CALIFORNIA ASSOCIATION OF REALTORS®

BUYER HOMEOWNERS' INSURANCE ADVISORY

(C.A.R. Form BHIA, 12/23)

1. **IMPORTANCE OF OBTAINING PROPERTY INSURANCE:** If the property you are purchasing is destroyed or damaged due to natural disaster or accident or some other event, insurance may be available to help with the cost of repair or rebuilding. In the absence of property insurance, the homeowner would be responsible for the full expense. If the property is purchased with a loan, or refinanced, the lender will require an insurance policy protecting its interest. Insurance policies can cover damage due to one or more of the following: fire, flood, earthquake and other causes. The policy or an insurance broker should be consulted to determine when coverage applies and whether a supplement or rider can be purchased to provide additional coverage or if a separate policy is necessary.

2. **PROPERTY INSURANCE AND PURCHASE CONTRACT TERMS:** Your real estate purchase contract may contain a contingency that gives you the right to legally cancel the agreement within a specified time if you are unable to obtain or afford property insurance. This cancellation right may be part of an overall investigation contingency or may be a specific contingency pertaining to insurance. If buyer waives or removes the applicable contingency before determining the availability and cost of property insurance, buyer is acting against the advice of broker.

3. **CALIFORNIA'S PROPERTY INSURANCE MARKET:** Some insurance carriers in California have stopped issuing new property insurance policies and others are limiting the number and location of new policies. These changes may affect both the availability and cost of insurance. However, over 50 insurance carriers are admitted to sell property insurance in California so it may be possible to obtain insurance even if some carriers will not write a new policy covering the property you intend to buy. An insurance broker may also be able to find a non-admitted insurance carrier offering to insure the property you intend to buy. Because locating an affordable insurance policy could take time and effort, buyers are advised to make all insurance inquiries as early in the home buying process as possible.

4. **RESOURCES:** The California Department of Insurance (DOI) maintains a website addressing Residential Home insurance. Resources on this State government webpage include: **(i)**Top Ten tips for Finding Residential Insurance; **(ii)** Residential Insurance Company Contact List; **(iii)** Home Insurance Finder; and **(iv)** information on other insurance issues. The webpage also includes information on how to contact the DOI, and suggestions on what to do if you cannot find insurance. The webpage and link to other documents is located at https://www.insurance.ca.gov/01-consumers/105-type/5-residential/index.cfm.

5. **BROKER RECOMMENDATION:** Buyer is advised to explore available property insurance options early in the home buying process and to consult with a qualified insurance professional of buyer's choosing to understand insurance availability and cost prior to removal of any related contingencies. Real estate brokers do not have expertise in this area.

By signing below, Buyer acknowledges that Buyer has read, understands, and has received a copy of this Buyer Homeowners' Insurance Advisory.

Buyer: ______________________________ Date: ____________

Buyer: ______________________________ Date: ____________

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525 South Virgil Avenue, Los Angeles, California 90020

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FOR YOUR PROTECTION: GET A HOME INSPECTION
Required For FHA Transactions
(C.A.R. Form HID, Revised 12/23)

Why You Need a Home Inspection

Buying a home is probably the biggest investment you will ever make. The purpose of a home inspection is to inform and educate you about the property before you make a financial commitment. A home inspection will give you more detailed information about the overall condition of the house you want to buy.

Be an Informed Buyer

A home inspection will only occur if you arrange for one; FHA does not perform home inspections. For a fee, a qualified inspector will take an unbiased look at your potential new home to evaluate its physical condition; estimate the remaining useful life of the major systems, equipment, structure, and finishes; and identify any items that need to be repaired or replaced. If you request an inspection early in the process, you may be able to make your purchase contract contingent on its results.

What is Included in the Inspection?

To better understand what to expect in the home inspection, ask the prospective inspector for their Standards of Practice (SOP) or for a sample home inspection report.

How to Find an Inspector

To find a qualified home inspector ask for references from friends, real estate professionals, local licensing authorities and organizations that qualify and test home inspectors.

Appraisals are NOT Home Inspections!

An appraisal is required to estimate the home's value for your lender and does not replace a home inspection. FHA does not guarantee the value or condition of your new home. If you find problems with your home after closing, FHA cannot give or lend you money for repairs, and FHA cannot buy the home back from you.

Radon Gas Testing and Other Health or Safety Issues

The Environmental Protection Agency and the Surgeon General recommend that all houses be tested for radon. For more information, call the toll-free National Radon Information Line at 1-800-SOS-Radon (1-800-767-7236). Ask your inspector if additional health and safety tests are relevant for your home, such as mold; air or water quality; presence of asbestos, lead paint, or urea formaldehyde insulation; or pest infestations.

I(we) acknowledge receipt of this For Your Protection: Get a Home Inspection.

Buyer: ______________________________ Date: __________

Buyer: ______________________________ Date: __________

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CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL LISTING AGREEMENT
(Exclusive Authorization and Right to Sell)
(C.A.R. Form RLA, Revised 12/23)

Date Prepared: ______________

1. **EXCLUSIVE RIGHT TO SELL:** ____ ("Seller") hereby employs and grants ____("Broker") beginning (date) _____________ and ending at 11:59 P.M. on (date) _____________ ("Listing Period")* the exclusive and irrevocable right to sell or exchange the real property described as __________________________, situated in __________________ (City), ____________________ (County), California, _________ (Zip Code), Assessor's Parcel No.__________________ ("Property").

☐ This Property is a manufactured (mobile) home. See Manufactured Home Listing Addendum (C.A.R. form MHLA) for additional terms.

☐ This Property is being sold as part of a probate, conservatorship, guardianship, or receivership. See for Probate Listing Addendum and Advisory (C.A.R. Form PLA) additional terms.

* The maximum listing period allowed by law for residential property improved with one to four units is 24 months. This restriction does not apply if Seller is a corporation, LLC or partnership. It is unlawful to record or file this listing agreement, or a memorandum or notice thereof, with the county recorder.

2. **LISTING PRICE AND TERMS:**
   A. The listing price shall be: ____ Dollars ($ ____________________________).
   B. Listing Terms: ____.

3. **COMPENSATION TO BROKER:**
Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Seller and Broker (real estate commissions include all compensation and fees to Broker).

A. Seller agrees to pay to Broker as compensation for services irrespective of agency relationship(s), either ☐ _________ percent of the listing price (or if a purchase agreement is entered into, of the purchase price), or ☐ $ ____________________________, AND ____, as follows:

(1) If during the Listing Period, or any extension, Broker, cooperating broker, Seller or any other person procures a ready, willing, and able buyer(s) whose offer to purchase the Property on any price and terms is accepted by Seller, provided the Buyer completes the transaction or is prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer closes during or after the expiration of the Listing Period, or any extension.)

OR (2) If within _______ calendar days (a) after the end of the Listing Period or any extension; or (b) after any cancellation of this Agreement, unless otherwise agreed, Seller enters into a contract to sell, convey, lease or otherwise transfer the Property to anyone ("Prospective Buyer") or that person's related entity: **(i)** who physically entered and was shown the Property during the Listing Period or any extension by Broker or a cooperating broker; or **(ii)** for whom Broker or any cooperating broker submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Property. Seller, however, shall have no obligation to Broker under **paragraph 3A(2)** unless, not later than the end of the Listing Period or any extension or cancellation, Broker has given Seller a written notice of the names of such Prospective Buyers.

OR (3) If, without Broker's prior written consent, the Property is withdrawn from sale, conveyed, leased, rented, otherwise transferred, or made unmarketable by a voluntary act of Seller during the Listing Period, or any extension.

B. If completion of the sale is prevented by a party to the transaction other than Seller, then compensation which otherwise would have been earned under **paragraph 3A** shall be payable only if and when Seller collects damages by suit, arbitration, settlement or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.

C. In addition, Seller agrees to pay Broker: ____.

D. Seller has been advised of Broker's policy regarding cooperation with, and the amount of compensation offered to, other brokers.
(1) Broker is authorized to cooperate with and compensate brokers participating through the multiple listing service(s) ("MLS") by offering to MLS brokers out of Broker's compensation specified in **paragraph 3A**, either ☐ _________ percent of the purchase price, or ☐ $____________________.
(2) Broker is authorized to cooperate with and compensate brokers operating outside the MLS as per Broker's policy.

E. Seller hereby irrevocably assigns to Broker the above compensation from Seller's funds and proceeds in escrow. Broker may submit this Agreement, as instructions to compensate Broker pursuant to **paragraph 3A**, to any escrow regarding the Property involving Seller and a buyer, Prospective Buyer or other transferee.

F. (1) Seller represents that Seller has not previously entered into a listing agreement with another broker regarding the Property, unless specified as follows: ____.
(2) Seller warrants that Seller has no obligation to pay compensation to any other broker regarding the Property unless the Property is transferred to any of the following individuals or entities: ____.
(3) If the Property is sold to anyone listed above during the time Seller is obligated to compensate another broker: **(i)** Broker is not entitled to compensation under this Agreement; and **(ii)** Broker is not obligated to represent Seller in such transaction.

Seller's Initials _________/__________

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☐ **C.** Tenant will provide Housing Provider a list of items that are damaged or not in operable condition within **3 (or ☐ ______) days** after Commencement Date, not as a contingency of this Agreement but rather as an acknowledgment of the condition of the Premises.

☐ **D.** Other: ____.

11. MAINTENANCE USE AND REPORTING:

A. Tenant shall properly use, operate and safeguard Premises, including if applicable, any landscaping, furniture, furnishings and appliances, and all mechanical, electrical, gas and plumbing fixtures, carbon monoxide detector(s) and smoke alarms, and keep them and the Premises clean, sanitary and well ventilated. Tenant shall be responsible for any additional phone lines beyond the one line and jack that Housing Provider shall provide and maintain. Tenant shall replace any burned out or malfunctioning light bulbs. Tenant shall immediately notify Housing Provider, in writing, of any problem, malfunction or damage with any item including carbon monoxide detector(s) and smoke alarms on the property. Tenant shall be charged for all repairs or replacements caused by Tenant, pets, guests or licensees of Tenant, excluding ordinary wear and tear. Tenant shall be charged for all damage to Premises as a result of failure to report a problem in a timely manner. Tenant shall be charged for repair of drain blockages or stoppages, unless caused by defective plumbing parts or tree roots invading sewer lines.

B. ☐ Housing Provider ☐ Tenant ☐ HOA shall water the garden, landscaping, trees and shrubs, except: ___________________ ____.

C. ☐ Housing Provider ☐ Tenant ☐ HOA shall maintain the garden, landscaping, trees and shrubs, except: ________________ ____.

D. ☐ Housing Provider ☐ Tenant shall maintain ____.

E. Housing Provider and Tenant agree that State or local water use restrictions shall supersede any obligation of Housing Provider or Tenant to water or maintain any garden, landscaping, trees or shrubs pursuant to **paragraphs 11B, 11C**, and **11D**.

F. Tenant's failure to maintain any item for which Tenant is responsible shall give Housing Provider the right to hire someone to perform such maintenance and charge Tenant to cover the cost of such maintenance.

G. PERIODIC PEST CONTROL: ☐ Housing Provider ☐ Tenant shall pay for periodic pest control by the following service provider: ____. This obligation shall only be applicable if the Premises is a house and the periodic pest control treatment is being provided at the execution of this Agreement. The current cost of such treatment is: $ ________ per ________.

H. The following items of personal property are included in the Premises without warranty and Housing Provider will not maintain, repair or replace them: ____.

I. Tenant understands that if Premises is located in a Common Interest Development, Housing Provider may not have authority or control over certain parts of the Premises such as roof, electrical, gas or plumbing features inside certain walls, and common areas such as landscaping, shared parking structure or garage.

J. Tenant shall not use the premises to plant, grow, cultivate or sell marijuana.

12. NEIGHBORHOOD CONDITIONS: Tenant is advised to satisfy himself or herself as to neighborhood or area conditions, including, but not limited to, schools, proximity and adequacy of law enforcement, crime statistics, proximity of registered felons or offenders, fire protection, other governmental services, availability, adequacy and cost of any wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, cemeteries, facilities and condition of common areas, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Tenant.

13. ANIMALS: Unless otherwise provided in California Civil Code § 54.2, or other law, no animal shall be kept on or about the Premises without Housing Provider's prior written consent, ☐ except as agreed to in the attached Animals Terms and Conditions Addendum (C.A.R. Form ATCA).

14. SMOKING:

A. **(i)** Tenant is responsible for all damage caused by smoking including, but not limited to stains, burns, odors and removal of debris; **(ii)** Tenant acknowledges that in order to remove odor caused by smoking, Housing Provider may need to replace carpet and drapes and paint the entire premises regardless of when these items were last cleaned, replaced or repainted. Such actions and other necessary steps will impact the return of any security deposit.

B. The Premises or common areas may be subject to a local non-smoking ordinance.

C. NO SMOKING of any substance is allowed on the Premises or common areas. If smoking does occur on the Premises or common areas, **(i)** Tenant is in material breach of this Agreement; **(ii)** Tenant, guests, and all others may be required to leave the Premises. ☐ Smoking of the following substances only is allowed: ____.

15. RULES/REGULATIONS:

A. Tenant agrees to comply with all Housing Provider rules and regulations that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests, invitees and licensees of Tenant shall not, disturb, annoy, endanger or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, under federal, state or local law including, but not limited to, using, manufacturing, selling, storing or transporting illicit drugs or other contraband, or violate any law or ordinance, or commit a waste or nuisance on or about the Premises.

B. **(If applicable, check one)**

☐ (1) Housing Provider shall provide Tenant with a copy of the rules and regulations within _____ days or _________________ ____.

OR ☐ (2) Tenant has been provided with, and acknowledges receipt of, a copy of the rules and regulations.

16. ☐ (If checked) **CONDOMINIUM;PLANNED UNIT DEVELOPMENT:**

A. The Premises are a unit in a condominium, planned unit development, common interest subdivision or other development governed by a homeowners' association ("HOA"). The name of the HOA is ____________________________________. Tenant agrees to comply with all HOA covenants, conditions and restrictions, bylaws, rules and regulations and decisions ("HOA Rules"). Tenant shall reimburse Housing Provider for any fines or charges imposed by HOA or other authorities, due to any violation by Tenant, or the guests or licensees of Tenant or Housing Provider shall have the right to deduct such amounts from the security deposit.

B. If applicable, Tenant is required to pay a fee to the HOA to gain access to certain areas within the development such as but not necessarily including or limited to the front gate, pool, and recreational facilities. If not specified in **paragraph 5**, Tenant is solely responsible for payment and satisfying any HOA requirements prior to or upon or after the Commencement Date.

C. **TERMINATION OF AGENCY RELATIONSHIP:**
   (1) Housing Provider and Tenant acknowledges and agrees that unless Broker is the property manager, or as specified in (2) below, once Housing Provider and Tenant enter into this Agreement, **(i)** Broker will not represent Owner in any manner regarding the management of the Premises; and **(ii)** Any representation duties that Broker may owe to, and any agency relationship that Broker may have with, either Housing Provider or Tenant, is terminated.
   (2) Notwithstanding **paragraph 41C(1)**, Broker duties and responsibilities to either Housing Provider or Tenant will terminate upon the last to occur of the following (choose all that apply): ☐ Tenant occupancy, ☐ Delivering to Tenant keys or other means of entering the Premises, ☐ Tenant walkthrough, ☐ Completion of Move In Inspection (C.A.R. Form MII).

42. ☐ **TENANT COMPENSATION TO BROKER:** Upon execution of this Agreement, Tenant agrees to pay compensation to Broker as specified in a separate written agreement between Tenant and Broker.

43. **NOTICE OF RIGHT TO RECEIVE FOREIGN LANGUAGE TRANSLATION OF LEASE/RENTAL AGREEMENTS:** California Civil Code requires a Housing Provider or property manager to provide a tenant with a foreign language translation copy of a lease or rental agreement if the agreement was negotiated primarily in Spanish, Chinese, Korean, Tagalog or Vietnamese. If applicable, every term of the lease/rental needs to be translated except for, among others, names, dollar amounts and dates written as numerals, and words with no generally accepted non-English translation.

44. **OWNER COMPENSATION TO BROKER:** Upon execution of this Agreement, Owner agrees to pay compensation to Broker as specified in a separate written agreement between Owner and Broker (C.A.R. Form LL or LCA).

45. **RECEIPT**: If specified in **paragraph 5**, Housing Provider or Broker, acknowledges receipt of move-in funds.

46. **CITY, COUNTRY OR OTHER LOCAL REQUIREMENTS:** Housing Provider and Tenant are advised that city, county or other local requirements, including those imposed by a regulatory body such a rent stabilization or similar board, may apply, and to attach to this Residential Lease or Month-to-Month Rental Agreement or separately provide, as provided by law, any documentation required by such a local authority.

