



CONTINGENT-FREE OFFER ADVISORY

As Buyer is aware, market conditions vary from region to region and time to time, resulting in different dynamics in the buying process. In some areas and markets, competition is very high and certain properties are selling very quickly, in many cases with multiple offers. In such cases, in order to improve their chances of getting an acceptance from the seller, it is not uncommon for buyers to make offers without some of the traditional contingency rights, such as loan, appraisal and/or inspections, or to make offers with no contingencies whatsoever. While this practice may be common in some markets at certain times, Buyer must be aware that it can have significant legal consequences. Specifically, Buyer acknowledges the following:

- 1.** Buyer is aware that nearly every Residential Purchase Agreement (the "Agreement") used in California includes various contingencies or cancellations rights (the "Contingencies" that benefit the buyer and address various areas of buyer due diligence.
- 2.** Buyer is further aware that in the course of that due diligence, many buyers discover conditions or circumstances that cause them to cancel their purchase of the subject property.
- 3.** Buyer is further aware that the Contingencies constitute the contractual cancellation rights that allow Buyer to cancel the subject transaction and not be in breach of contract, thereby receiving a return of their earnest money deposit (the "Deposit").

As a result, if Buyer makes an offer with no Contingencies, in most situations, they will not have those cancellation rights and any failure to close the transaction would be a breach of contract, potentially resulting in the loss of the Deposit. Therefore, Broker strongly recommends that, before making a contingent-free offer, Buyer carefully consider all areas of due diligence that Buyer may want to engage in and conduct those inspections pre-contract.

Further, Buyer understands that unforeseen circumstance may occur in the transaction, or in Buyer's life or work circumstances, that may result in Buyer wanting to cancel the transaction. No matter how confident Buyer may be in their desire to purchase the subject property at the time of contract, Buyer can never be sure that they will not discover facts or that things will not change causing them to want to cancel the transaction.

As a result, entering into a contingency free transaction would be against Broker's strong advice and, should Buyer decide to do so, Buyer acknowledges that they are acting against that advice and that they alone are responsible for any losses and consequences, including the loss of their Deposit, that may be the result of that decision.

By signing below, Buyer acknowledges receipt of this Contingent-Free Offer Advisory:

Buyer _____ Date _____

Buyer _____ Date _____