



GFD AGREEMENT FOR REAL ESTATE TRANSACTION

This Good Faith Deal Agreement (“Agreement”) is entered into as of

_____ (the “Effective Date”) by and between:

_____, an individual (or entity) with a mailing address at _____ (“Seller”),

AND

_____, an individual (or entity) with a mailing address at _____ (“Buyer”).

Collectively referred to herein as the “Parties.”

Quantal Coherent Dynamic (“QCD”), a California organization located at 2527 Banyan Drive, Los Angeles, CA 90049, is engaged by the Parties solely as the **Good Faith Transaction Administrator**. QCD will coordinate documentation, record-keeping, and communications related to the Good Faith Deal Fund described below, but it will not receive, hold, or disburse any money.

RECITALS

WHEREAS, the Seller is the lawful and sole owner of certain real property located at:

_____ (the “Property”), and

is willing to sell such Property to the Buyer under mutually agreed terms;

WHEREAS, Buyer seeks limited, post-closing protection against material, undisclosed defects through a Good Faith Deal Fund (“GFD Fund”).

WHEREAS, the Parties desire a transparent, cooperative sale process and therefore agree to create the GFD Fund, to be held only by (i) a licensed third-party escrow company or (ii) a segregated bank account in Seller’s name, each option operating under the terms of this Agreement;

WHEREAS, QCD will act exclusively as the Good Faith Transaction Administrator—maintaining records, verifying documents, and facilitating written directions—without ever controlling the GFD Fund.;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the Parties hereby agree as follows:

1. PURPOSE, OBJECTIVES, AND ADMINISTRATOR'S ROLE

1.1 Purpose

This Agreement promotes a fair, transparent real-estate transaction by creating a Good Faith Deal Fund (“GFD Fund”). The Fund exists solely to reimburse Buyer for material, undisclosed defects discovered after closing and to motivate Seller to disclose all known conditions beforehand.

1.2 Objectives

The Parties intend that the Agreement will (i) build trust through written, verifiable documentation; (ii) limit post-closing disputes by providing a clear, good-faith remedy; (iii) reward both Parties when no claims arise; and (iv) foster industry practice favoring candid disclosure and responsible property transfer.

1.3 Appointment and Limited Role of QCD

The Parties appoint Quantal Coherent Dynamic (“QCD”) as Good Faith Transaction Administrator. QCD is neither a legal adviser nor an escrow holder. Its authority is confined to (a) receiving and archiving transaction documents, (b) maintaining a secure digital case folder accessible to both Parties, (c) confirming that any Fund-related instruction bears both Parties’ signatures, and (d) preserving records for at least five years. QCD will never accept, possess, or disburse the GFD Fund; all money remains with either (i) a licensed third-party escrow company or (ii) a segregated bank account in Seller’s name, as detailed later. QCD earns a service fee for this administrative work and assumes no duties beyond those expressly stated.

2. ESTABLISHMENT AND STRUCTURE OF THE GFD FUND

2.1 Formation and Amount

At closing the Parties shall create a Good Faith Deal Fund equal to seven percent of the final purchase price, unless they later agree in writing to a different percentage. The Fund is established as soon as Seller deposits the required amount with the selected custodian.

2.2 Permissible Custodial Arrangements

The Fund must reside with one of only two custodial options. The first option is a licensed third-party escrow company operating under written escrow

instructions that mirror this Agreement. The second option is a dedicated bank account opened in Seller's name and used exclusively for the Fund. In either case the Parties shall execute written instructions that prohibit commingling and restrict withdrawals to those authorized jointly under this Agreement. QCD will not at any time hold, receive, or disburse Fund monies.

2.3 Selection and Documentation

Before closing the Parties shall select one of the two custodial options in a signed writing delivered to QCD. Within five business days after the deposit is completed the Seller must provide QCD with documentary proof of the deposit and a copy of the executed custodial instructions. QCD will upload these materials to the digital case folder and confirm activation of the Agreement.

2.4 Fund Term and Earnings

The Fund remains in place for twelve months from the closing date unless the Parties agree to a different term in a later, signed amendment. Interest or other earnings generated while the Fund is on deposit belong to Seller unless the Parties state otherwise in a written, QCD-acknowledged modification.

2.5 Custodian Statements and Transparency

If the Fund is held in Seller's dedicated bank account, Seller shall furnish QCD with a copy of the monthly bank statement no later than the fifth calendar day of each month. If the Fund is held by a licensed escrow company, the escrow holder may send QCD a monthly balance report in lieu of Seller's statement. QCD will post each statement to the case folder to ensure continuous visibility for both Parties.

2.6 Restrictions on Use

No withdrawals may occur except in accordance with Section 4 of this Agreement or by joint written direction of the Parties authenticated by QCD. The Fund may not be pledged, assigned, or used as collateral, and the custodian is instructed to reject any unilateral request for disbursement.