47. **OTHER TERMS AND CONDITIONS;** If checked, the following ATTACHED documents are incorporated in this Agreement: ☐ Keysafe/Lockbox Addendum (C.A.R. Form KLA); ☐ Lead-Based Paint and Lead-Based Paint Hazards Disclosure (C.A.R. Form LPD); ☐ Lease/Rental Mold and Ventilation Addendum (C.A.R. Form LRM); ☐ Housing Provider in Default Addendum (C.A.R. Form HPID); ☐ Parking and Storage Disclosure (C.A.R. Form PSD); ☑ Bed Bug Disclosure (C.A.R. Form BBD); ☑ Tenant Flood Hazard Disclosure (C.A.R. Form TFHD); ☑ Rent Cap and Just Cause Addendum (C.A.R. Form RCJC)
   ☐ Other Documents/Addenda: ____
   ____
   ☐ Other Terms: ____
   ____

48. **LEGALLY AUTHORIZED SIGNER:** Wherever the signature or initials of the Legally Authorized Signer identified in **paragraphs 50** or **51** appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer **(i)** represents that the entity for which that person is acting already exists and is in good standing to do business in California, and **(ii)** shall Deliver to the other Party, upon request, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

49. ☐ **INTERPRETER/TRANSLATOR:** The terms of this Agreement have been interpreted for Tenant into the following language: ______________________________________. Housing Provider and Tenant acknowledge receipt of the attached interpreter/ translator agreement (C.A.R. Form ITA).

50. The Premises is being managed by Owner, (or, if checked):
   ☐ Housing Provider's Brokerage Firm in Real Estate Brokerage section ☐ Tenant's Brokerage Firm in Real Estate Brokers section
   ☐ Property Management firm immediately below
   Real Estate Broker (Property Manager) ____ DRE Lic # ____________
   (Agent) ____ DRE Lic # ____________
   Address ____ Telephone # ________________

Housing Provider and Tenant acknowledge and agree Brokers: (a) do not guarantee the condition of the Premises; (b) cannot verify representations made by others; (c) cannot provide legal or tax advice; (d) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Housing Provider in this Agreement, Brokers: (e) do not decide what rental rate a Tenant should pay or Housing Provider should accept; and (f) do not decide upon the length or other terms of this Agreement. Housing Provider and Tenant agree that they will seek legal, tax, insurance and other desired assistance from appropriate professionals.

51. **Tenant agrees to rent the Premises on the above terms and conditions.**
   A. ☐ **ENTITY TENANT:** (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)
      (1) One or more Tenant is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
      (2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not for him/herself as an individual. See **paragraph 47** for additional terms.
      (3) The name(s) of the Legally Authorized Signer(s) is: ____________________________, ______________________________.
      (4) If a trust, identify Tenant as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
      (5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: __________
      ____.

Tenant's Initials _________/_________ Housing Provider's Initials _________/_________

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TENANT ESTOPPEL CERTIFICATE

(C.A.R. Form TEC, Revised 12/23)

Tenant: ____

Premises: ____
____
____
____

To whom it may concern: The undersigned is the Tenant of the above premises and makes the following representations:

RENTAL AGREEMENT TERMS		
Paragraph #	**General Terms**	
1	Is a copy of the rental agreement ("Agreement") attached hereto?	Check one of the following: ☐ Yes, a copy is attached. ☐ No, a copy is not attached.
2	Date of the Agreement	________________
3	Name of the current Rental Property Owner, Authorized Broker or Agent, or Property Manager ("Housing Provider", formerly known as landlord)	
4	Name of the current Tenant	______________________ ______________________ ______________________
5	Current monthly base rent amount	$ _____________
6	The current monthly base rent amount above is paid through	______________________
7	Security deposit	$ _____________
8	Other deposits	$ _____________
9	Expiration date of current term	______________________
10	Number and location of Parking Spaces	______________________
11	Number and location of Storage Spaces	______________________
	Utilities & Services	
12	Who pays for the water?	☐ Tenant ☐ Housing Provider
13	Who pays for the electricity?	☐ Tenant ☐ Housing Provider
14	Who pays for the gas?	☐ Tenant ☐ Housing Provider
15	Who pays for the waste disposal?	☐ Tenant ☐ Housing Provider
16	Who pays for the sewage?	☐ Tenant ☐ Housing Provider
17	Who pays for the gardening/landscaping?	☐ Tenant ☐ Housing Provider
18	If applicable, what other utilities or services does Tenant pay for?	______________________ ______________________
	Appliances	
19	Who owns the stove?	☐ Tenant ☐ Housing Provider
20	Who owns the refrigerator?	☐ Tenant ☐ Housing Provider
21	Who owns the washer/dryer?	☐ Tenant ☐ Housing Provider
22	Who owns the microwave?	☐ Tenant ☐ Housing Provider
23	If applicable, what other appliance(s) does Tenant own?	______________________ ______________________

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Additional Representations

24. The Tenant represents that the original Agreement remains in full force and effect and constitutes the entire agreement between Tenant and Housing Provider, except for the following modifications, amendments, addendums, assignments, extensions, and/or preferential rights or options to purchase/lease:

____

____

____.

There are no verbal or written agreements or understandings between Housing Provider and Tenant with respect to the Premises, except as set forth above.

25. Tenant is the actual occupant and is in possession of the Premises. Tenant has not assigned, transferred or hypothecated Tenant's interest under the Agreement. Any construction, build-out, improvements, alterations, or additions to the Premises required under the Agreement have been fully completed in accordance with the plans and specifications described in the Agreement.

26. All obligations of Housing Provider under the Lease have been fully performed and Housing Provider is not in default under any term of the Agreement. Tenant has no defenses, off-sets or counterclaims to the payment of rent or other amounts due from Tenant to Housing Provider under the Lease.

27. Tenant has not been given any free rent, partial rent, rebates, rent abatements, or rent concessions of any kind, except as follows:

____

____

____.

28. Tenant has not filed and is not the subject of any filing for bankruptcy or reorganization under federal bankruptcy laws or similar state laws.

29. Tenant represents that Tenant: (a) is not in default of the performance of any obligations under the Agreement; (b) has not committed any breach of the Agreement; and (c) has not received any notice of default under the Agreement, which has not been cured.

30. The correct address for notices to Tenant is the Premises above unless otherwise shown below.

31. The person signing below represents that he/she/they is/are duly authorized by Tenant to execute this Statement in Tenant's behalf.

32. Tenant understands that: (a) a lender may make a loan secured in whole or part by the Premises, and that if Lender does so, Lender's action will be in material reliance on this Estoppel Certificate; and/or (b) a buyer may acquire the Premises or the building in which the Premises is located, and if buyer completes the purchase, buyer will do so in material reliance on this Estoppel Certificate.

Tenant ____ Date _____________

Tenant ____ Date _____________

Receipt Acknowledged:

Housing Provider ____ Date _____________

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H. Insurance claims affecting the Property within the past 5 years .... ☐ Yes ☐ No
I. Matters affecting title of the Property .... ☐ Yes ☐ No
J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3 .... ☐ Yes ☐ No
K. Material facts or defects affecting the Property not otherwise disclosed to Buyer .... ☐ Yes ☐ No

Explanation, or ☐ (if checked) see attached; ____

7. REPAIRS AND ALTERATIONS: **ARE YOU (SELLER) AWARE OF...**

A. Any alterations, modifications, replacements, improvements, remodeling or material repairs on the Property (including those resulting from Home Warranty claims) .... ☐ Yes ☐ No
B. Any alterations, modifications, replacements, improvements, remodeling,or material repairs to the Property done for the purpose of energy or water efficiency improvement or renewable energy? .... ☐ Yes ☐ No
C. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service) .... ☐ Yes ☐ No
D. Any part of the Property being painted within the past 12 months .... ☐ Yes ☐ No
E. Whether the Property was built before 1978 (if No, leave (a) and (b) blank) .... ☐ Yes ☐ No
(a) If yes, were any renovations (i.e., sanding, cutting, demolition) of lead-based paint surfaces started or completed (if No, leave (b) blank) .... ☐ Yes ☐ No
(b) If yes to (a), were such renovations done in compliance with the Environmental Protection Agency Lead-Based Paint Renovation Rule .... ☐ Yes ☐ No

Explanation: ____

8. STRUCTURAL, SYSTEMS AND APPLIANCES: **ARE YOU (SELLER) AWARE OF...**

A. Defects in any of the following (including past defects that have been repaired): heating, air conditioning, electrical, plumbing (including the presence of polybutylene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors or appliances .... ☐ Yes ☐ No
B. The leasing of any of the following on or serving the Property: solar system, water softener system, water purifier system, alarm system, or propane tank(s) .... ☐ Yes ☐ No
C. An alternative septic system on or serving the Property .... ☐ Yes ☐ No
D. Whether any structure on the Property is an Accessory Dwelling Unit (ADU)........ ☐ Yes ☐ No
(1) If Yes to D, has the ADU received a permit or other government approval........ ☐ Yes ☐ No
(2) If Yes to D, are there separate utilities and meters for the ADU........ ☐ Yes ☐ No

Explanation: ____

9. DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT: **ARE YOU (SELLER) AWARE OF...**

Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs .... ☐ Yes ☐ No

If yes, was federal flood disaster assistance conditioned upon obtaining and maintain flood insurance on the Property .... ☐ Yes ☐ No

(**NOTE:** If the assistance was conditioned upon maintaining flood insurance, Buyer is informed that federal law, 42 USC 5154a requires Buyer to maintain such insurance on the Property and if it is not, and the Property is damaged by a flood disaster, Buyer may be required to reimburse the federal government for the disaster relief provided.)

Explanation: ____

10. WATER-RELATED AND MOLD ISSUES: **ARE YOU (SELLER) AWARE OF...**

A. Water intrusion, whether past or present, into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property .... ☐ Yes ☐ No
B. Any problem with or infestation of mold, mildew, fungus or spores, past or present, on or affecting the Property.. ☐ Yes ☐ No
C. Rivers, streams, flood channels, underground springs, high water table, floods, or tides, on or affecting the Property or neighborhood .... ☐ Yes ☐ No

Explanation: ____

11. PETS, ANIMALS AND PESTS: **ARE YOU (SELLER) AWARE OF...**

A. Past or present pets on or in the Property .... ☐ Yes ☐ No
B. Past or present problems with livestock, wildlife, insects or pests on or in the Property .... ☐ Yes ☐ No
C. Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above .... ☐ Yes ☐ No

Property Address:____

16. NEIGHBORS/NEIGHBORHOOD: **ARE YOU (SELLER) AWARE OF...**

A. Neighborhood noise, nuisance or other problems from sources such as, but not limited to, the following: Neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, underground gas pipelines, cell phone towers, high voltage transmission lines, or wildlife .... ☐ Yes ☐ No

B. Any past or present disputes or issues with a neighbor which might impact the use, development and enjoyment of the Property .... ☐ Yes ☐ No

Explanation: ____

____

____

17. GOVERNMENTAL: **ARE YOU (SELLER) AWARE OF...**

A. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that applies to or could affect the Property .... ☐ Yes ☐ No

B. Existence or pendency of any rent control, occupancy restrictions, improvement restrictions or retrofit requirements that apply to or could affect the Property .... ☐ Yes ☐ No

C. Existing or contemplated building or use moratoria that apply to or could affect the Property .... ☐ Yes ☐ No

D. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property .... ☐ Yes ☐ No

E. Proposed construction, reconfiguration, or closure of nearby Government facilities or amenities such as schools, parks, roadways and traffic signals .... ☐ Yes ☐ No

F. Existing or proposed Government requirements affecting the Property **(i)** that tall grass, brush or other vegetation be cleared; **(ii)** that restrict tree (or other landscaping) planting, removal or cutting or **(iii)** that flammable materials be removed. .... ☐ Yes ☐ No

G. Any protected habitat for plants, trees, animals or insects that apply to or could affect the Property. .... ☐ Yes ☐ No

H. Whether the Property is historically designated or falls within an existing or proposed Historic District .... ☐ Yes ☐ No

I. Any water surcharges or penalties being imposed by a public or private water supplier, agency or utility; or restrictions or prohibitions on wells or other ground water supplies .... ☐ Yes ☐ No

J. Any differences between the name of the city in the postal/mailing address and the city which has jurisdiction over the property .... ☐ Yes ☐ No

Explanation: ____

____

____

18. OTHER: **ARE YOU (SELLER) AWARE OF....**

A. Any occupant of the Property smoking or vaping any substance on or in the Property, whether past or present ... ☐ Yes ☐ No

B. Any use of the Property for, or any alterations, modifications, improvements, remodeling or material change to the Property due to, cannabis cultivation or growth .... ☐ Yes ☐ No

C. Whether the Property was originally constructed as a Manufactured or Mobile home .... ☐ Yes ☐ No

D. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer .... ☐ Yes ☐ No

Explanation: ____

____

____

19. ☐ **(IF CHECKED) ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from his/her own duty of disclosure.

Seller ____ Date ____________________

Seller ____ Date ____________________

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer ____ Date ____________________

Buyer ____ Date ____________________

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CALIFORNIA ASSOCIATION OF REALTORS®

SELLER'S PURCHASE OF REPLACEMENT PROPERTY
(C.A.R. Form SPRP, Revised 12/23)

This is an Addendum to the Purchase Agreement, OR ☐ Counter Offer, ☐ Other ______________________________
______________________________("Agreement"), dated ____________, on property known as
______________________________ ("Seller's Property"),
between ______________________________ ("Buyer")
and ______________________________ ("Seller").
Buyer and Seller are referred to as the "Parties."

SELLER'S PURCHASE OF REPLACEMENT PROPERTY:

1\. A. **FINDING REPLACEMENT PROPERTY:** The Agreement is contingent on Seller entering into a contract to acquire replacement property or identifying a suitable property to move to ("Finding Replacement Property Contingency"). Seller shall, within **17 (or ______) Days** after Acceptance, remove the Finding Replacement Property Contingency or cancel the Agreement. Seller shall Deliver to buyer, at time of removal of the Finding Replacement Property Contingency, proof of replacement property (either a copy of the contract for purchase of replacement property and the contact information and escrow # for that purchase or a signed lease or rental agreement for replacement property). If Seller does not remove the Finding Replacement Property Contingency in writing within that time, Buyer, after first giving a Notice to Seller to Perform (C.A.R. Form NSP), may cancel the Agreement in writing.

OR B. ☐ Seller has entered into a contract to acquire replacement property and Finding Replacement Property Contingency is removed. Escrow Holder: ______________________________ Escrow # ______________________
If this paragraph is checked, then the Time Periods in **paragraph 2A** and the Buyer's Deposit in **paragraph 2B** shall remain as specified in the Agreement.

AND C. (If checked) ☐ **CLOSE OF REPLACEMENT PROPERTY:** The Agreement is contingent on Seller's ability to close escrow on replacement property according to that contract. This is a contingency in favor of Seller. Seller, by the scheduled close of escrow date for the replacement property, shall either close escrow or remove this contingency in writing.

2\. A. **TIME PERIODS:** Time periods in the Agreement for inspections, contingencies, covenants, close of escrow, and other obligations that commence from date of Acceptance shall begin the Day after Seller delivers to Buyer a written notice removing the Finding Replacement Property Contingency specified in **paragraph 1A** or ☐ remain as specified in the Agreement. If close of escrow is identified as a specific date in the Agreement, it shall remain on that date.

B. **BUYER'S DEPOSIT:** Buyer's deposit shall be delivered to escrow within 3 business Days after Seller delivers to Buyer a written notice removing the Finding Replacement Property Contingency as specified in **paragraph 1A** or ☐ as specified in the Agreement.

C. **CLOSE OF ESCROW:** Parties agree that Seller may extend the Close Of Escrow date for the sale of Seller's property for a maximum of ☐ _____ additional Days or ☐ until ___________ (date), by providing Buyer with written notice at the time Seller removes the Finding Replacement Property Contingency specified in **paragraph 1A**, if applicable.

D. **OTHER TERMS:** ______________________________
____

3\. **REMOVAL OF CONTINGENCIES:** Even after the expiration of the time for the Finding Replacement Property Contingency specified in **paragraph 1A**, Seller retains the right to remove the Finding Replacement Property Contingency or cancel the Agreement until Buyer cancels pursuant to **paragraph 1A**. Once Buyer receives Seller's written removal of the Finding Replacement Property Contingency, Buyer may not cancel pursuant to **paragraph 1A**.

4\. **BUYER RIGHT TO CANCEL:** Buyer may cancel the Agreement in writing as follows:

A. After first giving Seller a NSP, if Seller fails to remove the Finding Replacement Property Contingency.

B. After first giving Seller a NSP, if Seller fails to give proof of replacement as specified in **paragraph 1A**.

C. (If **paragraph 1C** is checked) After first giving Seller a NSP, if Seller fails to remove the Closing on Replacement Property Contingency.

D. NOTE: If Seller is unable to meet the obligations for other time frames in the Agreement, such as for Close Of Escrow, Buyer may cancel as permitted in the Agreement, even if this contingency is not removed.

5\. **SELLER RIGHT TO CANCEL:** Seller may cancel the Agreement in writing as follows:

A. If, prior to Seller's Removal of the Finding Replacement Property Contingency, Seller is unable to enter into a contract to acquire replacement property.

B. (If **paragraph 1C** is checked) Seller is unable to close escrow on replacement property according to that contract.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Addendum.

