



GOOD FAITH DEAL AGREEMENT FOR USED-CAR TRANSACTION

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

_____ (“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”).

The Seller and Buyer are herein referred to collectively as the “Parties.”

This Agreement is further acknowledged and entered into by (QCD), Quantal Coherent Dynamic (“QCD”), a California organization located at 2527 Banyan Drive, Los Angeles, CA 90049, will act solely as the **Good Faith Transaction Administrator** under this Agreement.

RECITALS

WHEREAS, Seller is the lawful owner of the used motor vehicle described below and wishes to sell it to Buyer under the terms stated herein.

WHEREAS, Buyer desires to purchase the vehicle and complete the transaction in a spirit of transparency, fair dealing, and full disclosure.

WHEREAS, The Parties agree that a Good Faith Deal Fund (“GFD Fund”) should be set aside after closing to address any undisclosed, material defects discovered within a limited post-sale period.

WHEREAS, QCD will coordinate documentation, record-keeping, and communication concerning the GFD Fund, but will not hold, receive, or disburse any funds directly.

WHEREAS, The Parties will place the GFD Fund with either:

- i. a licensed, third-party escrow company designated by the Parties, or

- ii. a segregated bank account in the Seller's name subject to monthly balance verification to QCD.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants, and agreements contained herein, the Parties agree as follows:

1. VEHICLE DESCRIPTION AND TRANSACTION OVERVIEW

1.1 Transaction Scope

This Agreement documents the Parties' rights and duties in the sale of a used motor vehicle, establishes the Good Faith Deal Fund ("GFD Fund") to address undisclosed defects post-sale, and sets out QCD's strictly administrative role.

1.2 Vehicle Identification

- i. Year _____
- ii. Make and Model _____
- iii. Vehicle Identification Number (VIN) _____
- iv. Current Location _____

The above item is referred to herein as the "Vehicle."

1.3 Purchase Price

The Parties agree that the total purchase price for the Vehicle is **US \$_____** ("Purchase Price"). Buyer shall pay Seller the full Purchase Price no later than the closing date, unless amended in a later, signed writing.

1.4 Good Faith Deal Fund Setup

Within five (5) business days after closing, Seller shall deposit **five to ten percent (5 % – 10 %)** of the Purchase Price (the "GFD Fund") into one of following custodial options, as the Parties designate in writing:

- i. A licensed third-party escrow company that will hold the Fund under written escrow instructions mirroring this Agreement; or
- ii. A dedicated, segregated bank account in Seller's name established solely for the Fund, with monthly balance statements provided to QCD.

QCD shall never receive, hold, or disburse the Fund directly; its role is limited to monitoring documentation, keeping records, and confirming that any Fund disbursement directions are properly executed through the chosen custodian. The Fund shall remain in place for twelve (12) months from the closing date, subject to the detailed rules in Section 2.

2. STRUCTURE, PURPOSE, AND USE OF GOOD FAITH DEAL FUND

2.1 Purpose

The GFD Fund is created solely to cover documented, material defects in the Vehicle that existed at the time of sale and were not disclosed to Buyer before closing.

The Fund is not a warranty or insurance policy and is not intended for routine maintenance, cosmetic concerns, or Buyer's remorse. By reserving the Fund, Seller promotes full disclosure, and Buyer gains limited recourse without immediate litigation.

2.2 Custody and Administration

The Parties shall select, in writing, either (a) a licensed third-party escrow company or (b) a segregated bank account in Seller's name as the Fund custodian. Seller must complete the deposit within five (5) business days after closing and provide QCD with proof of deposit and the signed custodial instructions.

Seller shall furnish QCD with a monthly statement from the custodian confirming the Fund balance until the Fund expires or is exhausted. QCD's role is limited to receiving and archiving documentation, confirming that any disbursement instructions bear both Parties' signatures, and uploading all records to secure case file.

