security lights are excluded unless specifically included in the contract. Buyer(s) assume all responsibility for transferring administrative and other control for any/all smart home internet connected devices.
21. Buyer represents that it is not (and if applicable, its owners, officers, directors and employees are not) (i) included on any list maintained by the U.S. government (including the Office of Foreign Assets Control) of persons or entities with whom financial or similar transactions are prohibited; nor (ii) subject to sanctions imposed by the U.S. government. Buyer further represents that neither Buyer nor any person providing funds to Buyer (a) is under investigation for any illegal activity, or (b) had any fines or penalties assessed or had funds seized or forfeited under any anti-money laundering laws. Buyer will promptly notify Cartus in the event the representations in this Section are inaccurate, and cooperate with Cartus with respect to any resulting audits or investigations.
22. CLOSING: Buyer acknowledges that title to the Property may be conveyed by someone other than Seller.

The closing of this sale and acceptance of a deed by Buyer shall constitute acknowledgement that the condition of the premises and systems contained therein are acceptable and Seller shall have no further responsibility or obligation concerning the Property, and Buyer waives all rights they may have concerning the condition of the Property.
23. AUTHORIZATION TO DISCLOSE INFORMATION: Seller and Buyer authorize any closing attorney, closing agent and/or escrow company to release and disclose any seller's and/or buyer's closing disclosure, settlement statement and/or disbursement summary, or any information therein to the parties to this transaction, the real estate agents and Buyer's lender(s)

24. ADDENDA AND ADVISORIES:

(A) ADDENDA: Addendum # _____ (C.A.R. Form ADM)

- Back Up Offer Addendum (C.A.R. Form BUO)
- Court Confirmation Addendum (C.A.R. Form CCA)
- Short Sale Addendum (C.A.R. Form SSA)
- Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
- Other _____

(B) BUYER AND SELLER ADVISORIES:

- Buyer's Inspection Advisory (C.A.R. Form BIA)
- Probate Advisory (C.A.R. Form PAK)
- Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
- Trust Advisory (C.A.R. Form TA)
- REO Advisory (C.A.R. Form REO)
- Short Sale Information and Advisory (C.A.R. Form SSIA)
- Disclosure Regarding Real Estate Agency Relationships (C.A.R. Form AD)
- Possible Representation of More than One Buyer or Seller Disclosure and Consent (C.A.R. Form PRBS)
- Other _____

(C). OTHER TERMS AND CONDITIONS:

25. OFFER: This is an offer to purchase the property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Purchase Contract only if initialed by all parties. If at least one but not all parties' initial, a counter offer is required until agreement is reached. Unless acceptance is signed by Seller and a signed copy delivered in person, by mail or facsimile and personally received by Buyer or by _____ who is authorized to receive it, by _____, 20__ at _____ AM/PM, the offer shall be deemed revoked and the deposit shall be returned. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Purchase Contract and any supplement, addendum or modification, including any photocopy or facsimile, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer and seller acknowledge and agree that Brokers cannot: (a) guarantee the condition of the Property; (b) be responsible for defects that are not known to Broker(s); (c) be responsible for defects that are not visually observable in reasonable accessible areas of the Property; (d) Identify Property boundary lines; (e) provide legal or tax advice; or (f) provide other advice or information that exceeds the knowledge, education and experience required to obtain a real estate license. Buyer and Seller agree that they will seek legal, tax and other desired assistance from appropriate professionals.

Any change to the preprinted language in this document must be made in a prominent manner and initialed by all parties in order to be binding on the parties.

BUYER _____ BUYER _____

Receipt for deposit is acknowledged. Real Estate Brokers are not parties to this Purchase Contract between Buyer and Seller.

Real Estate Broker (Firm name) _____ By _____ Date _____

Address _____ Telephone _____ eMail _____

Optional for Buyer: By initialing on the line below, Buyer hereby authorizes Cartus to disclose Buyer's contact information, including name, address, e-mail address, and/or telephone number to ***Realogy Insurance Agency, Inc. AKA Anywhere Insurance Agency***

(Buyer initials)

(Co-Buyer initials)

Phone Number: _____ **Email:** _____

ACCEPTANCE

The undersigned Seller accepts the above offer, agrees to sell the Property on the above terms and conditions.

This agreement is subject to Seller's approval which shall be evidenced only by full execution of this Purchase Contract.

(If checked): SUBJECT TO ATTACHED COUNTER OFFER) Seller agrees to pay compensation for services as follows:

_____, to _____, Broker and _____, to _____, Broker, payable (a) on recordation of the deed or other evidence of title, or (b) if completion of sale is prevented by default of Seller, upon Seller's default, or (c) if completion of sale is prevented by default of Buyer only if and when Seller collects damages from Buyer, by suit or otherwise, and then in an amount equal to one-half of the damages recovered, but not to exceed the above compensation after first deducting title and escrow expenses and the expenses of collection, if any. Seller hereby irrevocably assigns to Brokers such compensation from Seller's proceeds and irrevocably instructs Escrow Holder to disburse those funds to Brokers at close of escrow. Commission instructions can be amended or revoked only with the consent of the Brokers. In any action, proceeding or arbitration relating to the payment of such compensation, the prevailing party shall be entitled to reasonable attorney's fees and costs. The undersigned Seller has read and acknowledges receipt of a copy of this Purchase Contract and authorizes Broker to deliver a signed copy to Buyer.

SELLER: Cartus Financial Corporation

By: _____ Date _____

Real Estate Brokers are not parties to the Purchase Contract between Buyer and Seller.

Real Estate Broker (Firm name) _____ By _____ Date _____
Address _____ Telephone _____ eMail _____

(____/____) ACKNOWLEDGEMENT OF RECEIPT: Buyer or authorized agent acknowledges receipt of signed
initials acceptance on (date) _____ at _____ AM/PM.

COUNTER OFFER NO. _____

COUNTER OFFER to the California Real Estate Purchase Contract and Escrow Instruction dated _____
by and between _____ as Buyer and Cartus
Financial Corporation As Seller for the Property described as _____.

Seller accepts all of the terms and conditions set forth in the above-designated contract with the following changes and/or amendments:

A: Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

B: OTHER TERMS: _____

OFFER AND ACCEPTANCE. Seller reserves the right to continue to offer the herein described property for sale and accept any offer at any time prior to the delivery to Seller, or _____ of a copy of this Counteroffer duly accepted and signed by Buyer. Unless this Counter offer is accepted on or before _____ by _____ A.M. P.M., it shall be deemed revoked and the deposit shall be returned to Buyer. This contract and any addendum or modification, including any photocopy or facsimile, may be executed in counterpart, all of which shall constitute one writing. In the event facsimile transmissions are used and followed up by signatures on original copies, ____ date and time references on the facsimile copy shall be the effective date and times for the contract. SIGNATURE BY AGENT DOES NOT CONSTITUTE ACCEPTANCE.

RECEIPT OF A COPY IS HEREBY ACKNOWLEDGED:

Date: _____ Time: _____ Seller _____

The undersigned Buyer agrees to purchase the property on the terms and conditions set forth above,
 except as follows: _____

Unless the Counter to the Counteroffer is duly accepted on or before _____, 20____, by _____ A.M. P.M., it shall be deemed revoked, and the deposit shall be returned to Buyer.

RECEIPT OF A COPY IS HEREBY ACKNOWLEDGED. Buyer _____

Date: _____ Time: _____ Buyer _____

Buyer's Counter to the Counteroffer is hereby accepted and Seller agrees to sell on the terms and conditions set forth above.

Date: _____ Time: _____ Seller _____