Buyer ______________________________ Date ____________
Buyer ______________________________ Date ____________
Seller ______________________________ Date ____________
Seller ______________________________ Date ____________

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EQUAL HOUSING OPPORTUNITY

TENANT OCCUPIED PROPERTY ADDENDUM
(For use when selling tenant occupied 1-4 unit properties)
(C.A.R. Form TOPA, 6/23)

CALIFORNIA ASSOCIATION OF REALTORS®

This is an addendum to the Purchase Agreement, OR ☐ Counter Offer No._______, ☐ Other _____________________________________
____, ("Agreement"), dated ____________,
on property known as ____("Property"),
between ____("Buyer"),
and ____("Seller").
Buyer and Seller are referred to as the "Parties." For the purpose of this Tenant Occupied Property Addendum, **Tenant shall mean any adult person, other than Seller, who is occupying the Property, whether or not paying rent.**

1. A. **TENANT(S) TO REMAIN IN POSSESSION:** Buyer shall take Property subject to the rights of existing Tenant(s), and under the terms and conditions specified in **paragraph 2**.

OR B. ☐ **PROPERTY TO BE DELIVERED VACANT:**
(1) **The Property (or Unit(s)** ____**)**
shall be delivered vacant, without existing Tenant(s).
(2) **If Seller, after exercise of good faith attempts and subject to applicable Law, is unable to remove existing Tenant(s) by Close Of Escrow (or ☐ 5 Days prior to COE): (i) Buyer may cancel this Agreement and Buyer's sole remedy shall be return of deposit(s) and Buyer's reasonable out-of-pocket expenses for inspection reports and appraisal fees under the Agreement, or (ii) Buyer may elect to proceed with the transaction with the Tenant(s) in possession and waives any claim for other damages or compensation arising out of the Tenant(s) remaining in possession.**
(3) **If Seller is able to remove existing tenants prior to Close of Escrow, Seller, as applicable, shall disclose to Buyer: (i) when the Property became vacant; (ii) whether the tenant vacated voluntarily, and if so whether Seller paid the tenant to leave; (iii) whether Seller filed a lawsuit (unlawful detainer) to attempt to evict the Tenant, and if so, whether the lawsuit ended in a judgment.**
(4) **Even if, pursuant to the Agreement, Seller remains in possession after Close of Escrow, no Tenant(s) shall remain, except:** ____.

2. **TENANT REMAINING IN POSSESSION ADDITIONAL TERMS:**
A. **Tenant Deposits and Unearned Rent:** Seller shall transfer to Buyer, through escrow, **(i)** all unused Tenant(s) deposits, if any, and **(ii)** all prepaid but unearned rents, if any, prorated as of **Close Of Escrow**. Seller shall disclose to Buyer any Tenant delinquencies. ☐ Seller shall credit Buyer for any delinquent rent, prorated as of **Close Of Escrow**.
B. **Government Compliance:** No warranty is made concerning compliance with governmental restrictions, if any, limiting the amount of rent that can lawfully be charged, the maximum number of persons who can lawfully occupy the Property, or the ability of Buyer to remove any Tenant(s) from possession. Buyer is advised to carefully read and consider the attached ☑ Rent Cap and Just Cause Addendum (C.A.R. Form RCJC) which may impact Buyer's and Tenant(s)' rights and obligations under the Law. Buyer is advised that local ordinances may also affect Buyer's and Tenant(s)' rights and obligations.
C. **Proposed Changes:**
(1) Seller shall give Buyer written notice of **(i)** any changes to existing leases or tenancies; **(ii)** new agreements to lease or rent; or **(iii)** changes to the status of the condition of the Property ("Proposed Changes") at least **7 (or_____)** Days prior to any Proposed Changes.
(2) Buyer shall, within **5 (or _____)** Days after receipt of notice of Proposed Changes, give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.
D. **Personal Property Included in Sale:**
(1) A complete list of all personal Property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer with the time specified in **paragraph 14**.
(2) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
(3) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof and insurance proceeds.
E. **Seller Documentation and Additional Disclosure:** Within the time specified in the Agreement for Seller Delivery of Documents, and subject to Buyer's right of review, Seller shall disclose, make available or Deliver, as applicable, to Buyer, the following information:
(1) **RENTAL SERVICE AGREEMENTS: (i)** All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; **(ii)** A rental statement including names of Tenant(s), rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
(2) ☐ **INCOME AND EXPENSE STATEMENTS:** (if checked) The books and records for the Property, if any, including a statement of income and expense for the 12 months preceding Acceptance.
(3) ☐ **TENANT ESTOPPEL CERTIFICATES:** (if checked) Tenant Estoppel Certificates (C.A.R. Form TEC). Tenant Estoppel Certificates shall be completed by Seller or Seller's agent and delivered to Tenant(s) for Tenant(s) to sign and acknowledge: **(i)** that Tenant(s)' rental or lease agreements are unmodified and in full force and effect, (or if modified, stating all such modifications); **(ii)** that no lessor defaults exist; and **(iii)** stating the amount of any prepaid rent or security deposit. Seller shall exercise good faith to obtain Tenant(s)' signature(s), but Seller cannot guarantee Tenant(s)' cooperation. In the event Seller cannot obtain signed Tenant Estoppel Certificates within the time specified above, Seller shall notify Buyer and provide the unsigned one that was provided to Tenant(s). If, after the time specified for Seller to Deliver the TEC to Buyer, any Tenant(s) sign and return a TEC to Seller, Seller shall Deliver that TEC to Buyer.

(4) **SURVEY, PLANS, AND ENGINEERING DOCUMENTS:** If in Seller's possession, Copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf on in Seller's possession.

(5) **PERMITS:** If in Seller's possession, Seller shall Deliver to Buyer copies of all permits and approvals, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.

(6) **STRUCTURAL MODIFICATIONS:** Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.

(7) **SECURITY DEPOSITS: (i)** An itemization of all lawful deductions made from Tenant(s) security deposits, if any, and **(ii)** a statement of the security deposit remaining after any lawful deductions have been made (C.A.R. Sample Letter Change of Ownership and Security Deposit Allocation).

F. SELLER REPRESENTATIONS: Unless otherwise disclosed, under **paragraph 11** of the Agreement or under any disclosure Delivered to Buyer:

(1) Seller represents that Seller has no actual knowledge that any Tenant(s): **(i)** has any current pending lawsuit(s), investigation(s), Inquiry(ies), action(s), or other proceeding(s) affecting the Property of the right to use and occupy it; **(ii)** has any unsatisfied mechanics or materialman lien(s) affecting the Property; and **(iii)** is the subject of a bankruptcy. If Seller receives any such notice, prior to Close Of Escrow, Seller shall immediately notify Buyer.

(2) Seller represents that no Tenant is entitled to any rebate, concessions, or other benefit, except as set forth in the rental service agreements.

(3) Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business and the income and expense statements are and used by Seller in the computation of federal and state income tax returns.

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Tenant Occupied Property Addendum.

Buyer ______________________________ Date ____________

Buyer ______________________________ Date ____________

Seller ______________________________ Date ____________

Seller ______________________________ Date ____________

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CALIFORNIA ASSOCIATION OF REALTORS®

BUSINESS LISTING AGREEMENT

(C.A.R. Form BLA, Revised 12/23)

(A separate listing agreement is required for any real property to be included in the sale.)

1. **EXCLUSIVE AUTHORIZATION:** ____ ("Seller")
doing business as: ____
a (check one) ☐ sole proprietor, ☐ partnership, ☐ corporation, ☐ limited liability company, ☐ other ____________________,
(☐ a franchise of ____)
hereby employs and grants ____ ("Broker")
beginning (date) ______________ and ending at 11:59 P.M. on (date) ______________ ("Listing Period") the exclusive and irrevocable right to sell the business situated in the City of ____________________, County of ____________________, California, commonly described as: ____ ("Business").
2. **BUSINESS DISCLOSURE STATEMENT:**
   A. PURPOSE OF BDS: Seller acknowledges and agrees that the attached Business Disclosure Statement ("BDS") is provided to Broker as: **(i)** a tool to assist in establishing the listing price; **(ii)** a disclosure of material facts regarding the operation of the Business; and **(iii)** a proposal of items included in or excluded from the offering of the Business for sale.
   B. RELATION TO PURCHASE AGREEMENT: Seller acknowledges and agrees that: **(i)** the agreement between Seller and Buyer supersedes any intention expressed in the BDS and will ultimately determine which items are either included in or excluded from the sale; and **(ii)** Broker is not responsible for and does not guarantee that the items included or excluded in the BDS will be in the agreement.
   C. SELLER WARRANTY: Seller warrants the accuracy of the information furnished herein, and on the attached BDS, or as modified hereafter with respect to the Business, and Seller agrees to indemnify, defend and hold harmless Broker from all claims, costs, expenses, disputes, litigation, arbitration, judgments and awards arising from any incorrect information supplied by Seller or from any material fact that Seller knows but fails to disclose.
   D. AUTHORIZATION: Broker is authorized to provide the BDS to prospective buyers.
3. **DOCUMENTATION:** Seller shall provide to Broker the following lists of items or documents, or copies thereof, within **10 calendar days** of the execution of this agreement. For each item, as applicable, Seller shall include a statement of whether the item is owned or leased and whether Seller has any legal, proprietary interest, or intellectual property rights in, or restrictions on, the item:

☐ Inventory, including work progress
☐ Machinery
☐ Furniture, fixtures, and other equipment
☐ Other personal property
☐ Leases
☐ Leasehold improvements
☐ Government licenses and permits
☐ Franchise agreements
☐ Fictitious business name statement
☐ Trade names and trademarks
☐ Logos
☐ Copyrights and patents
☐ Schedule of accounts receivable
☐ Business appraisal
☐ Other assets: ____________________
☐ Other assets: ____________________
☐ Schedule of accounts payable
☐ Signs and advertising materials
☐ Telephone and fax numbers
☐ Websites, URL names and E-mail addresses
☐ Social Media Accounts
☐ Customer lists
☐ Vendor lists and catalogs
☐ Employee lists and information
☐ Goodwill
☐ Distribution rights
☐ Agreements not to compete
☐ Computer and customer software
☐ Customer deposits/Gift Certificates
☐ Allocation of Purchase Price
☐ Other assets: ____________________
☐ Other assets: ____________________
☐ Other assets: ____________________
☐ Service/maintenance/advertising agreements
☐ Other Liabilities: ____
☐ Sales tax returns for the years .... ________ to ________
☐ Federal and state income tax returns for the years.......... ________ to ________
☐ Financial statements for the years .... ________ to ________
☐ Employment withholding returns for the years.............. ________ to ________
☐ Flash Report/Sale Report/POS System Report for date range... ________ to ________

SELLER REPRESENTS THAT: (i) THE BOOKS AND RECORDS THAT SELLER PROVIDES ARE THOSE MAINTAINED IN THE ORDINARY AND NORMAL COURSE OF BUSINESS; AND (ii) FEDERAL AND STATE TAX RETURNS THAT SELLER PROVIDES ARE COPIES OF THOSE FILED WITH THE APPLICABLE GOVERNMENTAL AGENCY.

4. **REAL PROPERTY:**
   A. INTENTION TO SELL: ☐ (If checked) Seller owns the real property on which the Business operates and intends that the sale of the Business is contingent upon Seller's sale of such real property. **A separate real property listing agreement is required.**
   B. RELATION TO PURCHASE AGREEMENT: Seller acknowledges and agrees that: **(i)** the agreement between Seller and Buyer supersedes any intention expressed above in **paragraph 4A** and will ultimately determine whether any real property is included in the sale or whether the sale of the Business is contingent upon the sale of any real property, and **(ii)** Broker is not responsible for and does not guarantee that any real property will be included in the purchase agreement or that the sale will be contingent upon the sale of any real property.
5. **TERMS OF SALE:**
   A. LIST PRICE: The list price shall be ________________________________ Dollars ($ ______________)
   B. ADDITIONAL PURCHASE TERMS: ____
   ____
   ____

Seller's Initials ________/________

EQUAL HOUSING OPPORTUNITY

6. COMPENSATION TO BROKER:

A. Seller agrees to pay to Broker as compensation for services irrespective of agency relationship(s): EITHER ☐ ____ percent of the list price (or if a contract is entered into, of the contract price) (compensation due Broker shall be calculated on all assets of the Business that are either offered for sale on the BDS or in the contract entered into, whichever is applicable), OR ☐ $ __________________, as follows:

(1) If during the Listing Period, or any extension, Broker, cooperating broker, Seller or any other person procures a ready, willing, and able buyer(s) whose offer to acquire the Business on any price and terms is accepted by Seller, provided the Buyer completes the transaction or is prevented from doing so by Seller. (Broker is entitled to compensation whether any escrow resulting from such offer closes during or after the expiration of the Listing Period, or any extension.)

(2) If Seller, within **180** (**or** ☐ _____) **calendar days** after the end of the Listing Period or any extension, enters into a contract to sell, convey, lease or otherwise transfer the Business to anyone ("Prospective Buyer") or that person's related entity: **(i)** who physically entered and was shown the Business during the Listing Period or any extension by Broker or a cooperating broker; **(ii)** for whom Broker or any cooperating broker submitted to Seller a signed, written offer to acquire, lease, exchange or obtain an option on the Business; or **(iii)** to whom Broker submitted written information regarding the Business at the request of such person. Seller, however, shall have no obligation to Broker under this **paragraph 6A(2)** unless, not later than **10 calendar days** after the end of the Listing Period or any extension, Broker has given Seller a written notice of the names of such Prospective Buyers. A Prospective Buyer shall not include a person to whom Broker furnished unsolicited information concerning the Business.

(3) If, without Broker's prior written consent, the Business is: **(i)** withdrawn from the market; **(ii)** sold, conveyed, exchanged, optioned, or otherwise transferred; or **(iii)** made unmarketable by a voluntary act of Seller during the Listing Period, or any extension.

(4) If, without Broker's prior written consent, the entire entity ☐ a majority interest in the entity that owns the Business is transferred. Seller acknowledges that Broker may perform an online search of the Secretary of State database to determine the entity status of the ownership of the Business. Broker is not licensed to sell stock, or partnership interests, or other business entity interests. Seller will seek the advice of a qualified broker or attorney if the transaction is to be accomplished as the sale of an entire or partial interest in an entity rather than the sale of assets by an entity.

B. If Seller enters into a listing agreement with another broker within the time period set forth in **paragraph 6A(2)**, Seller shall provide to such broker the names of Prospective Buyers, as supplied to Seller by Broker.

C. If completion of the transaction is prevented by a party to the transaction other than Seller, then compensation due under **paragraph 6A** shall be payable only if and when Seller collects damages by suit, arbitration, settlement, or otherwise, and then in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.

D. In addition, Seller agrees to pay Broker: ____.

E. (1) Broker is authorized to cooperate and compensate brokers participating through a multiple listing service(s) ("MLS"): **(i)** in any manner, **OR (ii)** (if checked) Broker shall offer MLS brokers: either ☐ _____ percent of the sales price, or ☐ $ ________________.

(2) Broker is authorized to cooperate and compensate brokers operating outside the MLS in any manner.

F. Seller hereby irrevocably assigns to Broker the above compensation from Seller's funds and proceeds in escrow. Broker may submit this listing agreement to any escrow holder as instructions to compensate Broker pursuant to **paragraph 6A**, if the terms of compensation are consistent with the business purchase agreement between Seller and the buyer.

G. (1) Seller represents that Seller has not previously entered into a listing agreement with another broker regarding the Business, except as follows: ____.

(2) Seller warrants that Seller has no obligation to pay compensation to any other broker regarding the Business unless the Business is transferred to any of the following individuals or entities: ____ ____.

(3) If the Business is transferred to anyone listed above during the time Seller is obligated to compensate another broker: **(i)** Broker is not entitled to compensation under this Agreement; and **(ii)** Broker is not obligated to represent Seller with respect to such transaction.

7. BUSINESS ESCROW AND APPRAISAL:

A. ☐ **Business Escrow:** (If checked) Seller agrees to cooperate with and use a business escrow in any resulting sale pursuant to this agreement.

B. ☐ **Appraisal:** (If checked) Seller agrees to hire and pay for a qualified business appraiser to appraise the Business.

8. MARKETING:

A. MULTIPLE LISTING SERVICE:

(1) The MLS is a database of properties and businesses for sale that is available and disseminated to and accessible by all other real estate agents who are participants or subscribers to the MLS. Information submitted to the MLS describes the price, terms, and conditions under which the Seller's property or business is offered for sale (including but not limited to the listing broker's offer of compensation to other brokers).

(2) Information about this listing will not (or ☐ will) be provided to the MLS of Broker's selection and all terms of the transaction, including, if applicable, financing, will be provided to the MLS for publication, dissemination and use by persons and entities on terms approved by the MLS. Seller authorizes Broker to comply with all applicable MLS rules.

B. OTHER ADVERTISING PLATFORMS:

(1) Various other platforms are available to market the Business and provide exposure of what is available on the market. These platforms may be available, not only brokers, but also any other individuals who have access to the platform. The rules and terms of use will be dictated by the platform.

(2) Broker is (or ☐ is not) authorized to provide information about the terms of the transaction on any platform that Broker chooses to utilize or ☐ only on the following platforms: ____ ____.

9. OWNERSHIP OF ASSETS:

A. Unless otherwise agreed, Seller warrants that, except as specified in writing: **(i)** Seller has good and marketable ownership to the business and personal property that are offered for sale; and **(ii)** The business and personal property either is free of liens or is capable of being transferred free of liens.

