

What is an HOA?

- Home Owner's Association- a state of California registered organization for governing community properties. Usually has:
 - CCR's, By Laws, Rules and Regulations, Financial statements, Budgets, Reserve Studies,
 - Management Company (small number of owners may be self-managed)
 - Insurance policy for all common areas and the building exterior
 - Planned Unit Development (PUD) may be a community comprised of condos, SFR and or Townhomes. On the city or county records based on the developers original permits.
- Davis Sterling Act governs how HOAs must run
- Usually Condos, Townhomes, Co-Ops
 - Condo: Condominium; own from the paint "IN", you own the air space, of a deeded unit! And a portion of all common areas. A type of Common Unit Development (CID)
 - Townhome: financed like a single family home, has a lot & block number, own the dirt underneath, no structure above or below, own a portion of all common areas. A type of Common Unit Development (CID)
 - Co-OP: Stock Cooperative; own shares in a corporation with the use of a specific unit, all shareholders own the entire building & maintain it.
- TICs (Tenants-In-Common) are not HOA
 1. **TIC OWNERSHIP:** A Tenancy-In-Common (TIC) is a form of group ownership under California law which is created when more than 1 individual or entity has an undivided ownership interest in the same property, often a multi-unit building. Buyers will co-own the entire Property with other investors/co-owners as Tenants-In-Common, sharing all costs such as taxes, building insurance, maintenance, repairs, and, possibly, a single mortgage or "group loan." Unforeseen changes in the financial condition of one TIC owner can thus affect the financial and property interests of the other co-owners. Because a TIC involves co-ownership and issues of shared liability, information and documentation should be obtained and carefully reviewed regarding the financial condition of the current and prospective TIC owners and their ability to pay joint obligations before Buyer removes all conditions associated with the purchase of a TIC interest. The current TIC marketplace is made up of **resales** of existing TIC interests and the **creation of new TICs**.
 2. **A TIC IS NOT A CONDOMINIUM:** With a condominium (a form of "common interest development" specially regulated by State law), an owner is deeded their unit and shares ownership of the common areas of the condominium project with all of the other condominium owners through a homeowners' association subject to a recorded set of rules commonly called "CC&Rs" ("Covenants, Conditions & Restrictions"). A TIC is not a form of common interest development. Instead it involves co-ownership of an **undivided interest in the entire property (all residential units and the common area)** with all of the other TIC interest owners. The right to exclusively use and occupy a specific portion of a TIC property is dependent upon an agreement by and among the co-owners. Absent such an agreement, each co-owner could use and occupy any part of the entire property, including each residential unit.



BUYERS HOMEOWNERS' ASSOCIATION ADVISORY

(C.A.R. Form BHAA, 6/24)

California Civil Code section 4525 requires sellers of condominiums and other common interest or planned unit developments ("CID") to provide buyers with governing, financial, and other documents and information created and maintained by a Homeowners Association ("HOA"). These documents may be quite lengthy, causing buyers not to take the time to make a careful review of all HOA materials. Before deciding to proceed with the purchase transaction, it is critical that buyers carefully review all HOA documents to determine for themselves if the property they are acquiring meets their current and future needs for use and enjoyment of the property. As part of this review, Buyer should also consider if any of the documentation has not been provided, is incomplete, or missing.

BUYER:

YOU ARE STRONGLY ADVISED BY YOUR BROKER TO REVIEW ALL HOMEOWNER ASSOCIATION DOCUMENTS WITH APPROPRIATE PROFESSIONALS, IF NECESSARY, TO UNDERSTAND THEIR CONTENTS. YOU ARE FURTHER ADVISED TO CAREFULLY REVIEW THE PRELIMINARY TITLE REPORT TO DETERMINE ALL THE RECORDED DOCUMENTS RELATED TO HOMEOWNERS ASSOCIATIONS, WHICH COULD INCLUDE, BUT ARE NOT LIMITED TO, DEED RESTRICTIONS AND THE EXISTENCE OF MULTIPLE HOAs AFFECTING THE PROPERTY.

THESE DOCUMENTS WILL GOVERN, AFFECT AND, IN SOME CASES, LIMIT YOUR CURRENT AND FUTURE USE AND ENJOYMENT OF THE PROPERTY.

All HOA documents and disclosures are important, however, the following are often areas of concern for buyers of property located in a CID.

- 1. Covenants, Conditions, and Restrictions ("CC&Rs"):** The CC&Rs are the main governing document of the HOA. Generally, the CC&Rs describe the property rights, duties, and obligations of the HOA and the individual members. CC&Rs are formal documents recorded with the County Recorder and are extremely difficult to amend or change.
- 2. Bylaws, Rules and Regulations:** Bylaws address the governance and operation of the HOA, including voting and election requirements, the number of directors and their term length, how and when meetings are held, and the meeting procedures. If promulgated by the HOA, the Rules and Regulations usually detail how the HOA will handle routine, day-to-day matters often affecting common area usage, expenses, etc.
- 3. Minutes:** HOAs are required to prepare Minutes of Board of Directors' Meetings detailing past, current, and future (proposed) events, issues, and expenses such as existing or planned litigation, repairs, improvements or needed change in the dues and/or additional assessments. They reflect the decisions and reasons for those decisions, but are not a transcript of the meetings. The Minutes are often the best source of information regarding issues related to the common areas, the individual units, special and increased assessments, and the ability to use and enjoy the property after escrow closes.
- 4. Financial Information:** The financial information from the HOA may be contained in numerous documents, including but not limited to: Pro Forma Operating Budget, Assessment and Reserve Funding Disclosure Summary, Financial Statement Review, Assessment Enforcement Policy, Insurance Summary, Regular Assessment, Special Assessments, and Emergency Assessments. The financial status of HOA could impact the future costs of owning the property.

Reserves: Buyers should determine if reserves are properly and adequately funded and if there are many homeowners who are delinquent on payments for dues and assessments. Generally, associations are required to prepare a reserve study, and, at least every three years, cause to be conducted a reasonably competent and diligent visual inspection.

Wood Balconies, Stairs and Other Structures; Reserve Requirements: Prior to January 1, 2025, buildings with three units or more, may be required to obtain an inspection of exterior balconies, stairways, walkways, or decks that are supported in whole or in substantial part by a wood or wood-based materials. For condos, the HOA will be responsible for the inspections per its governing documents. An inspection report must be incorporated into a condo HOA's study of reserve account requirements. This could in turn affect lender certification requirements as well as future dues and assessments. A balcony report that identifies an immediate threat to the safety of the occupants will require the condo HOA or owner to prevent access to the balcony further impacting a property's marketability.

Pending and Future Assessments: The Minutes and the HOA disclosure form itself may contain critical information and comments regarding pending or future assessment.