3. ACTIVATION PROCESS AND ONGOING COMPLIANCE

3.1 Activation Steps

The Agreement becomes operative only after three conditions are satisfied:

- i. First, the Parties must sign and return an electronic copy of this Agreement to QCD.
- ii. Second, the Seller must complete the Fund deposit with the chosen custodian and forward acceptable proof—such as the escrow-opening confirmation or the first bank receipt—to QCD.
- iii. Third, the Seller must pay QCD's administrative fee, equal to five percent of the Fund, into the program account designated by QCD. When QCD has received all three items it will create the digital case folder, post the supporting documents, and notify both Parties that the Agreement is active.

3.2 Monthly Compliance

Throughout the twelve-month (12 month) Fund term, the custodian's balance must remain visible to Buyer. Accordingly, by the fifth calendar day of each month Seller will supply QCD with the most recent statement from the dedicated bank account, or will direct the licensed escrow holder to send QCD a balance report. QCD will post the statement to the case folder on receipt. If no current statement is forthcoming by the deadline, QCD will issue a written reminder. Failure to provide a statement within ten calendar days after that reminder constitutes default; QCD may then suspend further administrative services until the omission is cured and will record the suspension in the case folder.

4. PERMITTED USES OF THE FUND AND CLAIM PROCEDURE

4.1 Scope of Coverage

The GFD Fund may be tapped only to pay for correcting material defects in the Property that were not disclosed before closing, could not reasonably have been detected during customary inspections, and that materially impair structure, systems, or habitability. Routine maintenance, cosmetic dissatisfaction, or issues expressly disclosed or waived are outside the Fund's scope.

4.2 Buyer's Notice of Defect and Initial Dialogue

If Buyer discovers a covered defect within the twelve-month Fund term, Buyer shall send Seller written notice describing the defect, the discovery date, and supporting evidence such as photographs, contractor estimates, or inspection reports. The Parties must then confer in good faith, aiming to agree whether the defect is covered, what repair is appropriate, and the projected cost and timing. Buyer may deliver no more than three such notices during the Fund term; together they cannot exceed the then-available balance of the Fund.

4.3 Joint Repair Authorization and Disbursement

Once the Parties reach consensus, they will complete a Repair Authorization Form available in the digital case folder, stating the agreed repair work and dollar amount. After both Parties sign, the form is sent to QCD.

QCD's task is limited to verifying that the signatures match those on file, recording the form in the case folder, and forwarding an authenticated disbursement instruction to the chosen custodian.

The custodian will pay the authorized amount directly to Buyer or, if the Parties specify, to the licensed contractor performing the repair. QCD will confirm in the file that the instruction was forwarded but will not handle funds itself.

4.4 Fund Exhaustion, Term Expiry, and Remainder Distribution

If the Fund is exhausted through authorized repairs before the twelve-month term ends, QCD will note the zero balance and close the case folder. Otherwise, on the day after the term expires and provided no unresolved claim is pending, QCD will instruct the custodian to distribute the remainder as follows: first, one per cent to the Buyer's real-estate agent if such agent participated and is named in the file; second, one per cent to the Seller's agent under the same condition; third, one per cent to Buyer as a completion bonus

if the Fund was never drawn; and finally, the balance to Seller. QCD will post the custodian's final disbursement confirmation in the case folder within fifteen business days of expiry.

5. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

5.1 Limited Administrative Capacity of QCD

QCD's obligations under this Agreement extend only to maintaining records, confirming that written directions bear the required signatures, and forwarding those directions to the independent custodian. Because QCD never possesses or disburses the Fund, Parties expressly acknowledge that QCD is not responsible for Property's condition, for statements made by either Party, for the custodian's solvency or speed, or for any loss arising from the Parties' own breach of contract, fraud, or negligence. QCD may rely on any document or instruction that appears facially authentic and is under no duty to investigate further unless clear evidence of fraud is presented.

5.2 Exclusion of Damages

In no circumstance shall QCD be liable for indirect, special, incidental, or consequential damages, including lost profits, diminution in property value, or reputational harm. QCD's total aggregate liability, if any, is limited to the amount of its administrative fee actually received under this Agreement, unless a court or arbitrator finds that QCD acted with gross negligence or willful misconduct.

5.3 Indemnity Undertaking

Seller and Buyer, jointly and severally, shall indemnify, defend, and hold QCD and its officers, employees, and agents harmless from all claims, costs, and liabilities—including reasonable attorneys' fees—arising out of or relating to (i) any breach of this Agreement by either Party, (ii) any dispute between Seller and Buyer concerning the Property, the Fund, or this Agreement, or (iii) any subpoena, investigation, or legal proceeding in which QCD is compelled to produce records or testimony regarding this transaction, except where a tribunal determines that QCD's own gross negligence or willful misconduct solely caused the loss. This indemnity survives termination or expiration of the Agreement.