B. Upon close of escrow, Seller shall provide any buyer with a Bill of Sale covering the assets of the Business.

10. SELLER REPRESENTATIONS: Seller represents that unless otherwise specified in writing, Seller is unaware of: **(i)** any Notice of Default recorded against the Business; **(ii)** any delinquent amounts due under any loan secured by, or other obligation affecting, the Business; **(iii)** any bankruptcy, insolvency or similar proceeding affecting the Business; **(iv)** any current, pending or proposed special assessments affecting the Business; or **(v)** any pending or threatened action or adverse condition which does or may affect the Business or Seller's ability to transfer it, including but not limited to, any litigation, arbitration, administrative action, or government investigation. Seller is not aware of any UCC lien or other encumbrances on the Business or Business assets, except: _________
____.

Seller shall promptly notify Broker in writing if Seller becomes aware of any of these items during the term or any extension of the Listing Period.

11. BROKER'S AND SELLER'S DUTIES: Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this agreement. Unless Seller gives Broker written instructions to the contrary, Broker is authorized to advertise and market the Business, including the Business name and address, in any method and in any medium, including the internet, selected by Broker, and, to the extent permitted by these media, including MLS, control the dissemination of the information submitted to any medium. Seller agrees to consider offers presented by Broker, and to act in good faith toward accomplishing the transfer of the Business. Seller agrees to immediately refer to Broker any party interested in the Business. All negotiations are to be disclosed to Broker. Seller agrees to provide Broker and transferee(s) all written disclosures, as required by law. Seller further agrees to immediately disclose in writing any condition known to Seller that affects the Business, including, but not limited to, any past or current generation, storage, release, threatened release, disposal, and presence and location of asbestos, PCB transformers, petroleum products, flammable explosives, underground storage tanks and other hazardous, toxic or contaminated substance or condition in, on, or about the Business. Seller shall maintain public liability and property damage insurance on the Business during the Listing Period, or any extension. Seller waives all subrogation rights under any insurance against Broker, cooperating brokers or employees. **Seller further agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments and attorney fees arising from any incorrect information supplied by Seller, or from any material facts that Seller knows but fails to disclose.**

12. DEPOSIT: Broker is authorized to accept and hold on Seller's behalf a deposit to be applied toward the sales price.

13. SIGN: Seller does not (or ☐ does) authorize Broker to install a FOR SALE/SOLD sign on the Business premises.

14. INSPECTIONS: Seller shall make the Business available for all inspections called for in any purchase agreement.

15. CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT:

A. Information about the Business will need to be disclosed to buyers and potentially to interested buyers. This may include financial information or other information that Seller may wish to keep confidential. In order to do so, Seller will need to obtain a confidentiality agreement with a buyer. If a buyer is unwilling to sign a confidentiality agreement or the buyer finds the process too burdensome, they may choose not to make an offer.

B. ☐ Seller instructs Broker to obtain a confidentiality agreement (C.A.R. Form CML-CNDA) from a buyer or potential buyer before disclosing any confidential information.

16. AGENCY RELATIONSHIPS:

A. Seller Representation: Broker shall represent Seller in any resulting transaction, except as specified in paragraph 6G.

B. Possible Dual Agency With Buyer: Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Seller and Buyer, exchange party, or one or more additional parties ("Buyer"). Broker shall, as soon as practicable, disclose to Seller any election to act as a dual agent representing both Seller and Buyer. If a Buyer is procured directly by Broker or an associate licensee in Broker's firm, Seller hereby consents to Broker acting as a dual agent for Seller and Buyer. Seller understands and agrees that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

C. Other Sellers: Seller understands that Broker may have or obtain listings on other businesses, and that potential buyers may consider, make offers on, or purchase through Broker, a business the same as or similar to Seller's Business. Seller consents to Broker's representation of sellers and buyers of other businesses before, during and after the end of this listing agreement.

D. Confirmation: Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or concurrent with Seller's execution of a purchase agreement.

E. Potentially Competing Sellers and Buyers: Seller understands that Broker may have or obtain listings on other businesses, and that potential buyers may consider, make offers to, or purchase through Broker, businesses the same as or similar to Seller's Business. Seller consents to Broker's representation of sellers and buyers of other businesses before, during, and after the end of this Agreement. Seller acknowledges the receipt of a ☑ "Possible Representation of More than One Buyer or Seller – Disclosure and Consent" (C.A.R. Form PRBS).

F. Termination of Agency Relationship: Seller acknowledges and agrees that the representation duties of, and agency relationship with, Broker terminate at the expiration of this Agreement or, if it occurs first, the completion of any transaction specified in this Agreement.

17. EQUAL OPPORTUNITY: The Business is offered in compliance with federal, state, and local anti-discrimination laws.

18. ATTORNEY FEES: In any action, proceeding, or arbitration between Seller and Broker regarding the obligation to pay compensation under this listing agreement, the prevailing Seller or Broker shall be entitled to reasonable attorney fees and costs, except as provided in **paragraph 20A**.

19. ADDITIONAL TERMS: ____
____
____

20. DISPUTE RESOLUTION:

A. MEDIATION: Seller and Broker agree to mediate any dispute or claim arising between them under this Agreement, before resorting to arbitration or court action. (2) Mediation fees, if any, shall be divided equally among the parties involved. (3) If, for any dispute or claim to which this paragraph applies, any party (the non-mediating party) **(i)** commences an action without first attempting to resolve the matter through mediation, or **(ii)** before commencement of an action, refuses to mediate after a request has been made, then if the non-mediating party is the losing party in any such action, the prevailing party in such action shall be entitled to recover attorney fees from the non-mediating party, notwithstanding the terms in **paragraph 18**. (4) Exclusions from this mediation agreement are specified in **paragraph 20B**.

Business: ____ Date: __________________________

B. ADDITIONAL MEDIATION TERMS: The following matters shall be excluded from mediation: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation provisions.

C. ARBITRATION ADVISORY: If Seller and Broker desire to resolve disputes arising between them through arbitration rather than court, they can document their agreement by attaching and signing an Arbitration Agreement (C.A.R. Form ARB).

21. **ENTIRE CONTRACT:** All prior discussions, negotiations, and agreements between the parties concerning the subject matter of this listing agreement are superseded by this listing agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this listing agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. This listing agreement and any supplement, addendum, or modification, including any photocopy or facsimile, may be executed in counterparts. This listing agreement and any addendum or modification shall be binding upon, and inure to the benefit of, the heirs, successors and assignees of the parties.

22. **LEGALLY AUTHORIZED SIGNER:** Wherever the signature or initials of the Legally Authorized Signer, identified in the signature block below, appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer **(i)** represents that the entity for which that person is acting already exists and is in good standing to do business in California and **(ii)** shall deliver to Broker, within **3 Days** after execution of this Agreement, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

By signing below, Seller acknowledges that Seller has read, understands, accepts, and has received a copy of this Agreement, including any attached schedule of compensation. If additional signatures are required, use an addendum.

☐ **ENTITY SELLER:** (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)

1. One or more Sellers is a trust, corporation, LLC, probate estate, partnership, other entity or holds a power of attorney.
2. This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not for him/herself as an individual. See **paragraph 22** for additional terms.
3. The name(s) of the Legally Authorized Signer(s) is: ___________________, ______________________.
4. If a trust, identify Seller as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
5. If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: ___________
____
____.

SELLER SIGNATURE(S):

(Signature) By, ____ Date: ___________

Printed name of SELLER: ____

☐ Printed Name of Legally Authorized Signer: __________________________________ Title, if applicable, _________________

Address ____ City _______________________________ State _____ Zip _________

Email ____ Phone # ____________________________

(Signature) By, ____ Date: ___________

Printed name of SELLER: ____

☐ Printed Name of Legally Authorized Signer: __________________________________ Title, if applicable, _________________

Address ____ City _______________________________ State _____ Zip _________

Email ____ Phone # ____________________________

☐ Additional Signature Addendum attached (C.A.R. Form ASA)

BROKER SIGNATURE(S):

Real Estate Broker (Firm) ____ DRE Lic# _________________

Address ____ City ___________________________ State _____ Zip _________

By ________________________ Tel. _______________ E-mail ___________________ DRE Lic# ____________ Date ___________

By ________________________ Tel. _______________ E-mail ___________________ DRE Lic# ____________ Date ___________

☐ Two Brokers with different companies are co-listing the Property. Co-listing Broker information is on the attached Additional Broker Acknowledgement (C.A.R. Form ABA).

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EQUAL HOUSING OPPORTUNITY

CALIFORNIA ASSOCIATION OF REALTORS®

BUSINESS PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
(C.A.R. Form BPA, Revised 12/23)

Date Prepared:________________

1. **OFFER:**
   A. **THIS IS AN OFFER FROM** ______________________________ ("Buyer").
   ☐ Individual(s), ☐ A Corporation, ☐ A Partnership, ☐ An LLC, ☐ Other ______________________________.
   B. **THE BUSINESS** to be acquired is doing business as (☐ with a filed fictitious business name) ______________________________, and is situated at ______________________________ (Address), ______________ (City), ______________ (County), California, __________ (Zip Code), ("Business").
   (Postal/Mailing address may be different from city jurisdiction. Buyer is advised to investigate.)
   C. ☐ **PURCHASE OF REAL PROPERTY:** The sale is contingent upon the ability of Buyer's or Buyer's related entity to purchase, concurrently with the Close Of Escrow, the real property on which the Business operates. A separate Real Property Purchase Agreement is required (C.A.R. Form CPA).
   D. **THE TERMS OF THE PURCHASE ARE SPECIFIED BELOW AND ON THE FOLLOWING PAGES.**
   E. Buyer and Seller are referred to herein as the "Parties." Brokers and Agents are **not** Parties to this Agreement.
2. **AGENCY:**
   A. **DISCLOSURE:** The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD) if represented by a real estate licensee. Buyer's Agent is not legally required to give to Seller's Agent the AD form Signed by Buyer. Seller's Agent is not legally obligated to give to Buyer's Agent the AD form Signed by Seller.
   B. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction.

   Seller's Brokerage Firm ______________________________ License Number ______________
   Is the broker of (check one): ☐ the Seller; or ☐ both the Buyer and Seller (Dual Agent).

   Seller's Agent ______________________________ License Number ______________
   Is (check one): ☐ the Seller's Agent (Salesperson or broker associate); or ☐ both the Buyer's and Seller's Agent (Dual Agent).

   Buyer's Brokerage Firm ______________________________ License Number ______________
   Is the broker of (check one): ☐ the Buyer; or ☐ both the Buyer and Seller (Dual Agent).

   Buyer's Agent ______________________________ License Number ______________
   Is (check one): ☐ the Buyer's Agent (Salesperson or broker associate); or ☐ both the Buyer's and Seller's Agent (Dual Agent).
   C. ☐ More than one Brokerage represents ☐ Seller, ☐ Buyer. See, Additional Broker Acknowledgement (C.A.R. Form ABA).
   D. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☑ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
3. **TERMS OF PURCHASE AND ALLOCATION OF COSTS:** The items in this paragraph are contractual terms of the Agreement. Referenced paragraphs provide further explanation. This form is 15 pages. The Parties are advised to read all 15 pages.

	Paragraph #	Paragraph Title or Contract Term	Terms and Conditions	Additional Terms
A	5, 5B (cash)	**Purchase Price**	$ ______________	☐ All Cash
B(1)	9B(6)	**Inventory Value**	Inventory Estimated Value is (☐ **IS NOT**) included in Purchase Price	Estimated Value: $______________, **OR** ☐ shall be provided within 10 (or ____) Days after Acceptance
B(2)	9B(6)	**Confirmation of Inventory**	To be made by 3rd party **OR** ☐ Buyer ☐ Seller	within 10 (or ____) Days prior to Close of Escrow
C		**Close Of Escrow (COE)**	_____ Days after Acceptance OR on ____________ (date) (mm/dd/yyyy)	
D	43A	**Expiration of Offer**	3 calendar days after all Buyer Signature(s) or ____________ (date) at 5PM or _____ ☐ AM/ ☐ PM	
E(1)	5A(1)	**Initial Deposit Amount**	$ ______________	within 3 (or _____) business days after Acceptance by wire transfer **OR** ☐ ______________
E(2)	5A(2)	☐ **Increased Deposit**	$ ______________	Upon removal of all contingencies **OR** ☐ ______________ (date) **OR** ☐ ______________
F(1)	5C(1)	**Loan Amount(s):** First Interest Rate Points	$ ______________ (_____% of purchase price) Fixed rate or ☐ Initial adjustable rate, • not to exceed _____% • Buyer to pay up to _____ points to obtain rate above	Small Business Administration ☐ Seller Financing (SFA attached) ☐ To be secured by real property ☐ Other: ______________

Buyer's Initials _________/_________ Seller's Initials _________/_________

Business Name:____ Date:________________

	Paragraph #	Paragraph Title or Contract Term	Terms and Conditions	Additional Terms
F(2)	5C(2)	Additional Financed Amount Interest Rate Points	$ ____________ (_____% of purchase price) Fixed rate or ☐ Initial adjustable rate • not to exceed _____% • Buyer to pay up to _____ points to obtain rate above	Seller Financing (SFA attached) ☐ To be secured by real property ☐ Other: __________________
F(3)	5C(4)	☐ Real Property Security: The loan specified in **3F(2)** (☐ **3F(1)**) shall be secured by a first (☐ __________) deed of trust on real property identified as ______________________________________ (☐ TBD within _____ Days after Acceptance) and owned by Buyer or Buyer related individual or entity (☐ ____) in addition to (☐ instead of) being secured by the assets of the Business.		
G	5D	**Balance of Down Payment**	$______________________________	
		PURCHASE PRICE TOTAL	$______________________________	

H(1)		**Seller Credit, if any, to Buyer**	☐ $ _____________	Seller credit to be applied to closing costs OR ☐ Other: __________________
H(2)	**ADDITIONAL FINANCE TERMS:** ____			
I	**Intentionally Left Blank**			
J(1)	5B	**Verification of All Cash** (sufficient funds)	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
J(2)	6A	**Verification of Down Payment and Closing Costs**	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
J(3)	6B	**Verification of Loan Application**	30 (or _____) Days after Acceptance	☐ Lender Letter of Intent OR ☐ Other: __________________
K	30	**Assignment Request**	17 (or _____) Days after Acceptance	
L	8	**CONTINGENCIES**	**TIME TO REMOVE CONTINGENCIES**	**ADDITIONAL INFORMATION**
L(1)	8A	**Loan(s)**	60 (or _____) Days after Acceptance	☐ No loan contingency
L(2)	8B	**Appraisal:** Appraisal contingency based upon appraised value at a minimum of purchase price or ☐ $ __________________	60 (or _____) Days after Acceptance	☐ No appraisal contingency
L(3)	8C, 15	**Investigation of Business** (excluding inventory)	30 (or _____) Days after Acceptance	
		Informational Access to the Business and the Premises on which it is located 45 (or _____) Days after Acceptance Buyer's right to access is for informational purposes only is **NOT** a contingency and does **NOT** create additional cancellation rights for Buyer.		
L(4)	8D	☐ **Environmental Investigation** (Phase 1 or ☐ ________________)	30 (or _____) Days after Acceptance	
L(5)	8E, 17A	**Review of Seller Documents**	30 (or _____) Days after Acceptance, or 10 Days after Delivery, whichever is later	
L(6)	1C, 8F	**Purchase of Real Property**	Through COE if checked in **paragraph 1C**	
L(7)	8G	**Lease** (check all that apply) ☐ Assignment of existing lease ☐ New lease ☐ Option to extend existing lease for an additional _____ year(s) ☐ Sublease with Seller ☐ Other ________________	45 (or _____) Days after Acceptance	Lease application to be submitted by 15 (or _____) Days after Acceptance
L(8)	8H	**Licenses/Permits with city, county, and state, if applicable** (check all that apply) ☐ Alcohol Beverage Control ☐ Tobacco ☐ Professional License ☐ Health Permit ☐ Conditional Use Permit ☐ Business License ☐ Other: ________________	Through COE (or _____ Days after Acceptance)	Application/paperwork to be submitted by 30 (or _____) Days after Acceptance