2.3 Fund Amount and Term

The Fund amount equals between five percent (5 %) and ten percent (10 %) of the Purchase Price, as the Parties specify in writing. The Fund shall remain in place for twelve (12) months from closing date ("Fund Term"). If no valid claims are paid during Fund Term, the Buyer shall receive a good-faith bonus equal to one-tenth of one percent (0.1 %) of Fund, after which balance shall be returned to Seller.

2.4 Claims and Disbursement

Buyer may submit up to three (3) written claims during the Fund Term. Each claim must include evidence of the defect, a repair estimate, and confirmation that the defect existed at or before closing. Seller shall respond in writing within ten (10) business days. The Parties must endeavor in good faith to agree on (a) whether the defect is covered and (b) the disbursement amount.

Once agreement is reached, both Parties shall sign a disbursement directive addressed to the custodian. QCD will verify the signatures, log the directive, and forward it to the custodian. If the Parties cannot agree within fifteen (15) business days after a claim is submitted, either Party may invoke the dispute-resolution process in Section 5. While a dispute is pending, the contested portion of the Fund shall remain locked. All disbursements must be made by the custodian directly to the Buyer or the repair facility; QCD shall never receive or release Fund monies.

2.5 Fees

QCD's coordination fee is three-tenths of one percent (0.3 %) of the Fund and is payable by Seller to QCD upon proof of Fund deposit. Any custodian fees—such as third-party escrow charges or bank service fees—shall be paid from the Fund up to two-tenths of one percent (0.2 %). The Parties agree that these fees are reasonable and shall be considered first-priority disbursements.

3. NOTICES AND COMMUNICATIONS

3.1 Written Correspondence

All directions, claims, objections, and other communications relating to this Agreement must be delivered in writing. The Parties may use email, certified mail, reputable overnight courier, or personal delivery. Voice calls or instant messages alone will never obligate QCD or the custodian to act.

3.2 Designated Addresses

Each Party shall provide one mailing address and one email address at signing. Until a Party supplies an updated address in writing, all notices sent to the address on file will be deemed received: email on the next business day after transmission and physical delivery on the date shown by a courier receipt or postal confirmation. Communications to QCD should be directed to 2527 Banyan Drive, Los Angeles, CA 90049, or to the program email supplied by QCD in its welcome letter.

3.3 Disbursement Instructions

A request to release money from the GFD Fund must bear the physical or digital signatures of both Parties and must enclose documents that substantiate the request—typically a repair estimate or invoice and, where applicable, a mechanic's report. QCD's role is limited to confirming that the directive is complete, logging the directive in the digital case folder, and forwarding it to the chosen custodian. QCD will not authorize or process a release based on incomplete, conflicting, or ambiguous instructions.

3.4 Objections and Administrative Hold

If either Party objects to a pending release, the objecting Party must notify QCD and the other Party in writing within five business days of learning of the request. Upon timely objection, QCD will instruct the custodian to place an administrative hold on the disputed amount until the Parties file a joint written resolution or obtain a decision through the dispute-resolution procedure in Section 5. During a hold, QCD will maintain all correspondence in the case folder but will not evaluate the merits of the dispute.

4. LIMITATION OF LIABILITY AND INDEMNIFICATION

4.1 Administrative Capacity of QCD

QCD serves only as the Good Faith Transaction Administrator. It is neither a party to the underlying vehicle sale nor a guarantor of the Vehicle's condition, ownership, or value. QCD's responsibilities are confined to record-keeping, confirming that written directions bear the required signatures, forwarding those directions to the selected custodian, and maintaining the case archive. Because QCD never handles funds directly, the Parties acknowledge that QCD cannot be responsible for banking failures, custodial errors, or the Parties' own breaches.

4.2 Exclusions from Liability

The Parties expressly agree that QCD shall not be liable for any loss resulting from the Seller's or Buyer's non-performance, misrepresentation, or fraud; for delays caused by power outages, cyber incidents, court orders, or force-majeure events; or for the insolvency, suspension, or misconduct of the third-party custodian. QCD may rely on any document that appears facially valid and has no independent duty to investigate its authenticity.