Special or Emergency Assessments: Buyers need to know if special or emergency assessments are currently due in full or whether they are due only in monthly installments. If it is not clear, buyer should request clarification from the HOA. The Purchase Agreement will determine whether the assessment payment will be paid by the seller at Close of Escrow, or whether the payments are prorated, and the buyer will be responsible for the monthly payments after Close of Escrow.

There are independent services available which will review the HOA documentation and give an opinion of the financial status of a HOA for a fee which is typically \$300.00 to \$500.00 depending upon the services to be provided and the extent of the HOA documentation. Real estate licensees are not qualified to assess the financial viability of any HOA.

If you have any questions or concerns about the financial status, strength, or stability of the HOA, contact your accountant who may be able to provide a professional assessment of the HOA's finances.

© 2024, California Association of REALTORS®, Inc.

BHAA 6/24 (PAGE 1 OF 2)

Buyer's Initials _____ / _____



BUYERS HOMEOWNERS' ASSOCIATION ADVISORY (BHAA PAGE 1 OF 2)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201

Fax:
www.lwolf.com

HOA, CONDO,

- 5. Rental Restrictions:** The HOA may have restrictions and/or prohibitions on your ability to rent your unit. These restrictions may be based on the number/percentage of units that are allowed to be rented, and the approval process associated with rentals. The HOA may also put restrictions on the ability to enter into a short term rental. Some HOAs have even gone so far as to completely prohibit rentals for all new owners; however, a 2021 law requires HOAs to allow at least 25% of the units to be rented or leased regardless of what the HOA governing documents state. In addition to the HOA restrictions, the city may also impose rental control and eviction control ordinances that may impact your decisions to rent the unit. You should investigate these issues with the HOA and the appropriate government authority to determine whether this property meets your needs. These restrictions may affect your decision to purchase the Property.
- 6. Lending Considerations:** Lenders may have certain qualifications that are required from the HOA before they provide financing on your purchase. Many lenders will require the HOA to provide a lender certification document, providing information regarding the HOA. Additionally, lenders will generally require the HOA to have a general insurance policy covering the HOA, which has become less available and more costly in California due to rising replacement costs and an increase in natural disasters. They may require a certain percentage of owner occupied units within the HOA. Further, if you are seeking a FHA or VA loan, the lender may require the HOA to be FHA/VA approved prior to making a loan. You should inquire with your lender and the HOA to determine what will be required in order to obtain financing.
- 7. Noise:** Due to noise and other factors, HOAs often restrict the type of floor and/or wall material that can be used in certain units and/or the number of pets. You should directly contact the HOA Board to determine whether the property can be used for your intended purposes. You should also determine whether the property meets your subjective personal preferences and needs.
- 8. Common Areas:** Those portions of a CID that are not wholly owned by the individual homeowners are designated as "Common Areas". Usually, the CC&Rs and/or the Bylaws will define what constitutes the Common Areas, how they are used, who gets to use them, and who is responsible for maintenance. Some Common Areas may be available for use by all members and their guests, such as a lobby or garden. However, some Common Areas may be "Restricted" or "Exclusive Use" Common Areas with access limited to certain homeowners (this is often true with swimming pools and spas especially when there are multiple HOAs within a CID), or may be restricted to just one homeowner, such as a roof, deck, balcony, or patio. In some instances, the homeowner may be responsible for maintenance of certain Restricted or Exclusive Use Common Areas. You should determine for yourself whether there are any restrictions affecting the Common Areas which could impact your intended use and enjoyment of the property.
- 9. Parking and Storage:** You should determine for yourself whether the allotted parking space(s) are adequate to park your vehicle(s) in the assigned spaces by actually parking in those spaces. Parking space(s) and storage space(s), if any, may be described in a Condominium Map or in the Preliminary Report issued by a Title Company. The actual markings, striping and numbering of these space(s) may not accurately reflect the actual spaces and may be in conflict with the space(s) designated in the recorded documents. It is therefore crucial that you personally determine if the parking and storage space(s) that are designated in the recorded documents are actually the space(s) being transferred to you and that those space(s) are acceptable for your needs and intended uses of the property.
- 10. Litigation:** Many CIDs have been involved in, or are presently involved in, or may become involved in, litigation regarding the design, construction, maintenance and/or condition of all or a part of the Development. Whether or not these lawsuits are successful, litigation is expensive, and the cost of such legal actions may impact not only the adequacy of the HOA reserves but also the amount of current or future assessments. Such litigation may also impact the willingness of lenders to make a loan secured by the property, and buyer's ability to obtain a loan to purchase the property.
- 11. Special Needs:** HOA documents may limit the number and size of animals allowed in units. Fair Housing Laws may impact the effect of such rules on "service" and/or "companion" animals. HOAs on their own, or because of local ordinances, may limit or completely ban smoking and/or vaping in common areas or units. The ability for new buyers to rent units and/or to operate any type of business may also be limited or completely forbidden. Therefore, it is important that you review all HOA documents to ascertain whether there are any limitations on your particular needs or planned use of the property.
- 12. Brokers:** Real estate licensees who forward HOA documentation to you have not verified and will not verify either the information provided or the completeness or accuracy of the documentation unless they agree to do so in writing.

The undersigned Buyer acknowledges receipt of this 2-page Advisory.

Buyer: Buyer 1 Date: _____

Buyer: Buyer 2 Date: _____

© 2024, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

BHAA 6/24 (PAGE 2 OF 2)





SAN FRANCISCO PURCHASE AGREEMENT

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM [PA]
This is intended to be a legally binding contract for the purchase of real property in San Francisco

Date Prepared July 31, 2025. This is an offer from Buyer 1, Buyer 2 ("Buyer")
to purchase for \$_____ the property known as 345 Center St #21, San Mateo, CA 94124 ("Property").
This offer expires on August 2, 2025 (date) at 5:00pm (time); this offer is not valid without an expiration date.
☐ (If checked) this is a _____ % undivided interest in the Tenancy-in-Common ("TIC") property shown above (SFAR form TICPA is attached).
☐ (If checked) this is a purchase of stock in the cooperative apartment building shown above (SFAR form CAPA is attached).

Buyer and Seller are collectively referred to as the "Parties"; Agents are not Parties to this Agreement.

1. AGENCY

A. DISCLOSURE: The Parties each acknowledge receipt of a Disclosure Regarding Real Estate Agency Relationship (C.A.R. form AD) if represented by a real estate licensee. Agents are not required to Deliver the agency form to the other Party.

B. AGENCY CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Seller's Brokerage Firm KW Advisors SF License Number 01995149

is the broker of (check one): ☒ the Seller; or ☐ both the Buyer and Seller (dual agent).