Business Name:______________________________ Date:________________

L		CONTINGENCIES	TIME TO REMOVE CONTINGENCIES	ADDITIONAL INFORMATION
L(9)	8I	Franchise Agreement Acceptance by Franchisor	30 (or _____) Days after Acceptance Through COE (or _____ Days after Acceptance)	
L(10)	8J, 9B(2)	Review of leased or liened items	30 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
M		**Documents/Fees/Compliance**	**Time for Performance**	
M(1)	15A	Seller Delivery of Documents	7 (or _____) Days after Acceptance	
M(2)	26B	Sign and return Escrow Holder General Provisions, Supplemental Instructions	5 (or _____) Days after Delivery	
M(3)	39	Evidence of representative authority	3 Days after Acceptance	
N	**Assets Included and Excluded**			
N(1)	9	**Assets Included - All assets specified in Paragraph 9B are included AND the following, if checked:** ☐ Alcoholic Beverage Control License (indicate license type): ______________ ☐ Tobacco License(s) ☐ Conditional Use permit ☐ Inventory ☐ ______________; ☐ ______________; ☐ ______________;	☐ ______________; ☐ ______________; ☐ ______________; ☐ ______________; ☐ ______________; ☐ ______________;	
N(2)	9	**Excluded Assets:** ☐ ______________; ☐ ______________; ☐ ______________;		
N(3)	9	**Liabilities Included - Buyer is NOT purchasing any liabilities of the Business EXCEPT items checked below:** ☐ Accounts payable, per attached ☐ Service, maintenance, and advertising agreements, per attached; ☐ City/County/State license;	☐ ______________; ☐ ______________; ☐ ______________; ☐ ______________; ☐ ______________;	
O	**Intentionally Left Blank**			
P	**Allocation of Costs**			
	Paragraph #	**Item Description**	**Who Pays** (if Both is checked, cost to be split equally unless Otherwise Agreed)	**Additional Terms**
P(1)		______________ Report	☐ Buyer ☐ Seller ☐ Both ______________	
P(2)		______________ Report	☐ Buyer ☐ Seller ☐ Both ______________	
P(3)	13B	Environmental Survey (Phase one)	☐ Buyer ☐ Seller ☐ Both ______________	
P(4)	10A 10C(1)	Government Required Point of Sale **inspections**, **reports**	☐ Buyer ☐ Seller ☐ Both ______________	
P(5)	10C(1)	Government Required Point of Sale **corrective/remedial actions**	☐ Buyer ☐ Seller ☐ Both ______________	
P(6)	26B	Escrow Fees	☐ Buyer ☐ Seller ☐ Both ______________ ☐ Each to pay their own fees	Escrow Holder: ______________ ______________
P(7)		**License fees** ☐ Alcohol Beverage Control License ☐ ______________ ☐ ______________	☐ Buyer ☐ Seller ☐ Both ______________ ☐ Buyer ☐ Seller ☐ Both ______________ ☐ Buyer ☐ Seller ☐ Both ______________	
P(8)	10B	Sales and Use Tax	☐ Buyer ☐ Seller ☐ Both ______________	
P(9)	22	UCC Search	☐ Buyer ☐ Seller ☐ Both ______________	
P(10)	21	Publication and Recordation for Bulk Transfer, if applicable	☐ Buyer ☐ Seller ☐ Both ______________	
P(11)	3B, 9B(6)	Confirmation of Inventory	☐ Buyer ☐ Seller ☐ Both ______________	
P(12)		______________ fees or costs	☐ Buyer ☐ Seller ☐ Both ______________	

 Buyer's Initials _________/_________ Seller's Initials _________/_________

Q		**SELLER DISCLOSURES; BUYER INVESTIGATION:** ☐ Inventory, including work progress ☐ Machinery ☐ Furniture, fixtures, and other equipment ☐ Other personal property ☐ Leases ☐ Leasehold improvements ☐ Government licenses and permits ☐ Franchise agreements ☐ Fictitious business name statement ☐ Trade names and trademarks ☐ Logos ☐ Copyrights and patents ☐ Schedule of accounts receivable ☐ Business appraisal ☐ Other assets: ____________ ☐ Other assets: ____________ ☐ Schedule of accounts payable ☐ Other Liabilities: ____________ ☐ Sales tax returns for the years .... _________ to _________ ☐ Federal and state income tax returns for the years .... _________ to _________ ☐ Employment withholding returns for the years .... _________ to _________ ☐ Financial statements for date range .... _________ to _________ ☐ Flash Report/Sale Report/POS System Report for date range .... _________ to _________	☐ Signs and advertising materials ☐ Telephone and fax numbers ☐ Websites, URL names and E-mail addresses ☐ Social Media Accounts ☐ Customer lists ☐ Vendor lists and catalogs ☐ Employee Lists and information ☐ Goodwill ☐ Distribution rights ☐ Agreements not to compete ☐ Computer and customer software ☐ Customer deposits/Gift Certificates ☐ Allocation of Purchase Price ☐ Other assets: ____________ ☐ Other assets: ____________ ☐ Other assets: ____________ ☐ Service/maintenance/advertising agreements	
R	17	**NOTICE OF VIOLATIONS, if any:** ____________ **Seller shall (or ☐ shall not) cure any such Notices by COE (or ☐ 5 Days prior to COE)**		
S	**Obligations after Close Of Escrow**			
		Item Description	**Time**	**Additional Terms**
S(1)	18	Consulting and Training	7 (or _____) days after COE	Not to exceed _____ hours
S(2)	19	☐ Agreement not to compete	_____ years	_______ miles from current location
T	**OTHER TERMS:** ____			

4. **ADDENDA AND ADVISORIES:** (check all that apply)
   ☐ Addendum #___________(C.A.R. Form ADM)
   ☐ Back Up Offer Addendum (C.A.R. Form BUO)
   ☐ Other ______________________________
   ☐ Probate Agreement Purchase Addendum (C.A.R. Form PA-PA)
   ☐ Court Confirmation Addendum (C.A.R. Form CCA)
   ☐ Other ______________________________
5. **ADDITIONAL TERMS AFFECTING PURCHASE PRICE**: Buyer represents that funds will be good when deposited with Escrow Holder.
   A. DEPOSIT:
   (1) **INITIAL DEPOSIT:** Buyer shall deliver deposit directly to Escrow Holder. If a method other than wire transfer is specified in **paragraph 3E(1)** and such method is unacceptable to Escrow Holder, then upon notice from Escrow Holder, delivery shall be by wire transfer.
   (2) **INCREASED DEPOSIT:** Increased deposit to be delivered to Escrow Holder in the same manner as the Initial Deposit. If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount by signing a new liquidated damages clause (C.A.R. Form DID) at the time the increased deposit is delivered to Escrow Holder.
   (3) **RETENTION OF DEPOSIT: Paragraph 40, if initialed by all Parties or otherwise incorporated into this Agreement, specifies a remedy for Buyer's default. Buyer and Seller are advised to consult with a qualified California attorney: (i) Before adding any other clause specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase. Any such clause shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code; and (ii) Regarding possible liability and remedies if Buyer fails to deliver the deposit.**
   B. ALL CASH OFFER: If an all cash offer is specified in **paragraph 3A**, no loan is needed to purchase the Business. This Agreement is NOT contingent on Buyer obtaining a loan. Buyer shall, within the time specified in **paragraph 3J(1)**, Deliver written verification of funds sufficient for the purchase price and closing costs.
   C. LOAN(S):
   (1) **FIRST LOAN:** This loan will provide for Small Business Administration financing **UNLESS** Seller Financing or Other is checked in **paragraph 3F(1)**.
   (2) **ADDITIONAL FINANCED AMOUNT:** If an additional financed amount is specified in **paragraph 3F(2)**, that amount will provide for Seller Financing **UNLESS** Other is checked in **paragraph 3F(2)**.
   (3) **LOAN SECURED BY BUSINESS ASSETS:** Any loan specified in **paragraph 3F** shall be evidenced by a note in favor of Seller or lender secured by the specified assets of the Business, together with a security agreement in the usual and customary form covering all specified assets of the Business, and a UCC-1 filing to be filed with the Secretary of State, which shall include proceeds of collateral. Buyer shall have the right, at Buyer's expense, to conduct a valuation of the assets within the time specified in **paragraph 3L(3)**. If the assets' value is less than the amount of the loan provided for in **paragraph 3F**, then the amount above the assets' value and below the amount in **paragraph 3F** shall become an unsecured loan, unless real property security is also specified in **paragraph 3F**.
   (4) **LOAN SECURED OR CROSS-SECURED BY REAL PROPERTY:** Seller shall Deliver to Buyer the terms of the note and deed of trust within the time for Seller to deliver documents to the Buyer pursuant to **paragraph 3M(1)**. Buyer shall Deliver to Seller approval of the terms of the note and deed of trust within the time for Buyer to remove the Investigation contingency pursuant to **paragraph 3L(3)**.

(5) **BUYER'S LOAN STATUS:** Buyer authorizes Seller and Seller's Authorized Agent to contact Buyer's lender(s) to determine the status of any Buyer's loan specified in **paragraph 3F**, or any alternate loan Buyer pursues, whether or not a contingency of this Agreement. If the contact information for Buyer's lender(s) is different from that provided under the terms of **paragraph 6B**, Buyer shall Deliver the updated contact information within 1 Day of Seller's request.

D. **BALANCE OF PURCHASE PRICE (DOWN PAYMENT) (including all-cash funds)** to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

6. **ADDITIONAL FINANCING TERMS:**

A. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Written verification of Buyer's down payment and closing costs may be made by Buyer or Buyer's lender or loan broker pursuant to **paragraph 6B**.

B. **VERIFICATION OF LOAN APPLICATIONS:** Buyer shall Deliver to Seller, within the time specified in **paragraph 3J(3)** from Buyer's lender or loan broker, a letter of intent to provide the financing specified in **paragraph 3F** or other evidence of financing as specified in **paragraph 3J(3).** If any loan specified in **paragraph 3F** is an adjustable rate loan, the lender letter shall be based on the qualifying rate, not the initial loan rate.

C. **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 specified financing. Buyer shall pursue the financing specified in this Agreement, even if Buyer also elects to pursue an alternative form of financing. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in this Agreement but shall not interfere with closing at the purchase price on the COE date (**paragraph 3C**) even if based upon alternate financing. Buyer's inability to obtain alternate financing does not excuse Buyer from the obligation to purchase the Business and close escrow as specified in this Agreement.

7. **CLOSING AND POSSESSION:**

A. **CONDITION OF BUSINESS ON CLOSING:**

(1) Unless Otherwise Agreed: **(i)** the Business shall be delivered **"As-Is"** in its PRESENT condition as of the date of Acceptance, except for Inventory, as explained below; and **(ii)** all personal property not included in the sale shall be removed by Close Of Escrow or at the time possession is delivered to Buyer, if not on the same date. If items are not removed when possession is delivered to Buyer, all items shall be deemed abandoned. Buyer, after first Delivering to Seller written notice to remove the items within **3 Days**, may pay to have such items removed or disposed of and may bring legal action, as per this Agreement, to receive reasonable costs from Seller.

(2) **Buyer is strongly advised to conduct investigations of the entire Business in order to determine its present condition.**

B. **At Close Of Escrow:** **(i)** Seller assigns to Buyer any assignable warranty rights for items included in the sale; and **(ii)** Seller shall Deliver to Buyer available Copies of any such warranties. Agents cannot and will not determine the assignability of any warranties.

C. Seller shall, on Close Of Escrow unless Otherwise Agreed and even if Seller remains in possession, provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms; any Point of Sale system, along with means to access and operate the system; and all items included in either **paragraph 3N** or **paragraph 9**. If the Business is located in a common interest development, Seller shall be responsible for securing or providing any such items for Association amenities, facilities, and access that is part of this Agreement.

D. **OPERATION OF BUSINESS DURING ESCROW:** During the escrow period and through Close Of Escrow, Seller shall: **(i)** operate the Business diligently and in substantially the same manner as prior to this offer; **(ii)** maintain the goodwill of the Business; **(iii)** keep all equipment and personal property in normal working order.

8. **CONTINGENCIES AND REMOVAL OF CONTINGENCIES:**

A. **LOAN(S):**

(1) This Agreement is, **unless otherwise specified in paragraph 3L(1) or an attached CR form**, contingent upon Buyer obtaining the loan(s) specified. If contingent, Buyer shall act diligently and in good faith to obtain the designated loan(s). **If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Business 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 and Buyer is able to satisfy lender's non-appraisal conditions for closing the loan.**

(2) Buyer is advised to investigate the insurability of the Business as early as possible, as this may be a requirement for lending. Buyer's ability to obtain insurance for the Business, including fire insurance, is part of Buyer's Investigation of Business contingency. Failure of Buyer to obtain insurance may justify cancellation based on the Investigation contingency but not the loan contingency.

(3) Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement, unless Otherwise Agreed.

(4) If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(5) **NO LOAN CONTINGENCY:** If "No loan contingency" is checked in **paragraph 3L(1)**, obtaining any loan specified is NOT a contingency of this Agreement. If Buyer does not obtain the loan specified, and as a result is unable to purchase the Business, Seller may be entitled to Buyer's deposit or other legal remedies.

B. **APPRAISAL:**

(1) This Agreement is, **unless otherwise specified in paragraph 3L(2) or an attached CR form**, contingent upon a written appraisal of the Business by a licensed or certified appraiser at no less than the amount specified in **paragraph 3L(2)**. The appraisal contingency is solely limited to the value determined by the appraisal. For any cancellation based upon this appraisal contingency, Buyer shall Deliver a Copy of the written appraisal to Seller, upon request by Seller.

(2) **NO APPRAISAL CONTINGENCY:** If "No appraisal contingency" is checked in **paragraph 3L(2)**, then Buyer may not use the loan contingency specified in **paragraph 3L(1)** to cancel this Agreement if the sole reason for not obtaining the loan is that the appraisal relied upon by Buyer's lender values the Business at an amount less than that specified in **paragraph 3L(2)**. If Buyer is unable to obtain the loan specified solely for this reason, Seller may be entitled to Buyer's deposit or other legal remedies.

C. **INVESTIGATION OF BUSINESS:** This Agreement is, as specified in **paragraph 3L(3)**, contingent upon Buyer's acceptance of the condition of, and any other matter affecting, the Business.

D. **ENVIRONMENTAL INVESTIGATION:** If checked in **paragraph 3L(4)**, this Agreement is contingent upon Buyer's investigation and acceptance of the condition of any environmental issues, including but not limited to, performing an environmental survey (phase one and phase two, as applicable).

E. **REVIEW OF SELLER DOCUMENTS:** This Agreement is, as specified in **paragraph 3L(5)**, contingent upon Buyer's review and approval of Seller's documents required in **paragraph 15A**.

F. PURCHASE OF REAL PROPERTY: If checked in **paragraph 1C**, this Agreement is, as specified in **paragraph 3L(6)**, contingent upon Buyers ability to purchase and concurrently close escrow on the property in which the Business Operates.

G. LEASE: This Agreement is, as specified in **paragraph 3L(7)**, contingent upon Buyer obtaining any assignment, new lease, option to extend, sublease or other lease selected on terms acceptable to Buyer. Buyer shall submit an application for such lease to Seller's landlord or Seller as applicable within the time specified in **paragraph 3L(7)**.

H. LICENSES:

(1) This Agreement is, as specified in **paragraph 3L(8)**, continent upon Buyer obtaining, or completing the transfer of, the licenses selected. The costs of these licenses shall be paid as indicated in **paragraph 3P(7)**. Buyer is advised to investigate all license requirements before removing this contingency.

(2) **LIQUOR:** If transfer of liquor license is included in this sale, Seller shall comply with the Alcoholic Beverage Control Act concerning such transfer. Escrow shall not close, and no funds shall be transferred to Seller, until Escrow Holder is advised by the State of California Department of Alcoholic Beverage Control that the license transfer has been approved. The costs of such transfer shall be paid as specified in **paragraph 3P(7)**.

I. FRANCHISE: This Agreement is, as specified in **paragraph 3L(9)**, continent upon Buyer's acceptance of the terms of the franchise agreement, and upon Franchisor's acceptance of Buyer.

J. BUYER REVIEW OF LEASED OR LIENED ITEMS CONTINGENCY: Buyer's review of and ability and willingness to assume any lease, maintenance agreement or other ongoing financial obligation, or to accept the Business subject to any lien, disclosed pursuant to **paragraph 9B(2)**, is, as specified in **paragraph 3L(10)**, a contingency of this Agreement. Any assumption of the lease shall not require any financial obligation or contribution by Seller. Seller, after first Delivering a Notice to Buyer to Perform, may cancel this Agreement if Buyer, by the time specified in **paragraph 3L(10)**, refuses to enter into any necessary written agreements to accept responsibility for all obligations of Seller disclosed leased or liened items.

K. REMOVAL OR WAIVER OF CONTINGENCIES WITH OFFER: Buyer shall have no obligation to remove a contractual contingency unless Seller has provided all required documents, reports, disclosures, and information pertaining to that contingency. If Buyer does remove a contingency without first receiving all required information from Seller, Buyer is relinquishing any contractual rights that apply to that contingency. **If Buyer removes or waives any contingencies without an adequate understanding of the Business's condition or Buyer's ability to purchase, Buyer is acting against the advice of Agent.**

L. REMOVAL OF CONTINGENCY OR CANCELLATION:

(1) **For any contingency specified in paragraph 3L, 8, or elsewhere, Buyer shall, within the applicable period specified, remove the contingency or cancel this Agreement.**

(2) For the contingencies for review of Seller Documents Buyer shall, within the time specified in **paragraph 3L** or **5 Days** after Delivery of the applicable Seller Documents, whichever occurs later, remove the applicable contingency in writing or cancel this Agreement.

(3) If Buyer does not remove a contingency within the time specified, Seller, after first giving Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), shall have the right to cancel this Agreement.

9. ASSETS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Assets listed as included or excluded in the Multiple Listing Service (MLS), flyers, marketing materials, or disclosures are NOT included in the purchase price or excluded from the sale unless specified in this paragraph or **paragraph 3N** or as Otherwise Agreed.

B. ASSETS TRANSFERRED:

(1) With the exception of cash or cash equivalents on deposit in any financial institution, and assets excluded in **paragraph 3N**, Buyer is purchasing all assets of the Business, including but not limited to machinery, furniture, fixtures and other equipment, leasehold improvements, transferable government license and permits (other than any Alcoholic Beverage Control license), customer lists, fictitious business names, trade names and trademarks, logos, copyrights and patents, goodwill, signs and advertising material, telephone and fax numbers, web sites, URL names, e-mail addresses, social media and internet accounts, distribution rights, employee lists and information, computer software, customer deposits, and all assets specified as included in **paragraph 3N**, if currently existing and owned by Seller at the time of Acceptance. All items transferred that are leased are subject to the terms of the existing lease(s).

