



PURCHASE AGREEMENT FOR NOTE AND TRUST DEED

Prepared by: Agent _____
Broker _____

Phone _____
Email _____

NOTE: This form is used by a loan broker when arranging the purchase by a trust deed investor of an existing trust deed note held out for sale, to prepare an offer stating the price and conditions for purchase of the trust deed note.

DATE: _____, 20____, at _____, California.
Items left blank or unchecked are not applicable.

FACTS:

1. This agreement is entered into by _____, as the Seller(s), and _____, as the Buyer(s). The Note being sold and purchased is dated _____, in the face amount of \$_____, executed by _____, payable to _____.

1.1 The Note is current, with a remaining principal balance of \$_____, payable \$_____, or more, on the _____ day of each consecutive, third, sixth or twelfth month, including interest at _____% per annum, with a final/balloon payment due on _____, 20____ in the amount of \$_____.

1.2 The Note or its Trust Deed contains provisions for: due-on-sale; prepayment penalty of _____; late charge of \$_____ after a _____ day grace period; impounds for taxes/insurance to be transferred to Buyer on closing.

1.3 The Note is, or is not, subject to the purchase money, anti-deficiency provisions of the California Code of Civil Procedure §580b.

2. The Note is secured by a Trust Deed of same date recorded _____, as Instrument No. _____, in _____ County Records, California, executed by _____, as the Trustor, in which _____ is the Beneficiary.

2.1 The real estate securing the Note under the Trust Deed is referred to as _____
_____.

Assessor's parcel number for the secured real estate is _____.

2.2 The property is, or is not, four-or-less residential units; and is, or is not, owner-occupied.

2.3 Current fair market value of the secured property is \$_____.

2.4 The secured property last sold on _____, for the sales price of \$_____, with a cash down payment of \$_____.

2.5 Seller's Natural Hazard Disclosure Statement [See RPI Form 314] is attached, or is to be handed to Buyer on acceptance for Buyer's approval or disapproval and cancellation of this agreement within five days after receipt. [See RPI Form 183]

2.6 The Note is additionally secured by a trust deed/UCC-1 on other property described as _____
_____.

An addendum to this agreement contains information noted in §2.1 through §2.5 regarding the additional security.

3. The Trust Deed securing the Note is subordinate to the following underlying trust deeds and notes:

3.1 A trust deed recorded _____, as Instrument No. _____, in _____ County Records, California, executed by _____, as the Trustor, in which _____ is the Beneficiary; securing a Note in the face amount of \$_____ with an unpaid balance of \$_____, principal and interest payments being \$_____ monthly, including interest at _____% per annum ARM, type _____, plus impounds.

3.2 A trust deed recorded _____, as Instrument No. _____, in _____ County Records, California, executed by _____, as the Trustor, in which _____ is the Beneficiary; securing a Note in the face amount of \$_____ with an unpaid balance of \$_____, principal and interest payments being \$_____ monthly, including interest at _____% per annum, all due _____, 20_____.

TERMS:

This agreement is comprised of three pages and _____ pages of addendums/attachments. [See **RPI** Form 250]

- 4. The purchase price of the Note is \$_____, being approximately _____% of the unpaid balance of the Note, to be paid on the close of escrow.
 - 4.1 The Note will be transferred to Buyer by way of:
 - an assignment of the Note and Trust Deed; or
 - an endorsement (with recourse) of the Note and an assignment of the Trust Deed.
 - 4.2 Any difference in the principal balance of the Note at closing is to be adjusted into the purchase price in an amount equal to the percentage noted in §4.
 - 4.3 Interest accrued and unpaid to be prorated as of _____.