Seller's Agent Jeanne Galagher License Number 01802283

is (check one): ☒ the Seller's Agent (salesperson or broker associate) ☐ 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) ☐ both the Buyer's and Seller's Agent (dual agent).

☐ (If checked) More than one Brokerage represents ☐ Seller ☐ Buyer. See Additional Broker Acknowledgment (C.A.R. form ABA).

C. POTENTIALLY COMPETING BUYERS AND SELLERS AND/OR DUAL AGENCY: The Parties each acknowledge receipt of a Possible Representation of More than One Buyer or Seller - Disclosure and Consent (C.A.R. form PRBS).

2. ESCROW HOLDER: Escrow Holder shall be _____. This Agreement, including all fully Signed and Delivered addenda, amendments and counter offers, shall constitute joint escrow instructions of the Parties. The Parties shall Sign and Deliver additional instructions consistent with this Agreement as requested by Escrow Holder.

3. CLOSE OF ESCROW ("COE"): Escrow shall close on _____ (date) or ____ Days after Acceptance. If COE falls on a weekend or legal holiday, it shall be extended to the next business day.

4. FINANCING TERMS: ☐ (If checked) this is an **ALL CASH OFFER** and any loan terms shown below are inapplicable.

A. \$_____ INITIAL DEPOSIT shall be Delivered by wire transfer or ☐ _____ payable to **Escrow Holder** or to ☐ _____ ("Payee"), which **Buyer** or ☐ **Buyer's Agent** shall deposit with Payee within **2 or _____ business days** after Acceptance. Failure to Deliver the Initial Deposit or Additional Deposit within the time agreed is a material breach of this Agreement.

B. \$_____ ADDITIONAL DEPOSIT shall be Delivered to Escrow Holder within **15 or _____ Days** after Acceptance or ☐ on or before _____ (date).

C. \$_____ NEW FIRST LOAN: This Agreement is **contingent** upon Buyer obtaining a new **conventional** or ☐ **FHA** ☐ **VA** ☐ **other** _____ first loan for a term of **30 or _____ years** at an initial annual rate of interest not to exceed _____ % for a loan which is fixed for the entire term or ☐ **fixed for an initial period of _____ year(s) or _____ month(s)** and thereafter adjustable according to the lender's predetermined schedule, secured by a first deed of trust on the Property, with a loan fee of zero or ☐ not more than _____ points. For an FHA/VA loan, an FHA/VA Amendatory Clause Addendum (C.A.R. form FVAC) is attached.

D. \$_____ OTHER FINANCING: This Agreement is **contingent** upon Buyer obtaining a new second loan or other **additional** financing on the following terms: _____.
Attached Addenda: ☐ Assumed Financing Addendum (C.A.R. form AFA), ☐ Seller Financing Addendum and Disclosure (C.A.R. form SFA).

E. \$_____ CASH BALANCE shall be deposited by Buyer with Escrow Holder prior to COE.

F. \$_____ PURCHASE PRICE, EXCLUDING CLOSING COSTS (Total of A through E).



5. **OPTIONAL CREDIT(S) TO BUYER (check only those that apply, if any):**

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 the seller and broker (or buyer and broker, as the case may be).

A. SELLER CREDIT(S) TO BUYER - BUYER'S OBLIGATION TO COMPENSATE BUYER'S BROKER

- ☐ (If checked) Seller elects to credit Buyer _____ % of the final Purchase Price.
☐ (If checked) Seller elects to credit Buyer \$ _____ as a flat amount, regardless of the final Purchase Price.

Credit(s) described in this paragraph shall be applied toward Buyer's obligation to compensate Buyer's Broker. Buyer affirms that the credit(s) described in this paragraph are not more than the amount of compensation Buyer agreed in writing to pay Buyer's Broker. Within 2 Days of Seller's written request, Buyer shall provide Seller written proof of Buyer's obligation to pay Buyer's Broker. If Buyer fails to Deliver such timely proof, Seller may Deliver to Buyer a Notice to Perform solely to demand such proof, but not to terminate this Agreement. Buyer's failure to comply with the Notice to Perform to Deliver such proof shall result solely in the credit(s) described in this paragraph to be void and removed from the Agreement.

B. OTHER SELLER CREDIT(S) TO BUYER NOT RELATED TO BUYER'S BROKER'S COMPENSATION

- ☐ (If checked) Seller elects to credit Buyer \$ _____, for Buyer's costs of sale and ownership, including, but not limited to, non-recurring closing costs and the costs of inspections or repairs.

C. Buyer is advised to confirm with Buyer's lender that any credit(s) received from any source are within the lender's limits prior to removing any loan contingencies.

6. **APPRAISAL:** This Agreement is contingent upon a written appraisal by Buyer's lender or, if no Buyer financing, by a licensed appraiser at a minimum of the Purchase Price **or** alternatively \$ _____ less than the Purchase Price. Failure to appraise at the value specified permits Buyer to terminate this Agreement only if Buyer retains this appraisal contingency; the loan contingency is separate and distinct. Other matters included in the appraisal report such as square footage and the condition of the Property fall under the Buyer's investigation contingency and do not create termination rights under this contingency, nor require amendment of Seller's disclosures.

7. **OCCUPANCY TYPE:** Buyer intends to use the Property as a primary residence or ☐ secondary residence or ☐ investment property.

8. **PHYSICAL POSSESSION:** Physical possession of the Property shall be Delivered to Buyer **upon recordation of the deed or** ☐ an Addendum setting forth terms upon which Seller may continue to use the Property after COE (SFAR form SLU) is attached to and made a part of this Agreement. If the Property is tenant occupied, see Paragraph 23.

9. **CONTRACT ADDENDA:** The following Addenda are incorporated and shall be signed and returned with this Agreement.

- ☐ Contingency for Sale of Buyer's Property (C.A.R. form COP) ☐ Back-Up Offer Addendum (SFAR form BOA-B)
☐ Buyer's Intent to Exchange Addendum (C.A.R. form BXA) ☐ Seller's Intent to Exchange Addendum (C.A.R. form SXA)
☐ Addendum No. _____ (C.A.R. form ADM)

10. **INTENT TO EXCHANGE PROPERTY:** If checked in Paragraph 9, one or both Parties intends to include this Property in an IRC §1031 exchange, subject to the terms of the attached Addenda. Any exchange is **not** a contingency of this Agreement unless specified as such in the Addendum or elsewhere. The other Party consents to an exchange on the condition that they incur no additional expense or liability.

This space was intentionally left blank; proceed to next page.