(2) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in **paragraph 3M(1)**, **(i)** disclose to Buyer if any item or system specified in **paragraph 3N** or **9B** or otherwise included in the sale is leased, or not owned by Seller, or is subject to any maintenance or other ongoing financial obligation, or specifically subject to a lien or other encumbrance or loan, and **(ii)** Deliver to Buyer all written materials (such as lease, warranty, financing, etc.) concerning any such item.

(3) Seller represents that all items included in the purchase price, unless Otherwise Agreed, **(i)** are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to **paragraph 9B(2)**, and **(ii)** are transferred without Seller warranty regardless of value.

(4) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.

(5) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

(6) **INVENTORY:**

(A) Unless checked in **paragraph 3B(1)**, inventory price is not included in the purchase price.

(B) Whether or not included in the purchase price, Inventory shall have an estimated value. If not agreed in **paragraph 3B(1)** or elsewhere in the Agreement, Seller shall, within the time specified in **paragraph 3B(1)**, deliver to Buyer an itemized inventory list with an estimated value. The ability to review this document and investigate the inventory included in the Agreement falls within the review of seller document contingency and the investigation contingency.

(C) Parties have the right to confirm the inventory within the time and by the party specified in **paragraph 3B(2)**. If the confirmed value is higher than the estimated value, Buyer shall have the option to pay cash for the additional amount or require Seller to either: **(i)** provide seller financing or **(ii)** to take inventory of Buyer's choosing equal to that excess amount. If the confirmed value is lower than the estimated value, the Seller shall provide a credit to Buyer for the amount of difference between the estimated value and confirmed value.

C. ITEMS EXCLUDED FROM SALE: Unless Otherwise Agreed, all items specified in **paragraph 3N(2)** are excluded from sale.

10. ALLOCATION OF COSTS:

A. INSPECTIONS, REPORTS, TESTS, AND CERTIFICATES: Paragraphs **3P(1-2) and (4)** only determines who is to pay for the inspection, report, test, certificate or service mentioned; **it does not determine who is to pay for any work recommended or identified in any such document. Agreements for payment of required work should be specified elsewhere in paragraph 3Q, or 3S, or in a separate agreement (such as C.A.R. Forms RR, RRRR, ADM or AEA).** Any reports in these paragraphs shall be Delivered in the time specified in **Paragraph 3M(1).**

B. SALES AND USE TAX: The party indicated in **paragraph 3P(9)** shall pay any sales or use tax payable as a result of the sale. Seller shall report and remit to, as applicable, the California Department of Tax and Fee Administration ("CDTFA"), or any other agency required by law, any sales tax due on the sale of furniture, fixture and equipment.

C. GOVERNMENT REQUIREMENTS AND CORRECTIVE OR REMEDIAL ACTIONS:

(1) **POINT OF SALE REQUIREMENTS:**

(A) Point of sale inspections, reports and repairs refer to any such actions required to be completed before or after Close Of Escrow that are required in order to close under any Law. Unless Parties Otherwise Agree to another time period, any such repair shall be completed 5 days prior to Close Of Escrow of Business. If Buyer agrees to pay for any portion of such repair, Buyer, shall **(i)** directly pay to the vendor completing the repair or **(ii)** provide an invoice to Escrow Holder, deposit funds into escrow sufficient to pay for Buyer's portion of such repair and request Escrow Holder pay the vendor completing the repair.

(B) Buyer shall be provided, within the time specified in **paragraph 3M(1)**, unless Parties Otherwise Agree to another time period, a Copy of any required government-conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Business.

(2) **INFORMATION AND ADVICE ON REQUIREMENTS:** Buyer and Seller are advised to seek information from a knowledgeable source regarding local and State mandates and whether they are point of sale requirements or requirements of ownership. Agents do not have expertise in this area and cannot ascertain all of the requirements or costs of compliance.

11. SELLER DISCLOSURES:

A. Seller shall, within the time specified in **paragraph 3M(1)**, provide to Buyer, the lists of items or documents, or Copies thereof, for items checked in **paragraph 3Q**. For each item, as applicable, Seller shall include a statement of whether the item is owned or leased and whether Seller has any legal, proprietary interest, or intellectual property rights in, or restrictions on, the item. Buyer, within the time specified in **paragraph 3L(3)**, shall then investigate the item provided to Buyer.

B. Seller represents that: **(i)** the books and records that Seller provides are those maintained in the ordinary and normal course of business; and **(ii)** federal and state tax returns that seller provides are copies of those filed with the applicable government agencies.

C. PROPOSED ALLOCATION OF PURCHASE PRICE: If applicable, Seller shall, within the time specified in **paragraph 3M(1)**, provide Buyer with a proposed allocation of purchase price (C.A.R. Form BP-APP).

D. VIOLATION NOTICES: Within the time specified in **paragraph 3M(1)**, Seller shall disclose any notice of violations of any Law filed or issued against the Business and actually known to Seller

E. KNOWN MATERIAL FACTS: Seller shall, within the time specified in **paragraph 3M(1)**, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Business, including, but not limited to, known insurance claims within the past five years, or provide Buyer with permission to contact lender to get such information (C.A.R. Form ARC), and make any and all other disclosures required by Law.

F. BUSINESS DISCLOSURE STATEMENT: Seller shall, within the time specified in **paragraph 3M(1)**, complete and provide Buyer with a Business Disclosure Statement (C.A.R. Form BDS).

G. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Business, including but not limited to notices of violation received after acceptance, or any material inaccuracy in disclosures, information, or representations previously provided to Buyer, Seller shall promptly Deliver a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**

12. BUYER'S INVESTIGATION OF BUSINESS AND MATTERS AFFECTING BUSINESS:

A. Buyer shall, within the time specified in **paragraph 3L(3)**, have the right, at Buyer's expense unless Otherwise Agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations").

B. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: **(i)** invasive or destructive Buyer Investigations; or **(ii)** inspections by any governmental building or zoning inspector or government employee, unless required by Law.

C. Seller shall make the Business available for all Buyer Investigations. Seller is not obligated to move any existing personal property. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is delivered to Buyer. Buyer shall, **(i)** by the time specified in **paragraph 3L(3),** complete Buyer Investigations and satisfy themselves as to the condition of the Business, and either remove the contingency or cancel this Agreement, and **(ii)** by the time specified in **paragraph 3L(3)** or **3 Days** after receipt of any Investigation report, whichever is later, give Seller at no cost, complete Copies of all such reports obtained by Buyer, which obligation shall survive the termination of this Agreement. This Delivery of Investigation reports shall not include any appraisal.

D. Buyer indemnity and Seller protection for entry upon the Business and work done on the Property: Buyer shall: **(i)** repair all damage arising from Buyer Investigations; and **(ii)** indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. ENVIRONMENTAL

A. HAZARD CONSULTATION: Buyer and Seller acknowledge: **(i)** Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; **(ii)** Agent(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; **(iii)** Agent(s) has/have made no representation concerning the existence, testing, discovery, location, and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Business; and **(iv)** Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discover, location and evaluation of/for, and risks posed by, environmentally hazardous substances, in any, located on or potentially affecting the Business.

B. **ENVIRONMENTAL STUDY/INVESTIGATION:** Buyer shall have the right to investigate any environmental issues related to the purchase of the Business, including any phase one or phase two environmental study. A phase one environmental survey shall be paid for and obtained by the party indicated in **paragraph 3P(2)**. If Buyer is responsible for obtaining and paying for the survey, Buyer shall act diligently and in good faith to obtain such survey within the time specified in **paragraph 3L(4)**. Buyer has **5 Days** after receiving the survey to remove this portion of the Buyer's Investigation contingency.

14. **TITLE AND VESTING:**

A. The Business shall be owned in the form designated in Buyer's escrow instructions. THE MANNER OF TAKING TITLE AND THE FORM OF OWNERSHIP OF THE BUSINESS MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. BUYER IS ADVISED TO CONSULT AN APPROPRIATE PROFESSIONAL.

B. Seller shall furnish to Buyer bills of sale and other instruments of transfer or assignment necessary to carry out this Agreement.

15. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).**

A. **SELLER DELIVERY OF DOCUMENTS:** Seller shall, within the time specified in **paragraph 3M(1)**, Deliver to Buyer all reports, disclosures and information ("Reports") for which Seller is responsible as specified in **paragraphs 9B(2), 9B(6), 10, 11A, 11C-G, 13, 15A, 17, and 39**.

B. **BUYER REVIEW OF DOCUMENTS; REPAIR REQUEST; CONTINGENCY REMOVAL OR CANCELLATION**

(1) Buyer has the time specified in **paragraph 3** to perform Buyer Investigations; review all disclosures, Reports, lease documents to be assumed by Buyer pursuant to **paragraph 9B(2)**, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Business.

(2) Buyer may, within the time specified in **paragraph 3L(3)**, request that Seller make repairs or take any other action regarding the Business (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests (C.A.R. Form RR or RRRR). If Seller does not agree or does not respond, Buyer is not contractually entitled to have the repairs or other requests made and may only cancel based on contingencies in this Agreement.

(3) Buyer shall, by the end of the times specified in **paragraph 3L** (or as Otherwise Agreed), Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement (C.A.R. Form CR or CC). However, if any report, disclosure, or information for which Seller is responsible, is not Delivered within the time specified in **paragraph 3M(1)**, then Buyer has **5 Days** after Delivery of any such items, or the times specified in **paragraph 3L**, whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement. If Delivery of any Report occurs after a contractual contingency pertaining to that Report has already been waived or removed, the Delivery of the Report does not revive the contingency but there may be a right to terminate for a subsequent or amended disclosure under **paragraph 11G.**

(4) **Continuation of Contingency:** Even after the end of the time specified in **paragraph 3L** and before Seller cancels, if at all, pursuant to **paragraph 15C**, Buyer retains the right, in writing, to either **(i)** remove remaining contingencies, or **(ii)** cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to **paragraph 15C(1)**.

C. **SELLER RIGHT TO CANCEL:**

(1) **SELLER RIGHT TO CANCEL; BUYER CONTINGENCIES:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **SELLER RIGHT TO CANCEL; BUYER CONTRACT OBLIGATIONS:** Seller, after first Delivering to Buyer a Notice to Buyer to Perform, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): **(i)** Deposit funds as required by **paragraph 3E(1)** or **3E(2)** or if the funds deposited pursuant to **paragraph 3E(1)** or **3E(2)** are not good when deposited; **(ii)** Deliver updated contact information for Buyer's lender(s) as required by **paragraph 5C(5)**; **(iii)** Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by **paragraph 5B** or **6A**; **(iv)** Deliver a letter as required by **paragraph 6B**; **(v)** In writing assume or accept leases or liens specified in **paragraph 8J**; **(vi)** Sign or initial a separate liquidated damages form for an increased deposit as required by **paragraph 5A(2)** and **40**; **(vii)** Provide evidence of authority to Sign in a representative capacity as specified in **paragraph 39**; or **(viii)** Perform any additional Buyer contractual obligation(s) included in this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees allocated to Seller in this Agreement and already paid by Escrow prior to cancellation of this Agreement and notification to Escrow.

(3) **SELLER RIGHT TO CANCEL; SELLER CONTINGENCIES:** Seller may cancel this Agreement by good faith exercise of any Seller contingency included in this Agreement, or Otherwise Agreed, so long as that contingency has not already been removed or waived in writing.

D. **BUYER RIGHT TO CANCEL:**

(1) **BUYER RIGHT TO CANCEL; SELLER CONTINGENCIES:** If, by the time specified in this Agreement, Seller does not Deliver to Buyer a removal of the applicable contingency or cancellation of this Agreement, then Buyer, after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees allocated to Seller in the Agreement and already paid by Escrow prior to cancellation of this Agreement and notification to Escrow.

(2) **BUYER RIGHT TO CANCEL; SELLER CONTRACT OBLIGATIONS:** If, by the time specified, Seller has not Delivered any item specified in **paragraph 3M(1)** or Seller has not performed any Seller contractual obligation included in this Agreement by the time specified, Buyer, after first Delivering to Seller a Notice to Seller to Perform, may cancel this Agreement.

(3) **BUYER RIGHT TO CANCEL; BUYER CONTINGENCIES:** Buyer may cancel this Agreement by good faith exercise of any Buyer contingency included in **paragraph 8**, or Otherwise Agreed, so long as that contingency has not already been removed in writing.

E. **NOTICE TO BUYER OR SELLER TO PERFORM:** The Notice to Buyer to Perform or Notice to Seller to Perform shall: **(i)** be in writing; **(ii)** be Signed by the applicable Buyer or Seller; and **(iii)** give the other Party at least **2 Days** after Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform or Notice to Seller to Perform may not be Delivered any earlier than **2 Days** prior to the Scheduled Performance Day to remove a contingency or cancel this Agreement or meet an obligation specified in **paragraph 15**, whether or not the Scheduled Performance Day falls on a Saturday, Sunday or legal holiday. If a Notice to Buyer to Perform or Notice to Seller to Perform is incorrectly Delivered or specifies a time less than the agreed time, the notice shall be deemed invalid and void and Seller or Buyer shall be required to Deliver a new Notice to Buyer to Perform or Notice to Seller to Perform with the specified timeframe.

F. EFFECT OF REMOVAL OF CONTINGENCIES:

(1) **REMOVAL OF BUYER CONTINGENCIES:** If Buyer removes any contingency or cancellation rights, unless Otherwise Agreed, Buyer shall conclusively be deemed to have: **(i)** completed all Buyer Investigations, and review of Reports and other applicable information and disclosures pertaining to that contingency or cancellation right; **(ii)** elected to proceed with the transaction; and **(iii)** assumed all liability, responsibility and expense for the non-delivery of any Reports, disclosures or information outside of Seller's control and for any Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

(2) **REMOVAL OF SELLER CONTINGENCIES:** If Seller removes any contingency or cancellation rights, unless Otherwise Agreed, Seller shall conclusively be deemed to have: **(i)** satisfied themselves regarding such contingency, **(ii)** elected to proceed with the transaction; and **(iii)** given up any right to cancel this Agreement based on such contingency.

G. DEMAND TO CLOSE ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a Demand to Close Escrow (C.A.R. Form DCE). The DCE shall: **(i)** be Signed by the applicable Buyer or Seller; and **(ii)** give the other Party at least **3 Days** after Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** prior to the Scheduled Performance Day for the Close Of Escrow. If a DCE is incorrectly Delivered or specifies a time less than the agreed time, the DCE shall be deemed invalid and void and Seller or Buyer shall be required to Deliver a new DCE.

H. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign and Deliver mutual instructions to cancel the sale and escrow and release deposits, if any, to the Party entitled to the funds, less **(i)** fees and costs paid by Escrow Holder on behalf of that Party, if required by this Agreement; and **(ii)** any escrow fee charged to that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **A release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. Note: Neither Agents nor Escrow Holder are qualified to provide any opinion on whether either Party has acted in good faith or which Party is entitled to the deposited funds. Buyer and Seller are advised to seek the advice of a qualified California real estate attorney regarding this matter.**

16. REPAIRS: Repairs shall be completed prior to final verification of condition unless Otherwise Agreed. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. Buyer acknowledges that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: **(i)** obtain invoices and paid receipts for Repairs performed by others; **(ii)** prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and **(iii)** provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

17. NOTICES OF VIOLATIONS: Seller represents that, to the best of Seller's knowledge, no notices of violations of federal, state, or local statute(s), law(s) or regulation(s) exist, or are filed or issued, that affect the operation of the Business, including any such notices regarding the real property in which the Business is situated ("Notices"), EXCEPT as indicated in **paragraph 3R** or post-acceptance notices of violations as disclosed pursuant to **paragraph 11G**. Should any Notices occur or already exist, and Seller has agreed to cure Notices, Seller shall make a good faith attempt to cure any such Notice. If Seller, after exercise of good faith attempts, is unable to cure the Notice by Close Of Escrow (or 5 Days prior to COE): **(i)** Buyer may cancel this Agreement and Buyer's sole remedy shall be return of deposit(s) and Buyer's reasonable out-of-pocket expenses for inspection reports and appraisal fees under the Agreement, or **(ii)** Buyer may elect to proceed with the transaction with the Notice in place and waives any claim for other damages or compensation arising out of the Notice.

18. CONSULTING AND TRAINING: Seller shall consult with Buyer to show Buyer methods used in operating the Business. Seller shall provide consulting services for the time specified in **paragraph 3S(1)** at no cost to Buyer, which services shall not exceed the number or hours specified in **paragraph 3S(1)**. Seller shall not be responsible for training Buyer in the basics of operating a business of the type being sold pursuant to this Agreement, but only to alert Buyer to the nuances, as determined by Seller, of operating this type of business. NOTE TO BUYER: If you are not already trained in this type of business, you are strongly advised to seek training.