4.3 Indemnity Undertaking

Each Party, jointly and severally, will defend, indemnify, and hold QCD harmless against any claim, cost, or liability—including reasonable attorneys' fees—arising out of or related to this Agreement, except to the extent a court or arbitrator finds that QCD acted with gross negligence or willful misconduct. This indemnity survives the expiration or earlier termination of the Agreement.

4.4 Interest Earnings and Tax Matters

Any interest or other earnings that accrue on the GFD Fund while it resides with the custodian belong to the Seller unless the Parties later agree otherwise in writing. QCD will not provide tax advice or file tax documents on behalf of either Party; each Party remains solely responsible for its own reporting and compliance.

5. DISPUTE RESOLUTION AND ARBITRATION

5.1 Good-Faith Negotiation First

If a disagreement arises concerning the interpretation or performance of this Agreement—including a dispute about any claim against the GFD Fund—the Parties shall confer in writing and make a genuine effort to settle the matter within ten business days after notice of the dispute is given. QCD may keep a record of these communications but will remain neutral.

5.2 Submission to Binding Arbitration

Should the Parties fail to resolve the dispute informally, either may submit the matter to binding arbitration administered by the American Arbitration Association, JAMS, or another mutually acceptable forum. Arbitration will be conducted in LA County, California, by a single neutral arbitrator experienced in automotive or commercial transactions. Each Party will exchange all relevant documents and a concise written statement of its position within the timetable set by arbitrator.

5.3 Final Award and Costs

The arbitrator will issue a reasoned written decision, including findings of fact and conclusions of law, within thirty days after the close of the hearing or final submissions. The award will be final and enforceable in any court of competent jurisdiction.

Unless arbitrator orders otherwise for equitable reasons, losing Party will bear the arbitrator's fees and all administrative costs of the proceeding. Each Party will pay its own attorneys' fees unless arbitrator explicitly allocates them.

5.4 Role of QCD During Dispute

QCD is not required to participate in the arbitration except to confirm document authenticity or furnish records from the case folder. While arbitration is pending, QCD will instruct the custodian to freeze only the contested portion of the Fund; any undisputed balance may continue to be used or returned as provided elsewhere in this Agreement.

6. MISCELLANEOUS PROVISIONS

6.1 Confidentiality

All terms of this Agreement and any documents lodged in the case folder are confidential and may not be disclosed except with the written consent of both Parties or as required by law, court order, or arbitral process.

6.2 Force Majeure

No Party, and no custodian or QCD, will be liable for delays or failures caused by events beyond reasonable control, including natural disasters, acts of war or terrorism, governmental action, widespread power or internet outages, or other force-majeure circumstances. Performance will resume as soon as practicable after the impediment ceases.

6.3 Governing Law and Venue

California law governs this Agreement without regard to conflict-of-law rules. Any lawsuit to enforce or vacate an arbitral award shall be brought exclusively in state or federal courts of LA County, and each Party irrevocably submits to that forum.

6.4 Entire Agreement and Amendments

This document represents the complete agreement of the Parties concerning the sale of the Vehicle and supersedes all prior negotiations or understandings. Any amendment must be in a written instrument signed by both Parties and acknowledged by QCD.

6.5 Severability

If a court or arbitrator finds any provision unenforceable, the remainder will remain in effect, and the invalid term will be modified only to the extent necessary to make it lawful while preserving the original intent.

6.6 No Waiver

A Party's failure to enforce any provision will not operate as a waiver of future enforcement of that or any other term.

6.7 Assignment

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

6.8 Electronic Signatures

Electronic signatures and PDF counterparts are deemed originals and are fully binding for all purposes.

EXECUTION AND SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above. By signing below, the Parties affirm that they have read, understood, and voluntarily accepted all terms and conditions contained herein.

SELLER

PRINT NAME:

SIGNATURE:

DATE:

EMAIL:

BUYER

PRINT NAME:

SIGNATURE:

DATE:

EMAIL:

GOOD FAITH TRANSACTION ADMINISTRATOR (QCD)

BY: _____

TITLE: _____

SIGNATURE: _____

DATE: _____

EMAIL: _____

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