11. CONTINGENCIES AND DOCUMENT DELIVERY: Paragraphs 11A-K, if applicable, are contingencies of this Agreement unless waived or removed by Buyer. Within the time specified in the Duration column, Buyer may: (a) remove the contingency(ies), (b) negotiate a modification of terms, or (c) terminate this Agreement as set forth in Paragraph 45. If documents required by law and/or this Agreement are Delivered to Buyer after making the offer, Buyer shall have no less than **5 Days** from Delivery to perform one of these actions. Referenced paragraphs below provide further explanation. Contingencies established by this Agreement continue even after the expiration deadline until a Party serves a Notice to Perform or Remove Contingencies (SFAR form NTPC) and terminates this Agreement per Paragraph 45. Once a contingency is waived or removed, the other Party may not terminate this Agreement for lack of timely removal.

	Paragraph	Contingency (if applicable)	Duration (after Acceptance)	Seller Delivery of documents to Buyer (duration after Acceptance) and any Additional Terms
A	4, 13	Loans (Financing Terms)	21 or ___ Days	
B	6	Appraisal	21 or ___ Days	
C	14	Title Review	15 or ___ Days	Buyer to order within 3 Days after Acceptance. Seller to disclose matters affecting title not shown in the Prelim within 5 Days after Acceptance.
D	15	Buyer's Investigations	15 or ___ Days	
E	16	Insurance	15 or ___ Days	Buyer may specify an annual premium limit.
F	18	Seller's Statutory Disclosures	15 or ___ Days	Seller to Deliver no later than 7 Days after Acceptance
G	19	San Francisco Seller Disclosure	15 or ___ Days	Seller to Deliver within 10 or ___ Days after Acceptance
H	21D	Leased or Liened Items	15 or ___ Days	Seller to Deliver required documents within 3 Days after Acceptance
I	22	HOA Disclosures	15 or ___ Days	Seller to Deliver within 10 or ___ Days after Acceptance
J	23A	Rental Leases and Estoppels	15 or ___ Days	Seller to Deliver within 10 or ___ Days after Acceptance
K	23B	Rental Property Accounting	15 or ___ Days	Seller to Deliver within 10 or ___ Days after Acceptance

12. WAIVER OR REMOVAL OF CONTINGENCIES: Buyer should understand which contingencies in this Agreement are applicable to this sale. If applicable, they may only be removed in writing. Agent advises Buyer not to waive or remove any applicable contingencies prior to receiving all related documents. Irrespective of Buyer's contingency waiver or removal, Seller shall amend Seller's disclosures and Buyer may have a right to terminate as per Paragraph 20, if new material facts are disclosed by Seller. ☐ (If checked) SFAR form CR is attached.

13. FINANCING PROVISIONS: Buyer affirms that only the loan(s) specified in Paragraph 4 are needed to complete this purchase and shall act diligently and in good faith to obtain them. Agents urge Buyer to confirm loan(s) will fund before removing the financing contingency. Buyer represents that the funds required for the Deposits, Cash Balance and Closing Costs are available at Buyer's disposal, and that obtaining these funds is not a contingency of this Agreement. Proof of Buyer's funds shall be provided by Buyer or verified in writing by Buyer's lender(s) within **3 Days** after Acceptance if not attached to this offer. Buyer permits Seller's Agent to contact Buyer's lender(s) solely to determine the status of Buyer's loan(s). Any credits to Buyer from any source shall be disclosed to Buyer's lender(s). If the total credits exceed the lenders' limits such credits shall be reduced with no adjustment in Purchase Price to make up the difference. Seller relies on Buyer's stated financing and shall cooperate with it, including providing prompt access for appraisal(s), but nothing herein prohibits Buyer from pursuing alternative financing, and Seller shall not interfere with such efforts. Seller shall not refuse to close escrow if Buyer has obtained alternative financing.

14. TITLE REVIEW: Buyer, at Buyer's expense, shall order a Preliminary Report ("Prelim") from Escrow Holder. A Prelim is only an offer to issue a policy of title insurance and may not identify every issue affecting title. Buyer shall take title to the Property subject to all encumbrances, easements, rights, covenants, conditions, restrictions and other matters, whether of record or not, as of the Day of Acceptance except: (1) monetary liens which, unless otherwise agreed in writing, Seller will pay off from Seller's proceeds at COE; and (2) any matters which Seller has agreed in writing to remove prior to COE. Seller shall disclose to Buyer all matters known to Seller affecting title which are not shown on the Prelim. Buyer's review and approval of the Prelim, and of all matters affecting title, is a contingency of this Agreement. However, for an amended Prelim, Buyer's right to terminate this Agreement applies only if it contains material differences from the prior Prelim. At COE, Buyer shall receive a grant deed conveying all of Seller's rights, title and interest in the Property. Title shall vest as specified by Buyer. **The manner of taking title may have significant legal and tax consequences.** Buyer should consult with their legal and tax advisors. Buyer should direct all questions regarding title insurance coverage, its cost, and the availability of enhanced coverages, such as those offered by an ALTA policy, to the Escrow Holder or title company.