19. AGREEMENT NOT TO COMPETE: As a material part of the consideration of the sale, Seller agrees not to operate or engage in, directly or indirectly, whether as a principal, agent, manager, employee, owner, member, partner, stockholder, director, or officer of a corporation, trustee, consultant, or any other capacity whatsoever, any business the same as, or substantially similar to, or in competition with the Business within the distance and time specified in **paragraph 3S(2)**, so long as Buyer or Buyer's successor-in-interest, is operating the Business in said area.

20. TAX CLEARANCES: Seller shall Deliver to Escrow Holder any clearance documents available from the CDTFA, Employment Development Department (EDD) regarding unemployment insurance withholdings, or FTB. If there is no bulk transfer, Seller shall Deliver to Escrow Holder any documents required for the county tax assessor regarding unsecured property tax bills or, if applicable, file any necessary form with the assessor. No funds shall be released from escrow before such delivery.

21. BULK TRANSFER: Seller shall comply with the Bulk Sales provision of Division 6 of the Uniform Commercial Code, Bulk Transfer Section, and if the bulk sales involves the transfer of a liquor license also Business and Professions Code § 24074.

22. LIENS; ENCUMBRANCES; RESTRICTIONS: Seller warrants that, to the best of Seller's knowledge, there are no undisclosed liens, encumbrances or restrictions upon the Business. If **paragraph 3P(10)** is checked, Escrow Holder shall obtain a UCC search where the property is located and the Business is incorporated.

23. SELLER REPRESENTATIONS: Seller's representations and warranties set forth herein, or in any written statements delivered to Buyer, shall be true and correct at Close Of Escrow, and shall survive the transfer of ownership of the Business.

24. PRORATIONS OF BUSINESS TAXES AND OTHER ITEMS: Unless Otherwise Agreed, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: unsecured property taxes, business taxes, Owner rental payments, interest, OA regular assessments due prior to Close Of Escrow, common area maintenance charges, and payments on bonds and assessments assumed by Buyer. Seller shall pay any OA special or emergency assessments due prior to Close Of Escrow. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: OA special or emergency assessments that are due after Close Of Escrow. Seller agrees all service fees, maintenance costs and utility bills will be paid current up and through the date of Close Of Escrow. TAX BILLS AND UTILITY BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

25. BROKERS AND AGENTS:

A. COMPENSATION: Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Agent: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Business; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Does not have an obligation to conduct an inspection of common areas or areas off the site of the Business; **(v)** Shall not be responsible for identifying defects on the property on which the Business is located, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Business or are known to Agent; **(vi)** Shall not be responsible for inspecting public records or permits concerning the title or use of the Business; **(vii)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(viii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(ix)** Shall not be responsible for determining the fair market value of the Business or any personal property included in the sale; **(x)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(xi)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

C. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Business, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representation in this paragraph.

26. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

A. **The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder,** which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: **paragraphs 1, 3A, 3B, 3D-G, 3N(2), 3Q, 3S, 4A, 4B, 5A(1-2) 5D, 5E, 10B(2)(A), 10B(3), 11A, 11C(2), 16 (except 16D), 17H, 20, 21A, 22, 26, 32, 33, 34, 35, 39, 40, and paragraph 3 of the Real Estate Brokers Section.** If a Copy of the separate compensation agreement(s) provided for in **paragraph 21A** or **paragraph 3 of the Real Estate Brokers Section** is deposited with Escrow Holder by Agent, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned.

B. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller shall Sign and return Escrow Holder's general provisions or supplemental instructions within the time specified in **paragraph 3M(2)**. Buyer and Seller shall execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within **3 Days**, shall pay to Escrow Holder or others any fee required by **paragraphs 3, 8, 10, 11**, or elsewhere in this Agreement.

C. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within **3 Days** after **Acceptance**. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.

D. Agents are not a party to the escrow except for the sole purpose of receiving compensation pursuant to **paragraph 25A and paragraph 3 of the Real Estate Brokers Section**. If a Copy of the separate compensation agreement(s) provided for in either of those paragraphs is deposited with Escrow Holder by Agent, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s).Buyer and Seller irrevocably assign to Brokers compensation specified in **paragraph 25A**, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.

E. Buyer and Seller acknowledge that Escrow Holder may require invoices for expenses under this Agreement. Buyer and Seller, upon request by Escrow Holder, within **3 Days** or within a sufficient time to close escrow, whichever is sooner, shall provide any such invoices to Escrow Holder.

F. Upon receipt, Escrow Holder shall provide Buyer, Seller, and each Agent verification of Buyer's deposit of funds pursuant to **paragraph 5A(1) and 5A(2)**. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify each Agent: **(i)** if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or **(ii)** if Buyer and Seller instruct Escrow Holder to cancel escrow.

G. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within **3 Days** after mutual execution of the amendment.

27. **SELECTION OF SERVICE PROVIDERS:** Agents do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Agent or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

28. **MULTIPLE LISTING SERVICE ("MLS"):** Agents are authorized to report to the MLS that an offer has been accepted and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS. Buyer acknowledges that: **(i)** any pictures, videos, floor plans (collectively, "Images") or other information about the Business that has been or will be inputted into the MLS or internet portals, or both, at the instruction of Seller or in compliance with MLS rules, will not be removed after Close Of Escrow; **(ii)** California Civil Code § 1088(c) requires the MLS to maintain such Images and information for at least three years and as a result they may be displayed or circulated on the Internet, which cannot be controlled or removed by Seller or Agents; and **(iii)** Seller, Seller's Agent, Buyer's Agent, and MLS have no obligation or ability to remove such Images or information from the Internet.

29. **ATTORNEY FEES AND COSTS:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in **paragraph 41A**.

30. ASSIGNMENT/NOMINATION: Buyer shall have the right to assign all of Buyer's interest in this Agreement to Buyer's own trust or to any wholly owned entity of Buyer that is in existence at the time of such assignment. Otherwise, Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Prior to any assignment, Buyer shall disclose to Seller the name of the assignee and the amount of any monetary consideration between Buyer and assignee. Buyer shall provide assignee with all documents related to this Agreement including, but not limited to, the Agreement and any disclosures. If assignee is a wholly owned entity or trust of Buyer, that assignee does not need to re-sign or initial all documents provided. Whether or not an assignment requires Seller's consent, at the time of assignment, assignee shall deliver a letter from assignee's lender that assignee is prequalified or preapproved as specified in **paragraph 6B**. Should assignee fail to deliver such a letter, Seller, after first giving Assignee an Notice to Buyer to Perform, shall have the right to terminate the assignment. Buyer shall, within the time specified in **paragraph 3K**, Deliver any request to assign this Agreement for Seller's consent. If Buyer fails to provide the required information within this time frame, Seller's withholding of consent shall be deemed reasonable. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless Otherwise Agreed by Seller (C.A.R. Form AOAA). Parties shall provide any assignment agreement to Escrow Holder within 1 Day after the assignment. Any nomination by Buyer shall be subject to the same procedures, requirements, and terms as an assignment as specified in this paragraph.

31. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.

32. AMERICANS WITH DISABILITIES ACT: The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. Residential properties are not typically covered by the ADA, but may be governed by its provisions if used for certain purposes. The ADA can require, among other things, that building be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Business is not in compliance. A real estate broker or agent does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact a qualified California real estate attorney, contractor, architect, engineer, or other qualified professional of Buyer or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

33. RISK OF LOSS: Any risk of loss to the Business shall be borne by Seller until ownership has been transferred to Buyer.

34. ANTI-DISCRIMINATION LAWS: The Business is sold in compliance with federal, state and local anti-discrimination Laws.

35. COPIES: Seller and buyer each represent that Copies of all reports, certificates, approvals, and other documents that are furnished to the other are true, correct, and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.

36. DEFINITIONS and INSTRUCTIONS: The following words are defined terms in this Agreement, shall be indicated by initial capital letters throughout this Agreement, and have the following meaning whenever used:

A. "Acceptance" means the time the offer or final counter offer is fully executed, in writing, by the recipient Party and is Delivered to the offering Party or that Party's Authorized Agent.

B. "Agent" means the Broker, salesperson, broker-associate or any other real estate licensee licensed under the brokerage firm identified in **paragraph 2B**.

C. "Agreement" means this document and any counter offers and any incorporated addenda or amendments, collectively forming the binding agreement between the Parties. Addenda and amendments are incorporated only when Signed and Delivered by all Parties.

D. "As-Is" condition: Seller shall disclose known material facts and defects as specified in this Agreement. Buyer has the right to inspect the Business and, within the time specified, request that Seller make repairs or take other corrective action, or exercise any contingency cancellation rights in this Agreement. Seller is only required to make repairs specified in this Agreement or as Otherwise Agreed.

E. "Authorized Agent" means an individual real estate licensee specified in the Real Estate Broker Section.

F. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the Parties.

G. "Close Of Escrow", including "COE", means the date of Delivery of the bill(s) of sale and other instruments necessary to transfer or assign the Business and its assets.

H. "Copy" means copy by any means including photocopy, facsimile and electronic.

I. Counting Days is done as follows unless Otherwise Agreed: (1) The first Day after an event is the first full calendar date following the event, and ending at 11:59 pm. For example, if a Notice to Buyer to Perform (C.A.R. form NBP) is Delivered at 3 pm on the 7th calendar day of the month, or Acceptance of a counter offer is personally received at 12 noon on the 7th calendar day of the month, then the 7th is Day "0" for purposes of counting days to respond to the NBP or calculating the Close Of Escrow date or contingency removal dates and the 8th of the month is Day 1 for those same purposes. (2) All calendar days are counted in establishing the first Day after an event. (3) All calendar days are counted in determining the date upon which performance must be completed, ending at 11:59 pm on the last day for performance ("Scheduled Performance Day"). (4) After Acceptance, if the Scheduled Performance Day for any act required by this Agreement, including Close Of Escrow, lands on a Saturday, Sunday, or Legal Holiday, the performing party shall be allowed to perform on the next day that is not a Saturday, Sunday or Legal Holiday ("Allowable Performance Day"), and ending at 11:59 pm. "Legal Holiday" shall mean any holiday or optional bank holiday under Civil Code §§ 7 and 7.1 and any holiday under Government Code § 6700. (5) For the purposes of COE, any day that the Recorder's office in the County where the Business is located is closed or any day that the lender or Escrow Holder under this Agreement is closed, the COE shall occur on the next day the Recorder's office in that County, the lender, and the Escrow Holder are open. (6) COE is considered Day 0 for purposes of counting days Seller is allowed to remain in possession, if permitted by this Agreement.

J. "Day" or **"Days"** means calendar day or days. However, delivery of deposit to escrow is based on business days.

K. "Deliver", "Delivered" or "Delivery" of documents, unless Otherwise Agreed, means and shall be effective upon personal receipt of the document by Buyer or Seller or their Authorized Agent. Personal receipt means **(i)** a Copy of the document, or as applicable, link to the document, is in the possession of the Party or Authorized Agent, regardless of the Delivery method used (i.e. e-mail, text, other), or **(ii)** an electronic Copy of the document, or as applicable, link to the document, has been sent to any of the designated electronic delivery addresses specified in the Real Estate Broker Section on page 16. After Acceptance, Agent may change the designated electronic delivery address for that Agent by, in writing, Delivering notice of the change in designated electronic delivery address to the other Party. Links could be, for example, to DropBox or GoogleDrive or other functionally equivalent program. If the recipient of a link is unable or unwilling to open the link or download the documents or otherwise prefers Delivery of the documents directly, Recipient of a link shall notify the sender in writing, within **3 Days** after Delivery of the link (C.A.R. Form RFR). In such case, Delivery shall be effective upon Delivery of the documents and not the link. Failure to notify sender within the time specified above shall be deemed consent to receive, and Buyer opening, the document by link.

L. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party. Unless Otherwise Agreed, Buyer and Seller agreed to the use of Electronic Signatures.

M. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.

N. **"Legally Authorized Signer"** means an individual who has authority to Sign for the principal as specified in **paragraph 43** or **paragraph 44**.

O. **"Otherwise Agreed"** means an agreement in writing, signed by both Parties and Delivered to each.

P. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Business provided for under this Agreement.

Q. **"Sign" or "Signed"** means either a handwritten or Electronic Signature on an original document, Copy or any counterpart.

37. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Business on the terms and conditions herein. The individual Liquidated Damages and Arbitration of Disputes paragraphs are incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a Counter Offer or addendum. **If at least one but not all Parties initial, a Counter Offer is required until agreement is reached**. Seller has the right to continue to offer the Business for sale and to accept any other offer at any time prior to notification of Acceptance and to market the Business for backup offers after Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing. By signing this offer or any document in the transaction, the Party Signing the document is deemed to have read the document in its entirety.

38. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties are incorporated in this Agreement. 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. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as Otherwise Agreed, this Agreement shall be interpreted, and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller**.

39. LEGALLY AUTHORIZED SIGNER: Wherever the signature or initials of the Legally Authorized Signer identified in **paragraph 43** or **44** appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer **(i)** represents that the entity for which that person is acting already exists and is in good standing to do business in California and **(ii)** shall Deliver to the other Party and Escrow Holder, within as specified in **paragraph 3N(5)**, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

40. LIQUIDATED DAMAGES:

If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE 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 DID).

Buyer's Initials _______/_______ **Seller's Initials _______/_______**

41. MEDIATION:

A. The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. The mediation shall be conducted through the C.A.R. Real Estate Mediation Center for Consumers **(www.consumermediation.org)** or through any other mediation provider or service mutually agreed to by the Parties. The Parties **also agree to mediate any disputes or claims with Agents(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Agent**. Mediation fees, if any, shall be divided equally among the Parties involved, and shall be recoverable under the prevailing party attorney fees clause. If, for any dispute or claim to which this paragraph applies, any Party **(i)** commences an action without first attempting to resolve the matter through mediation, or **(ii)** before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. **ADDITIONAL MEDIATION TERMS: (i) Exclusions from this mediation agreement are specified in paragraph 42B; (ii) The obligation to mediate does not preclude the right of either Party to seek a preservation of rights under paragraph 42C; and (iii) Agent's rights and obligations are further specified in paragraph 42D. These terms apply even if the Arbitration of Disputes paragraph is not initialed.**

42. ARBITRATION OF DISPUTES:

A. The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Agents(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Agent. The arbitration shall be conducted through any arbitration provider or service mutually agreed to by the Parties. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional Business Law experience, unless the Parties mutually agree to a different arbitrator. Enforcement of, and any motion to compel arbitration pursuant to, this agreement to arbitrate shall be governed by the procedural rules of the Federal Arbitration Act, and not the California Arbitration Act, notwithstanding any language seemingly to the contrary in this Agreement. The Parties shall have the right to discovery in accordance with Code of Civil Procedure § 1283.05. The arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction.

B. EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) Any matter that is within the jurisdiction of a probate, small claims or bankruptcy court; (ii) an unlawful detainer action; and (iii) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code § 2985.

C. PRESERVATION OF ACTIONS: The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, provided the filing party concurrent with, or immediately after such filing, makes a request to the court for a stay of litigation pending any applicable mediation or arbitration proceeding; or (iii) the filing of a mechanic's lien.

D. AGENTS: Agents shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Agents(s) participating in mediation or arbitration shall not be deemed a party to this Agreement.

E. "NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _______/_______ Seller's Initials _______/_______

43. OFFER

A. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless by the date and time specified in **paragraph 3C**, the offer is Signed by Seller and a Copy of the Signed offer is Delivered to Buyer or Buyer's Authorized Agent. **Seller has no obligation to respond to an offer made.**

B. ☐ **ENTITY BUYERS: (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)**

(1) One or more Buyers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
(2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See **paragraph 39** for additional terms.
(3) The name(s) of the Legally Authorized Signer(s) is/are: ______________________________________.
(4) If a trust, identify Buyer as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
(5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #:
____.

C. The BPA has 15 pages. Buyer acknowledges receipt of, and has read and understands, every page and all attachments that make up the Agreement.

D. BUYER SIGNATURE(S):

(Signature) By, ____ **Date:** ____________
Printed name of BUYER: ____
☐ Printed Name of Legally Authorized Signer: ______________________ Title, if applicable, ____________
(Signature) By, ____ **Date:** ____________
Printed name of BUYER: ____
☐ Printed Name of Legally Authorized Signer: ______________________ Title, if applicable, ____________

☐ IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

44. ACCEPTANCE

A. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Business or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Business on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement and authorizes Agent to Deliver a Signed Copy to Buyer.

Seller's acceptance is subject to the attached Counter Offer or Back-Up Offer Addendum, or both, checked below. Seller shall return and include the entire agreement with any response.

☐ **Seller Counter Offer** (C.A.R. Form SCO or SMCO)
☐ **Back-Up Offer Addendum** (C.A.R. Form BUO)

B. ☐ **Entity Sellers: (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure form (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)**

(1) One or more Sellers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
(2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See **paragraph 39** for additional terms.
(3) The name(s) of the Legally Authorized Signer(s) is/are: ____________________,____________________.
(4) If a trust, identify Seller as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
(5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #:
____.

C. The BPA has 15 pages. Seller acknowledges receipt of, and has read and understands, every page and all attachments that make up the Agreement.