5.4 Interest Earnings and Tax Responsibility

Unless the Parties later agree otherwise in a signed amendment, any interest or earnings generated by the Fund while on deposit belong to Seller. QCD provides no tax advice; each Party bears sole responsibility for reporting and paying any taxes associated with Fund transactions or disbursements.

6. DISPUTE RESOLUTION

6.1 Informal Dialogue First

Any controversy or claim arising from or related to this Agreement—whether about a repair request, the release of funds, or interpretive questions—must first be addressed through written notice and direct negotiation between Seller and Buyer. The Parties shall make a genuine effort to reach a written resolution within ten business days after the complaining Party issues notice to the other.

6.2 Request for Arbitration

If Parties cannot resolve matter informally within ten-day dialogue period, either Party may serve a written Request for Arbitration on other Party and on QCD. Request must briefly describe dispute, state requested remedy, and append supporting documents.

6.3 Arbitration Forum and Procedure

Binding arbitration shall follow the commercial rules of the American Arbitration Association or another neutral service the Parties later agree upon. The hearing will occur in Los Angeles County, California, unless the arbitrator permits a virtual proceeding. Each Party will submit a concise statement of its position and all supporting evidence within deadlines established by the arbitrator. The arbitrator shall issue a reasoned written award no later than thirty days after the hearing closes, unless extended by the arbitrator for good cause.

6.4 Finality and Allocation of Costs

Arbitrator's decision will be final and enforceable in any court of competent jurisdiction. Unless arbitrator orders otherwise for equitable reasons, losing Party shall pay all administrative costs of arbitration, including arbitrator's fees.

Each Party will bear its own legal fees unless the arbitrator specifically allocates them in the award.

6.5 QCD's Neutral Role During Dispute

QCD has no obligation to mediate or arbitrate and will not be a party to the dispute. While arbitration is pending, QCD will instruct the custodian to freeze only the portion of Fund in controversy; any undisputed balance may be released or returned in accordance with earlier sections of this Agreement.

7. MISCELLANEOUS PROVISIONS

7.1 Confidentiality

Terms of this Agreement and all documents, communications, and financial information exchanged in its performance are confidential. Disclosure is permitted only to legal counsel, accountants, QCD for record-keeping, chosen custodian, or a tribunal with jurisdiction. Any other disclosure requires prior written consent of both Parties.

7.2 Force Majeure

None of the Parties, nor QCD, is liable for delay or failure in performance caused by events beyond reasonable control, including natural disasters, acts of war or terrorism, government actions, pandemics, or widespread power or internet outages. When the impediment ends, performance shall resume promptly.

7.3 Governing Law and Venue

California law governs this Agreement. Any lawsuit to confirm, enforce, or vacate an arbitral award must be filed exclusively in the state or federal courts located in Los Angeles County, and each Party irrevocably submits to that forum.

7.4 Entire Agreement and Amendments

This document constitutes the complete agreement between the Parties on the subject matter and supersedes all prior negotiations or understandings. Any amendment must be in a written instrument signed by Seller, Buyer, and acknowledged by QCD.

7.5 Severability

If a court or arbitrator finds any provision unenforceable, the remainder of the Agreement will continue in full force, and the invalid term will be modified only to the extent necessary to make it lawful while preserving the Parties' original intent.

7.6 Assignment

Neither Party may assign rights or delegate obligations without the other Party's written consent; however, QCD may transfer its purely administrative role to a successor entity upon written notice, provided the successor agrees in writing to be bound by this Agreement.

7.7 Notices

All notices required or permitted under this Agreement must be in writing and delivered by email with delivery confirmation, certified mail, reputable overnight courier, or personal delivery.

Notices to QCD must be directed to 2527 Banyan Drive, Los Angeles, CA 90049, and to program email that QCD designates in its activation notice.

7.8 Counterparts and Electronic Signatures

This Agreement may be executed in any number of counterparts, each deemed an original. Facsimile, PDF, and electronic signatures have the same legal effect as originals.

EXECUTION AND SIGNATURES

IN WITNESS WHEREOF, the Parties have read, understood, and voluntarily agree to be bound by this Good Faith Deal Agreement for Real Estate Transaction as of the Effective Date.

SELLER

PRINT NAME: _____

SIGNATURE: _____

DATE: _____

EMAIL: _____

BUYER

PRINT NAME: _____

DATE: _____

SIGNATURE: _____

EMAIL: _____

GOOD FAITH TRANSACTION ADMINISTRATOR (QCD)

BY: _____

TITLE: _____

SIGNATURE: _____

DATE: _____

EMAIL: _____

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