- 15. BUYER'S INVESTIGATION CONTINGENCY:** This Agreement is contingent upon Buyer's approval, in Buyer's sole discretion, of any matter affecting the Property including, without limitation, its physical condition, square footage, parking and storage availability, neighborhood issues, intended use, or future development. Buyer shall have the right to conduct inspections of the Property by contractors, engineers, architects, and/or other experts, which inspections may include, but are not limited to, a general property inspection, a structural pest control inspection, inspection of the foundation, framing, roof, plumbing, sewer lines, heating, air conditioning, solar system and maintenance agreements, electrical and mechanical systems, appliances, retaining walls, geologic conditions, pool/spa and equipment, environmental hazards (such as asbestos, mold, electromagnetic fields, radon gas, lead paint or lead hazards, fuel or chemical storage tanks, and other materials or products), noise transmission, water/utility use restrictions, and location of property lines. Agents strongly recommend that Buyer retain Buyer's own professionals to investigate the condition of the Property including, but not limited to, its physical condition, matters affecting its use, and its value and desirability for the purposes intended by Buyer. Buyer acknowledges reports received from third parties do not constitute representations or warranties by either Seller or Agents as to the past, present or future condition, use or development potential of the Property. **Agents strongly recommend that Buyer obtain written inspection reports and conduct any further inspections recommended in those reports. Agents do not investigate or verify lot size, boundary lines or interior square footage, nor information contained in inspection reports, advertising, or representations of others.** Seller shall permit inspections with reasonable advance notice from Buyer. No invasive testing is allowed, including 'test holes', without Seller's advance written consent. Buyer is responsible for damage caused by Buyer's inspections, which obligation survives termination of this Agreement. Buyer shall provide Seller with copies of all reports. Buyer shall not instigate any government inspection or review of the Property; this covenant survives termination of this Agreement. Prior to removal of this contingency, Buyer may request Seller make repairs or credit Buyer for the estimated costs of identified repair work, but Seller is not obligated to agree to any such request.
- A. WAIVER:** If Buyer waives or removes this contingency without first performing the investigations specified above, then Buyer is proceeding against the advice of Agents, and Buyer hereby releases Seller and Agents from all claims, demands, and liabilities which in any way relate to or arise from any issue which would have been disclosed, detected and/or evaluated by such investigations.
- B. INFORMATIONAL ACCESS:** Buyer shall have reasonable access to the Property for informational purposes only for 21 or Days after Acceptance separate from Buyer's Investigation Contingency, even if the Buyer has removed that Contingency.
- 16. INSURANCE:** This Agreement is contingent on Buyer's investigation of the availability and affordability of insurance for the Property. Failure of the lender to approve the Property insurance permits Buyer to terminate this Agreement only if Buyer retains this insurance contingency; the loan contingency is separate and distinct. ☐ (If checked) Buyer's ability to obtain a policy(s) not to exceed an annual premium of \$_____.
- 17. SELLER'S STATUTORY AND CONTRACTUAL DISCLOSURES:** Buyer shall return to Seller Signed copies of the disclosure documents provided by Seller at least 5 Days prior to COE.
- 18. SELLER'S STATUTORY DISCLOSURES:** The following disclosures are required by law (as specified below) and shall be Delivered by Seller within the time specified in Paragraph 11. Buyer's review and approval of these disclosures is a contingency of this Agreement. **The obligation to provide these disclosures and any statutory rescission/termination rights shall not be waived or shortened by the Parties.**
- A. REAL ESTATE TRANSFER DISCLOSURE STATEMENT ("TDS"):** (Applies to properties with 1 to 4 residential units.) Unless exempt, Seller shall complete and Deliver to Buyer a TDS (Civil Code §1102), which shall be deemed complete when Seller has answered all questions in Sections I and II, explained all "Yes" answers, and Signed below Section II, and Seller's Agent has completed and Signed Section III.
- B. NATURAL HAZARDS DISCLOSURE ("NHD"):** (Applies to all properties.) Seller shall provide an NHD report disclosing if the Property is located in a flood, fire, seismic hazard or other zone for which disclosure is required by law. If a TDS is required, the NHD report shall also disclose if the Property is in a special tax district or area.
- C. EARTHQUAKE RISK DISCLOSURE:** (Applies only to properties with 1 to 4 residential units built prior to 1960.) Seller shall Deliver to Buyer the "Homeowner's Guide to Earthquake Safety" and complete a disclosure in compliance with California Government Code §8897.
- D. LEAD-BASED PAINT HAZARDS DISCLOSURE:** (Applies to all properties with residential units built prior to 1978.) Seller shall complete and Deliver to Buyer a Lead-Based Paint Hazards Disclosure and Addendum (C.A.R. form LPD) in compliance with 42 U.S.C. 4852d. Buyer shall have the opportunity to conduct a risk assessment or to inspect for the presence of lead-based paint hazards.
- E. BUILDING PERMIT HISTORY:** (Applies to San Francisco properties with residential units, except new construction, per Housing code 351A.) Seller shall provide to Buyer a current Report of Residential Building Record ("3R"). Agents do not investigate or verify the accuracy of information contained in a 3R. Buyer is advised to investigate to Buyer's own satisfaction the status of zoning, permits or code compliance with the local planning department and not rely on the 3R to determine if the Property meets Buyer's intended uses.

19. SAN FRANCISCO SELLER DISCLOSURE ("SFSD"): Seller shall Deliver to Buyer a Completed SFAR form SFSD within the time specified in Paragraph 11. The term "Completed" means Seller has answered all applicable questions, explained all "Yes" answers, identified all referenced and applicable documents, and initialed/Signed each applicable page. Within such time, Seller also shall Deliver to Buyer all documents in Seller's possession or control identified in the SFSD ("Seller's Property Documents"), including without limitation, reports, investigations, disclosures, appraisals, surveys, easements, encroachments, boundary disputes, repair estimates, maintenance recommendations, warranties, and other documents, whether prepared for any past transaction or the present transaction. Buyer's review and approval of the Completed SFSD and Seller's Property Documents is a contingency of this Agreement. **SELLER'S OBLIGATION TO PROVIDE A COMPLETED SFSD AND SELLER'S PROPERTY DOCUMENTS SHALL APPLY TO ALL PROPERTIES, EVEN TDS "EXEMPT" PROPERTIES. BUYERS ARE ADVISED AGAINST REMOVING THIS PARAGRAPH 19 CONTINGENCY PRIOR TO REVIEWING AND SATISFYING THEMSELVES REGARDING THE COMPLETED SFSD AND SELLER'S PROPERTY DOCUMENTS.**

20. NEW MATERIAL FACTS: If prior to COE, Seller or Seller's Agent becomes aware of any inaccurate or undisclosed facts that adversely affect the value or desirability of the Property, Seller shall amend the disclosures in writing with Seller's signature. Buyer shall then have **5 Days** from Delivery of the amendment to elect to terminate this Agreement. Seller is not required to amend any disclosures for conditions known to or discovered by Buyer, or contained in documents previously received by Buyer. **Agents cannot determine whether a disclosure is new or material.**

21. ITEMS INCLUDED OR EXCLUDED FROM THE SALE (to the extent owned by Seller, rather than a staging company or real estate agent):

A. FIXTURES: Unless excluded in Paragraph C below, all existing fixtures and fittings attached to the Property are included, free of liens, in the Purchase Price, **including:** electrical, lighting, plumbing and heating fixtures; hardware; solar systems (see C.A.R. form SOLAR); screens; awnings; shutters; drapes; attached floor coverings; affixed mirrors; television antennas/satellite dishes and related equipment; water softening systems; air coolers or conditioners; pool and spa and related equipment; mailbox; garage door openers and transmitters; trees, shrubs and outdoor plants planted in the ground; private telephone systems; home entry access and video devices, home automation, monitoring or security systems, together with any dedicated hardware and/or applicable software and passwords needed to operate them. ☐ **(If checked)** Paragraphs 1 and 2 of Fixtures and Personal Property Preferences (SFAR form FPPP) dated _____ replace Paragraphs B and C below.