AND IT IS FURTHER AGREED:

- 5. This offer will be deemed revoked unless accepted in writing within _____ days after date, and acceptance is personally delivered to Buyer or Buyer's Broker within the period.
 - 5.1 After acceptance, Broker(s) are authorized to extend any performance date up to one month.
 - 5.2 Before any party to this agreement files an action on a dispute arising out of this agreement which remains unresolved after 30 days of informal negotiations, the parties agree to enter into non-binding mediation administered by a neutral dispute resolution organization and undertake a good faith effort during mediation to settle the dispute.
- 6. This transaction to be escrowed with _____
 - 6.1 Signed instructions to be delivered to escrow as soon as reasonably possible after acceptance.
 - 6.2 Seller to pay all escrow charges. [See **RPI** Forms 310 and 311]
- 7. Escrow to be handed all instruments needed to close escrow within _____ days after acceptance.
- 8. The beneficial interest acquired in the trust deed is to be vested in the name of the Buyer or their assignee.
- 9. The assignment of the Note and trust deed is to be insured by _____ Title Insurance Company under:
 - 9.1 A lender's CLTA, or ATLA, form policy of title insurance; or
 - 9.2 An assignment of the existing CLTA, or ALTA, form policy by endorsement;
 - 9.3 Showing title subject to property taxes, CC&Rs, and the underlying Trust Deeds; and
 - 9.4 Paid for by Seller.
- 10. Buyer to be named as an additional insured by a rider on all insurance policies called for under the Trust Deed.
- 11. Buyer to be handed a copy of the Request for Notice of Delinquency, and the beneficiaries of the underlying Trust Deeds are to be notified of the Buyer's name and address as the substitute beneficiary under the Request. [See **RPI** Form 412]
- 12. Seller to furnish Beneficiary Statement(s) on underlying encumbrance(s) showing all payments to be current and confirming their terms and unpaid balance(s). [See **RPI** Form 415]
- 13. Trustor's Offset Statement to be requested to confirm the condition of the Note and Trust Deed conforms to this agreement. [See **RPI** Form 414]
- 14. Buyer has inspected the secured property and its improvements and is satisfied with their condition.
- 15. If Seller is unable to deliver the Note and Trust Deed, or if the improvements on the secured real estate are materially damaged prior to closing, Buyer may terminate this agreement and demand all instruments and funds be returned to the parties depositing them, and Seller is to pay all reasonable escrow charges.
- 16. Buyer may terminate this agreement by written Notice of Cancellation based on Buyer's reasonable disapproval, delivered to Seller, Seller's Broker, or escrow within _____ days of the receipt or occurrence, of any of the following checked items:
 - 16.1 Income and expense statements and leases on the property securing the Note, to be submitted or made available to Buyer on acceptance.
 - 16.2 Inspection of property securing the Note within five days after acceptance.
 - 16.3 An appraisal of the secured property's fair market value to be obtained by Buyer, and paid for by Seller, the cost of which is not to exceed \$_____.
 - 16.4 Financial statements, credit application and report, and other credit information held by Seller on Trustor to be submitted to Buyer on acceptance.
 - 16.5 Information held by Seller on the secured property's condition to be submitted to Buyer on acceptance.
 - 16.6 Failure of Buyer to resell the Note to an investor after acceptance. Any additional price received on resale is the earnings of Buyer.

17. BROKERAGE FEE:

Parties to pay the below mentioned Broker(s) a fee now due of _____ as follows:

17.1 Seller to pay the brokerage fee on closing.

17.2 The party wrongfully preventing the closing to pay the brokerage fee.

17.3 Seller's Broker and Buyer's Broker, respectively, to share the brokerage fee ____:_____.

18. If Buyer breaches this agreement, Buyer's liability to Seller is limited to \$_____.

19. Attached is the Lender/Purchaser Disclosure Statement. [See **RPI** Form 235-3]

20. _____

Buyer's/
Selling Broker: _____
Broker's CalBRE #: _____
Buyer's Agent: _____
Agent's CalBRE #: _____

Signature: _____
Is the agent of: Buyer exclusively.
 Both Seller and Buyer.

Address: _____
Phone: _____ Cell: _____
Fax: _____
Email: _____

Seller's/
Listing Broker: _____
Broker's CalBRE #: _____
Seller's Agent: _____
Agent's CalBRE #: _____

Signature: _____
Is the agent of: Seller exclusively.
 Both Seller and Buyer.

Address: _____
Phone: _____ Cell: _____
Fax: _____
Email: _____

I agree to the terms stated above.

See Signature Page Addendum. [**RPI** Form 251]

Date: _____, 20____

Buyer: _____

Signature: _____
Buyer: _____

Signature: _____

I agree to the terms stated above.

See Signature Page Addendum. [**RPI** Form 251]

Date: _____, 20____

Seller: _____

Signature: _____
Seller: _____

Signature: _____