D. SELLER SIGNATURE(S):

(Signature) By, ____ **Date:** __________

Printed name of SELLER: ____

☐ Printed Name of Legally Authorized Signer: __________________________ Title, if applicable, __________

(Signature) By, ____ **Date:** __________

Printed name of SELLER: ____

☐ Printed Name of Legally Authorized Signer: __________________________ Title, if applicable, __________

☐ IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

OFFER NOT ACCEPTED: ______/______ No Counter Offer is being made. This offer was not accepted by Seller __________(date)
Seller's Initials

Business Name:____ Date:________________

REAL ESTATE BROKERS SECTION:

1. **Real Estate Agents are not parties to the Agreement between Buyer and Seller.**
2. **Agency relationships are confirmed as stated in paragraph 2.**
3. **Cooperating Broker Compensation:** Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Business is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Business is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.
4. **Presentation of Offer:** Pursuant to the National Association of REALTORS® Standard of Practice 1-7, if Buyer's Agent makes a written request, Seller's Agent shall confirm in writing that this offer has been presented to Seller.
5. **Agents' Signatures and designated electronic delivery address:**

A. Buyer's Brokerage Firm ____________________________ Lic. #________________

By____________________________ Lic.#____________ Date____________

By____________________________ Lic.#____________ Date____________

Address____________________ City ____________ State _____ Zip ______

Email ____________________________ Phone # ________________

☐ More than one agent from the same firm represents Buyer. Additional Agent Acknowledgement (C.A.R. Form AAA) attached.
☐ More than one brokerage firm represents Buyer. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

Designated Electronic Delivery Address(es) (check all that apply):

☐ Email above ☐ Text to Phone # above ☐ Alternate: ________________________

B. Seller's Brokerage Firm ____________________________ Lic. #________________

By____________________________ Lic.#____________ Date____________

By____________________________ Lic.#____________ Date____________

Address____________________ City ____________ State _____ Zip ______

Email ____________________________ Phone # ________________

☐ More than one agent from the same firm represents Seller. Additional Agent Acknowledgement (C.A.R. Form AAA) attached.
☐ More than one brokerage firm represents Seller. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

Designated Electronic Delivery Address(es) (To be filled out by Seller's Agent) (check all that apply):

☐ Email above ☐ Text to Phone # above ☐ Alternate: ________________________

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of $ ____________), Counter Offer numbers ____________________ and _______________, and agrees to act as Escrow Holder subject to **paragraph 26** of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised by ____________________ that the date of Acceptance of the Agreement is ____________

Escrow Holder ____________________________ Escrow # ________________

By____ Date____________

Address ____

Phone/Fax/E-mail____

Escrow Holder has the following license number # ________________
☐ Department of Financial Protection and Innovation, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: ________/_______ Seller's Brokerage Firm presented this offer to Seller on ______________(date).
Broker or Designee Initials

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Buyer's Initials ________/_________ Seller's Initials ________/_________

EQUAL HOUSING OPPORTUNITY

CALIFORNIA ASSOCIATION OF REALTORS®

BUSINESS DISCLOSURE STATEMENT
(C.A.R. Form BDS, Revised 12/23)

This Business Disclosure Statement is provided in connection with the Business Purchase Agreement OR ☐ Other ______________ ("Agreement"), dated ____________, for the business ______________ (name), that is situated at ______________ (address), ______________ (City), ______________ (County), California, __________ (Zip Code) ("Business"), between ______________ ("Buyer"), and ______________ ("Seller").

1. **INTENT AND PURPOSE:** This Business Disclosure Statement ("BDS") is provided by the Seller(s) signing below, regarding the Business, as: **(i)** a tool to assist in establishing the listing price; **(ii)** a disclosure of material facts regarding the operation of the Business; and **(iii)** a proposal of items to be included in or excluded from the offering of the Business for sale. **The BDS is for information purposes only and is not part of any agreement.** Seller authorizes Broker to provide this BDS to prospective buyers. SELLER DECLARES THAT THE INFORMATION PROVIDED HEREIN IS BASED ON FIGURES SUPPLIED BY SELLER AND THAT SELLER INTENDS THAT BROKERS AND PROSPECTIVE BUYERS RELY ON SUCH INFORMATION. SELLER HAS DOCUMENTATION SUPPORTING SUCH FIGURES AND AGREES TO PROVIDE SUPPORTING DOCUMENTATION UPON REQUEST. **BROKER HAS NOT INDEPENDENTLY VERIFIED THE INFORMATION PROVIDED HEREIN.**
2. **RELATION TO PURCHASE AGREEMENT**: Seller acknowledges that: **(i)** the agreement between Seller and buyer supersedes any intention expressed in the BDS and will ultimately determine which items are either included in or excluded from the agreement; and **(ii)** Broker is not responsible for and does not guarantee that the items included or excluded in the BDS will be in the agreement.
3. **SELLER WARRANTY:** Seller warrants the accuracy of the information furnished herein, or as modified hereafter, with respect to the Business. SELLER FURTHER WARRANTS THAT, EXCEPT AS SPECIFIED IN WRITING, SELLER HAS GOOD AND MARKETABLE TITLE TO THE BUSINESS AND PERSONAL PROPERTY THAT ARE OFFERED FOR SALE.
4. **ITEMS POTENTIALLY AVAILABLE FOR SALE:** The following items, if checked, may be included in the offer to sell, subject to any lessor rights, transferability and disclosed restrictions. Identifying items in this paragraph does not necessarily mean the items are or will be part of the purchase price:

☐ Inventory, including work progress
☐ Machinery
☐ Furniture, fixtures, and other equipment
☐ Other personal property
☐ Leases
☐ Leasehold improvements
☐ Government licenses and permits
☐ Franchise agreements
☐ Fictitious business name statement
☐ Trade names and trademarks
☐ Logos
☐ Copyrights and patents
☐ Schedule of accounts receivable
☐ Business appraisal
☐ Other assets: ______________
☐ Other assets: ______________
☐ Schedule of accounts payable
☐ Signs and advertising materials
☐ Telephone and fax numbers
☐ Websites, URL names and E-mail addresses
☐ Social Media Accounts
☐ Customer lists
☐ Vendor lists and catalogs
☐ Employee lists and information
☐ Goodwill
☐ Distribution rights
☐ Agreements not to compete
☐ Computer and customer software
☐ Customer deposits/Gift Certificates
☐ Allocation of Purchase Price
☐ Other assets: ______________
☐ Other assets: ______________
☐ Other assets: ______________
☐ Service/maintenance/advertising agreements
☐ Other Liabilities: ______________
☐ Sales tax returns for the years.................. __________ to __________
☐ Federal and state income tax returns for the years.................. __________ to __________
☐ Employment withholding returns for the year.................. __________ to __________
☐ Financial statements for date range.................. __________ to __________
☐ Flash Report/Sale Report/POS System Report for date range...... __________ to __________

5. **ITEMS EXCLUDED FROM OFFER TO SELL:** The following items are not included in the offer to sell: ______________
6. **APPROXIMATE VALUE OF CURRENT INVENTORY, including work in progress:** $______________
7. **PREMISES INFORMATION:**
   A. **EXISTING LEASE:**
   (1) Current monthly base rent $ ______________. Average CAM* or NNN monthly expenses $ ______________
   (2) Lease term: ☐ Month-to-month ☐ Fixed term ending on ______________. ☐ Option(s) (explain) ______________
   (3) Lease deposit amount $ ______________
   (4) Lease assumable or assignable ☐ Yes ☐ No
   (5) Rent increases ☐ Yes ☐ No (explain) ______________
   (6) Percentage rent ☐ Yes ☐ No (explain) ______________
   (7) ☐ Other lease terms (see attached lease agreement)
   (8) Landlord ______________ Telephone ______________

Seller's Initials ________/________

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Business: ____ Date: __________

B. FACILITY:

(1) Building size (approximate) __________ sq. ft. Lot Size (approximate) __________ sq. ft.
(2) Building type: ☐ Freestanding, ☐ Strip center, ☐ In line, ☐ In mall (name) ______________________________
(3) ☐ In major shopping center (name) ______________, anchor tenant (name) ______________________________
(4) ☐ Other ____
(5) Square footage of Business location ____
(6) Maximum occupancy (seating) of Business location ______________________________________
(7) Parking: Total number of on-site parking spaces ____________ ☐ Number specifically reserved for Business ________
Off-site parking (explain) ____
(8) Additional building information ____
____
____

C. ☐ **REAL PROPERTY:** (If checked) Seller owns the real property on which the Business operates. If the real property is not being sold, Seller's proposed lease terms are (explain, or ☐ see attached) ______________________

8. FINANCIAL INFORMATION FOR THE MOST RECENT YEAR-TO-DATE AND THE PRECEDING THREE YEARS: OR (if checked) ☐ see attached Schedule C, ☐ Profit and Loss statement.

SELLER REPRESENTS THAT: (i) THE BOOKS AND RECORDS THAT SELLER PROVIDES ARE THOSE MAINTAINED IN THE ORDINARY AND NORMAL COURSE OF BUSINESS; AND (ii) FEDERAL AND STATE TAX RETURNS THAT SELLER PROVIDES ARE COPIES OF THOSE FILED WITH THE APPLICABLE GOVERNMENTAL AGENCY.

	YEAR-TO-DATE ____________	**YEAR**________	**YEAR**_______	**YEAR**_______
A. Total Sales	$____________	$____________	$___________	$___________
B. Cost of Goods Sold	$____________	$____________	$___________	$___________
C. Gross Profit	$____________	$____________	$___________	$___________
D. Expenses				
Rent	$____________	$____________	$___________	$___________
CAM* charges	$____________	$____________	$___________	$___________
Utilities	$____________	$____________	$___________	$___________
Telephone	$____________	$____________	$___________	$___________
Insurance	$____________	$____________	$___________	$___________
Repairs	$____________	$____________	$___________	$___________
Licenses and Permits	$____________	$____________	$___________	$___________
Sales tax	$____________	$____________	$___________	$___________
Supplies	$____________	$____________	$___________	$___________
Equipment rental	$____________	$____________	$___________	$___________
Accounting	$____________	$____________	$___________	$___________
Advertising	$____________	$____________	$___________	$___________
Payroll	$____________	$____________	$___________	$___________
Payroll tax	$____________	$____________	$___________	$___________
Workers compensation	$____________	$____________	$___________	$___________
Employee benefits	$____________	$____________	$___________	$___________
Other _____________	$____________	$____________	$___________	$___________
Other _____________	$____________	$____________	$___________	$___________
Other _____________	$____________	$____________	$___________	$___________
E. Total Expenses	$____________	$____________	$___________	$___________
F. Net Profit	$____________	$____________	$___________	$___________

***Common Area Maintenance**

9. BUSINESS INFORMATION:

A. FORM OF OWNERSHIP: ☐ Sole Proprietor; ☐ Partnership; ☐ Corporation (type: ☐ S ☐ C); ☐ Limited Liability Company; ☐ Other ____

B. SPECIAL LICENSES: Operation of the Business requires the following licenses or permits:
(1) ☐ City license ____
(2) ☐ State license ____
(3) ☐ ABC license (type: ☐ 41 ☐ 47 ☐ 48 ☐ Other ______________________)
(4) ☐ Other ____
NOTICE: The transfer of some or all of the licenses required to operate the Business may be subject to regulatory approval. If any licenses are included in the purchase price, their transfer is subject to such approval, if required.

C. VIOLATION NOTICES: ____.

D. OWNER SALARY/DRAW: $________________ per ☐ week, ☐ month ☐ Other: ______________________
Approximate number of hours worked per week ________, OR ☐ Absentee Owner

E. FRANCHISE: The Business ☐ is ☐ is not a franchise. Transfer of the Business must be approved by Franchisor: ☐ Yes ☐ No
Franchisor's name: ____
Telephone number ________________ Transfer fee $ ______________

F. FURNITURE, FIXTURES, MACHINERY AND EQUIPMENT:
(1) Approximate value of machinery...$ ______________
(2) Approximate value of furniture, fixtures and other equipment.......$ ______________

Seller's Initials _________/_________

Business: ____ Date: ____________

G. OPERATIONS:

(1) Employees: Approximate total number of employees __________. Full time __________; Part time __________

(2) Hours/Days/Holidays:

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Holidays ____________	Holidays ____________
Time Open									
Time Closed									

(3) Holidays Closed: ____

(4) Business established ____________

(5) Present owner since ____________

(6) Reason for sale ____

____

10. ADDITIONAL DISCLOSURES: ____

____

____

____

____

Seller represents that Seller has the authority to execute this Statement and that all information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller represents that the books and records provided by Seller are those maintained in the ordinary and normal course of business.

Seller ____ Date ____________

Seller ____ Date ____________

By signing below, Buyer acknowledges that Buyer has read, understands, and has received a copy of this Business Disclosure Statement. Buyer further acknowledges that: (i) the agreement between Owner and buyer supersedes any intention expressed in the BDS and will ultimately determine which items are either included in or excluded from the sale; and (ii) Broker is not responsible for and does not guarantee that the items included or excluded in the BDS will be in the agreement.

Buyer ____ Date ____________

Buyer ____ Date ____________

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BUSINESS PURCHASE – FURNITURE, FIXTURES, AND EQUIPMENT

(C.A.R. Form BP-FFE, 12/23)

This itemization of Furniture, Fixtures, and Equipment is provided in connection with the Business Purchase Agreement OR ☐ Other ____ ("Agreement"),
dated ______________, for the business ____ (name),
that is situated at ____ (address),
______________________________ (City), ________________________ (County), California, __________ (Zip Code) ("Business"),
between ____ ("Buyer"),
and ____ ("Seller").

The following is an itemization of the Furniture, Fixtures, and Equipment included:

Item/Description	Estimated Age	Leased/ Owned	Taxable Value (Estimated)	Non-Tax Value (Estimated)
		Subtotal		
Total Estimated Taxable and Non-Taxable Furniture, Fixtures, and Equipment				

Buyer ____ Date ______________
Buyer ____ Date ______________

Seller ____ Date ______________
Seller ____ Date ______________

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BUSINESS PURCHASE – ALLOCATION OF PURCHASE PRICE
(C.A.R. Form BP-APP, 12/23)

This Allocation of Purchase Price is provided in connection with the Business Purchase Agreement OR ☐ Other ________________ ____ ("Agreement"), dated ____________, for the business ____ (name), that is situated at ____ (address), ______________________ (City), ______________________ (County), California, __________ (Zip Code) ("Property"), between ____ ("Buyer"), and ____ ("Seller").

The following is the Allocation of the Purchase Price:

Category	Additional Description	Amount
Furniture, Fixtures, and Equipment		
• Taxable:		
• Non-Taxable:		
Inventory:		
ABC License:		
Other Licenses:		
Lease:		
Leasehold Improvements:		
Agreement Not To Compete:		
Goodwill:		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		
	TOTAL PURCHASE PRICE	

By signing below, Buyer and Seller each acknowledge that they have read, understand, agree to, and have received a copy of this Business Purchase – Allocation of Purchase Price. Buyer and Seller acknowledge that allocation of purchase price may have legal, regulatory, and tax consequences and Parties are advised to consult with the appropriate professionals.

Buyer ____ Date ____________

Buyer ____ Date ____________

Seller ____ Date ____________

Seller ____ Date ____________

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BUSINESS PURCHASE - EMPLOYEE CERTIFICATE OF EMPLOYMENT TERMS
(C.A.R. Form BP-ECET Revised 12/23)

Employee: ____

Employer: ____
____
____

To: ____ ____
____ ____
____ ____
Attn: ____ Attn: ____

To all interested parties:

1. The undersigned is the Employee of the above Employer under the following terms:
   - A. (☐ If checked) A copy of Employee's employment contract with Employer is attached
   - B. Date of commencement of employment: ________________
   - C. (☐ If checked) Employee is an "at will" employee
   - D. (☐ If checked) Employee's term of employment expires ________________
   - E. Wages: Per hour: $__________ Number of hours per week: _______ Total: ___________ week/month
     Salary: $________________ Total: ___________ week/month
   - F. Commissions: Employee is entitled to commissions on the following terms: ______________________________
     ____
     ____
     ____
     ____
   - G. Sick leave accumulated: _________________ hours, $______________________
   - H. Paid vacation accumulated: _________________ hours, $______________________
   - I. Pension Participation: ☐ Yes, ☐ No
     IRA: ☐ Yes, ☐ No Amount $______________________
     Keogh: ☐ Yes, ☐ No Amount $______________________
     401(k): ☐ Yes, ☐ No Amount $______________________
   - J. Pay period (check box that applies): ☐ Weekly, ☐ Biweekly, ☐ Twice monthly, ☐ Monthly
   - K. Last pay period: ______________________
   - L. Amount, if any still owing as of: (date) _____________ $______________________
   - M. Additional employee benefits (such as but not only, car allowance, cell phones, education reimbursement, health/fitness, bonuses): ____
2. Employee represents that the above terms and, if applicable, the employment contract attached, remain in full force and effect and constitute the entire employment agreement between Employee and Employer, except for the following:
   ____
   ____
3. Employee further represents that, except as set forth above, there are no verbal or written agreements or understandings between Employee and Employer modifying the terms of the employment agreement.
4. Except as set forth above, Employer has fully performed all of its obligations under the employment agreement.
5. Employee understands that: (a) a lender may make a loan secured in whole or part by Employer's business and that if it does so, its action will be in material reliance on this statement; and/or (b) a buyer may acquire Employer's business and if buyer completes the purchase, buyer will do so in material reliance on this statement.

Employee signature ____ Date ______________

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