B. PERSONAL PROPERTY ITEMS INCLUDED: Items listed in the MLS, disclosures, or marketing materials are not included in the sale unless specified in this Agreement. The personal property checked below (and the fixtures referred to above) on the Property at Acceptance, **are included** in the sale, free of liens, but with no warranty of condition:

☐ All refrigerators	☐ All freezers	☐ Microwave	☐ Washers and Dryers
☐ All ranges/stoves	☐ All dishwashers	☐ Wine cooler	☐ Bathroom mirrors
☐ E/V chargers	☐ Fireplace equipment	☐ _____	☐ See Paragraph 50

C. ITEMS EXCLUDED FROM THE SALE: Furniture attached only for earthquake safety; externally mounted A/V (audio-visual) equipment (e.g. flat panel screens) and brackets (when removed, holes shall be repaired but not painted); **and these additional exclusions:**

D. LEASED OR LIENED ITEMS: Seller shall Deliver to Buyer all leases, warranties, maintenance agreements and other documents concerning any leased or liened items within the time specified in Paragraph 11. This Agreement is contingent upon Buyer's review of and ability or willingness to assume any lease, lien or ongoing obligations disclosed by Seller. The assumption of any lease or lien shall not require any financial contribution by Seller. Seller may terminate this Agreement if Buyer refuses to enter into any necessary written agreements to accept responsibility for all obligations of Seller-disclosed leased or liened items. Upon removal of this contingency, Buyer agrees to assume all leases, liens and service agreements; and pay any applicable transfer fees.

22. HOMEOWNERS ASSOCIATION ("HOA") DISCLOSURES: If the Property is located in a Common Interest Development, which includes condominiums and cooperative apartments, this Agreement is contingent upon Buyer's review of the documents described below. Seller shall furnish Buyer with copies of the Property's legal description (including parking and storage spaces, if any), covenants, conditions and restrictions ("CC&Rs"), insurance policy, articles of incorporation, bylaws, rules and regulations currently in force, the most recent HOA financial statements, a current operating budget, the last 12 months' HOA meeting minutes, the reserve study, a Condominium/Cooperative Financial Disclosure (SFAR form COCO), and any other documents required by law. Seller shall also disclose all HOA dues, fees, special assessments, including unpaid assessments and assessments levied but not due until a future date, any anticipated extraordinary maintenance or repair expenses, and any pending or anticipated litigation affecting the Property. Seller may be responsible to pay any undisclosed fees or assessments, as set forth in Paragraph 25. **Seller shall promptly notify Buyer of any new or revised HOA documents received by Seller prior to COE.** Material changes to CC&Rs, insurance policy, the reserve study or other HOA documents; an increase in HOA dues of 10% or more or ☐ \$ _____; **or** any new special assessment shall reinstate this contingency for **5 Days**. Buyer is hereby advised that any structural pest control or other inspection of common

areas may be subject to the approval of, and limited in scope by, the HOA. If the Property is new construction or newly converted to condominiums, and this is the first sale of this unit, Buyer shall pay a pro-rata share of any new insurance policy placed on the entire building; otherwise Seller will not receive any credit for insurance, other than through a proration of the established periodic HOA fee for this unit as of COE. If this is a purchase of a cooperative apartment, the attached Cooperative Apartment Purchase Addendum (SFAR form CAPA) includes additional contingencies with timeframes.

- 23. RENTAL PROPERTY: Buyer purchases the Property subject to existing leases and the rights of any and all persons in possession.** If the Property is occupied by tenants and/or non-owner occupants (e.g. friends or relatives of Seller), this Agreement is contingent upon Buyer's review and approval of the following:
- A. LEASES AND ESTOPPELS:** Prior to COE, Seller agrees that no new (or changes to existing) leases or rental agreements shall be entered into without Buyer's prior written consent. Within **3 Days** after Acceptance, Seller shall Deliver to all current tenants (and non-owner occupants): (1) Residential Tenancy Estoppel Certificate(s) (SFAR form RTEC), requesting from each of them the terms of their occupancy; and (2) Request for Tenant Info (Protected Status) (SFAR form RFIUS) to all eligible occupants. Seller shall Deliver to Buyer copies of all leases, rental agreements, applications and Rent Ordinance Rules and Regulations §6.14 notices as well as copies of all outstanding notices sent to tenants/occupants. Seller shall complete a Rental Property Statement (SFAR form SRPS) which requests specific information on the rental units, their tenancies and any issues with tenants/occupants. Seller shall Deliver to Buyer all completed RTEC and RFIUS forms returned by tenants to Seller within **2 Days** of receipt. Seller shall Deliver to Escrow Holder prior to COE: (1) all tenant deposits, including security deposits, last month's rents, cleaning, key or other deposits, and any required interest accrued thereon through COE, which deposits and interest shall be disbursed to Buyer at COE; and (2) copies of any notice(s) of the transfer of deposits given by Seller to tenants. If it is intended that one or more tenant-occupied units be delivered vacant, **the Parties should seek advice from a qualified local landlord-tenant attorney before removing contingencies.**
 - B. ACCOUNTING:** Seller shall Deliver to Buyer a true and complete statement of the income and expenses of the Property for the current year and years _____. This Agreement is contingent upon Buyer's approval of the statement(s).
 - C. RENTAL PERSONAL PROPERTY:** All personal property on the Property at Acceptance owned by Seller and used in operation of the Property is included. Seller shall provide, within **7 Days** after Acceptance, an inventory of the personal property for Buyer's review and approval and that list shall supersede any items checked in Paragraph 21B.
 - D. RESIDENTIAL RENT AND EVICTION CONTROLS:** Local and statewide rent and eviction control laws severely impact the rights of residential property owners, including regulating: (1) the rent which may be charged and subsequent increases; (2) the duration and terms of the tenancy; (3) the number of occupants; (4) the ability to recover possession of the Property; (5) the right to move into the Property; and (6) the ability to subdivide, expand, improve or reconfigure the Property after commencing certain types of evictions. **Buyer should research documents filed with the San Francisco Rent Board pertaining to the Property and seek legal advice from a qualified local landlord-tenant attorney before removing contingencies.**
- 24. ILLEGAL UNITS OR ROOMS:** Buyer understands that units, rooms, additions or alterations to the Property may not have been legally permitted. They may violate zoning, have been built without building permits, and a certificate of final completion and occupancy may not have been issued. Buyer may be required to bring them into compliance or to remove kitchens or other facilities at Buyer's expense. A substantial fine may be imposed and Buyer may be prevented from using or renting any illegal units. **Buyer should obtain legal advice from a qualified local attorney with respect to all legal issues regarding property rights.**
- 25. CLOSING COST ALLOCATIONS:** Unless otherwise agreed in writing:
- A. Buyer shall pay:** escrow fees; title insurance premiums; new and assumed loan fees; supplemental taxes resulting from the Property's reassessment after COE; community enhancement fees (also known as community transfer taxes); project certification fees; **HOA move-in fees; and all special assessments due after COE.**
 - B. Seller shall pay:** City and County transfer tax; costs of loans paid off through escrow; property taxes for periods of time **before** COE; HOA document preparation, move-out, transfer and demand fees; all HOA special assessments due prior to COE; and any **existing HOA fees or special assessments not disclosed by Seller prior to COE.**
 - C. Buyer and Seller shall prorate,** based on a 30-day month, and bring current at COE: property taxes; rents; operating expenses; interest on assumed loans; **and HOA regular assessments (dues).** Unless otherwise specified in this Agreement, all other expenses shall be paid by Buyer or Seller in accordance with Escrow Holder practice.
- 26. COMPLIANCE WITH OTHER LOCAL, STATE AND FEDERAL LAWS:** Buyer is advised to consult with the appropriate authorities to determine the extent to which other local, State and federal laws may affect the ownership and use of the Property.
- A. SMOKE AND CARBON MONOXIDE DETECTORS:** Unless an exemption applies, local and State law requires that every residential property be properly equipped with approved and functioning smoke (or heat) and carbon monoxide detectors. If such detectors are not installed on the Property in accordance with applicable law, Seller shall install and pay for the detectors prior to COE.
 - B. WATER HEATERS:** California law requires water heaters to be strapped, braced or anchored to resist falling or displacement. The State Uniform Plumbing Code also requires that new or replacement water heaters located in a garage area be installed such that their ignition point is at least 18 inches above the floor. Seller shall bring water heaters into compliance prior to COE.

- C. UNDERGROUND STORAGE TANKS ("USTs"):** The Parties acknowledge that Article 21 of the San Francisco Health Code requires owners of real property in San Francisco with USTs located on or immediately adjacent to the Property to file a plan for their closure within **30 Days** of discovery. If Seller has not provided Buyer with a written report by a licensed contractor specializing in USTs stating that no such tanks can be located, then Buyer is advised to conduct Buyer's own professional inspection, which Seller shall permit even if Buyer has waived or removed Buyer's Investigation contingency. If the inspection reveals the existence of USTs, Seller shall, at Seller's expense, remove them and complete any necessary remedial work to the Property prior to COE. Buyer may be responsible for USTs found after COE.
- D. ENERGY AND WATER CONSERVATION:** Unless exempt, Seller shall order an energy and/or water conservation inspection. Seller shall pay for all requisite energy/water remediation work, not to exceed the maximum amount set by local law. Seller shall complete the work by COE and comply with all filing, recordation and other requirements.
- 27. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) internet website maintained by the U.S. Department of Transportation at www.SFARforms.com/PipelineMap. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS internet website.
- 28. PROPERTY CONDITION AND KEYS:** Seller shall maintain this Property in the same general condition, with utilities on, as when this Agreement was Accepted until possession is delivered to Buyer. Seller is not required to repair holes remaining after the removal of hanging items. Seller shall deliver the Property free of debris and in broom-clean condition. Seller shall provide Buyer, at possession, with: keys to all locks and mailboxes; any remote controls; any codes or passwords to locks, alarms and garage doors; and cooperate with Buyer in the transfer of utilities, services and subscriptions. The Parties agree that Agents are not responsible for Seller's performance under this paragraph.
- 29. WALK-THROUGH:** Buyer shall have the right to make a final inspection of the Property within **5 or ____ Days** prior to COE, not as a condition of the sale but solely to confirm that: (a) the Property is in substantially the same condition as on the Date of Acceptance, unless otherwise agreed to in writing; and (b) Seller has complied with all additional written obligations regarding the condition of the Property.
- 30. HOME WARRANTY PLANS:** Buyer acknowledges the availability of home warranty plans, which provide limited coverage against system and appliance failures, but has not relied upon any representation by Agents regarding the extent of coverage of any such plan. ☐ (If checked) a 1-year home warranty plan selected by Buyer shall be purchased at a cost not to exceed \$_____, to be paid by _____, with any excess cost to be borne by Buyer, or ☐ a home warranty plan is declined by Buyer.
- 31. MEGAN'S LAW:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an internet website maintained by the Department of Justice at www.SFARforms.com/MegansLaw. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.
- 32. FAIR APPRAISALS:** Any appraisal of the Property is required to be unbiased, objective, and not influenced by improper or illegal considerations, including, but not limited to, any of the following: race, color, religion (including religious dress, grooming practices, or both), gender (including, but not limited to, pregnancy, childbirth, breastfeeding, and related conditions, and gender identity and gender expression), sexual orientation, marital status, medical condition, military or veteran status, national origin (including language use and possession of a driver's license issued to persons unable to provide their presence in the United States as authorized under federal law), source of income, ancestry, disability (mental and physical, including, but not limited to, HIV/AIDS status, cancer diagnosis, and genetic characteristics), genetic information, or age. If a buyer or seller believes that the appraisal has been influenced by any of the above factors, the Seller or Buyer can report this information to the lender or mortgage broker that retained the appraiser and may also file a complaint with the Bureau of Real Estate Appraisers at www.SFARforms.com/BureauAppraisers or call (916) 552-9000 for further information on how to file a complaint.
- 33. ASSIGNMENT:** The Parties agree Buyer may assign this Agreement to Buyer's trust or an entity wholly owned by Buyer, which trust or entity must be in existence at the time of the assignment. Such an assignee need not Sign documents previously Signed by Buyer. Buyer shall not assign all or part of Buyer's interest in this Agreement to a third-party assignee without first obtaining Seller's written consent to the assignment; which consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of obligations pursuant to this Agreement or delay COE. Third-party assignees shall acknowledge this Agreement in writing and all disclosures provided by Seller. Buyer shall notify Seller (C.A.R. form AOAA) of any total or partial assignment no later than **10 Days** prior to COE.
- 34. TAX WITHHOLDING:** The California Revenue and Taxation Code §18662 requires Buyer to withhold from Seller's proceeds 3 1/3% of the gross sale price, unless Seller Signs an affidavit stating that the Property has been Seller's principal residence as defined in IRC §121, or another exemption applies. Further, if Seller is a foreign person or corporation, as defined in the Foreign Investment in Real Property Tax Act (FIRPTA), Buyer must, unless an exemption applies, withhold from Seller's proceeds up to 15% of the gross sale

price of the Property. At least **7 or ____ Days** prior to COE, the Parties shall Deliver to Escrow Holder, acting as a Qualified Substitute under IRC §1445 and a State REEP, all documentation necessary to carry out the provisions of these laws. The Parties instruct Escrow Holder to deduct from Seller's proceeds any amounts required. If Escrow Holder receives a Non-Foreign affidavit from Seller, they shall give Buyer a Qualified Substitute Statement (C.A.R. form QS) attesting to that, under penalty of perjury, prior to COE.

- 35. NON-CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Seller's representatives may not treat the existence, terms or conditions of offers as confidential unless required by law, regulation or a pre-existing confidentiality agreement Signed by the Parties.
- 36. MULTIPLE LISTING SERVICE:** The Parties consent to the publication of images, floor plans, descriptions, and transaction terms in the MLS and other internet websites. The Parties acknowledge information and images live in perpetuity on the internet. Agents cannot and will not attempt to remove information or images from websites, including the MLS and any Agent owned websites. Civil Code §1088(c) requires the MLS to maintain Property information and images for a minimum of 3 years.
- 37. DEFINITIONS:** The following words are defined terms in this Agreement and have the following meaning whenever used:
- A. ACCEPTANCE:** Acceptance occurs when, before expiration, Seller Signs Buyer's offer and any attached Addenda without any changes and a Signed copy is Delivered to Buyer or Buyer's Agent, **or** when the last of any counter offers has been Signed by the receiving Party without any changes and a Signed copy of that counter offer is Delivered to the issuing Party. **For Acceptance, the Parties must agree (and initial accordingly) whether Arbitration of Disputes (Paragraph 40) and/or Liquidated Damages (Paragraph 38) are included.**
 - B. AGENT(S):** As used in this Agreement, Agent shall mean the licensed real estate agent and broker who represent the Buyer or the Seller in this transaction, including the preparation, negotiation and review of this Agreement.
 - C. CLOSE OF ESCROW:** Means the date the grant deed or other evidence of the transfer of title to the Property is recorded.
 - D. DAYS:** Days means calendar days, except where designated as business days. Day 1 is the first day after an event. If the performance date falls on a weekend or legal holiday, the date is extended to the next business day. Days end at 11:59pm. Time is of the essence.
 - E. DELIVER/DELIVERY/DELIVERED:** All documents to be Delivered by a Party under this Agreement, including but not limited to, the Acceptance, contingency removals, and/or any termination notice issued by Buyer or Seller, shall be in writing and effective only upon receipt by the other Party or that Party's Agent. Receipt means either (1) a copy of the document is in the possession of the Party or authorized Agent regardless of the Delivery method used (i.e. email, text, other), or (2) an electronic copy has been sent to the designated electronic delivery address specified in this Agreement.
 - F. SIGN/SIGNED:** Signed means the application of a written signature or an electronic signature on an original document, counterpart or copy. The Parties agree that electronic means will not be used by either of them to alter the content or integrity of the Agreement.
- 38. LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the Purchase Price. Any excess shall be returned to Buyer. Release of funds will require mutual Signed release instructions from both Buyer and Seller, a judicial decision, or an arbitration award. Notwithstanding any provision to the contrary above, the 3% limitation shall not apply if Buyer fails to make the Initial Deposit or any Additional Deposit per the terms of this Agreement. For any increased deposit, Buyer and Seller shall sign a separate Delivery of Increased Deposit and Liquidated Damages Addendum (C.A.R. form DID).

Buyer's Initials

Seller's Initials

- 39. MEDIATION OF DISPUTES:** If a dispute arises regarding this Agreement, Buyer and Seller agree to first attempt in good faith to settle the dispute by non-binding mediation before resorting to court action or binding arbitration. In mediation, a mutually acceptable resolution is sought rather than a settlement being imposed on the Parties. Mediation fees shall be paid equally by Buyer and Seller. The C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) shall be used unless another mediation provider is mutually agreed to by the Parties. Any Party who fails or refuses to mediate as required by this paragraph shall not be entitled to any attorney's fees award under this Agreement. A court action filed to obtain a provisional remedy, including a notice of pending action or to stop the expiration of a statute of limitations, shall not be a violation of this paragraph, provided the Party commencing the action agrees, pending mediation, to a stay of the court action. This paragraph shall apply regardless of whether the Parties also agree to arbitration. Agents are not parties to this Agreement and cannot be compelled to mediate or arbitrate disputes arising from this Agreement.

40. **ARBITRATION OF DISPUTES:** Any dispute or claim in law or equity arising out of this Agreement or any resulting transaction shall be decided by neutral binding arbitration in accordance with the rules of JAMS and not by court action, except as provided by California law for judicial review of arbitration proceedings. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. Arbitrators can award compensatory damages, punitive damages, and/or order specific performance, injunctive relief and declaratory relief. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The following matters are excluded from arbitration hereunder: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or real property sales contract as defined in Civil Code §2985; (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court or a small claims court; or (e) an action for bodily injury or wrongful death. The filing of a judicial 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 of the right to arbitrate under this provision.

"NOTICE: BY INITIALLING 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 INITIALLING 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

41. **LEGAL ADVICE:** Buyer and Seller acknowledge that they have not received or relied upon any representation by Agents regarding Liquidated Damages, Arbitration or any other contract issues, and that they have been advised by Agents to seek legal advice from a qualified California real estate attorney. No representations or recommendations are made by the Agents as to the legal sufficiency, effect, or tax consequences of this document or the related transaction.
42. **FINCEN COMPLIANCE:** For Qualifying Purchases, within **3 Days** of request by Escrow Holder, Buyer shall provide all required information, including the identity of the natural person(s) behind the purchasing entity, or Seller may terminate this Agreement.
43. **ATTORNEYS' FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees and costs from the non-prevailing Party.
44. **WIRE FRAUD:** The Parties acknowledge the risk of wire fraud and agree they are solely responsible for their own funds.
45. **TERMINATION:** Either Party may terminate this Agreement based upon a good faith exercise of any contingency or contractual or statutory right to terminate. Termination of this Agreement for failure of the other Party to perform a contractual obligation or remove a contingency shall be effective only after Delivery of a Notice to Perform, Remove Contingencies or Close Escrow ("Notice to Perform" SFAR form NTPC) to the other Party, which provides at least **2 Days** to perform contractual terms or remove contingencies. In the event that the other Party does not perform as specified in the NTPC, the noticing Party may terminate this Agreement. A Party may issue a NTPC no earlier than **2 Days** prior to a contractual deadline. The obligation to close escrow requires a NTPC. Termination by Buyer, as permitted by this Agreement or by law, shall entitle Buyer to the return of Buyer's deposit (less agreed escrow fees) and Seller shall so instruct Escrow Holder. Release of funds from escrow will require: (a) mutually consistent Signed instructions by both Parties; or (b) the rendering of a judicial decision or arbitration award authorizing the release. All obligations in this Agreement, including the provisions of this paragraph, shall be performed in good faith.
46. **RISK OF LOSS - DESTRUCTION OF THE PROPERTY:** In the event of destruction or loss of the Property during the escrow, the Parties are advised to refer to Civil Code §1662 and consult with a qualified California real estate attorney to understand their rights.
47. **GENERAL PROVISIONS:** This Agreement, including all fully Signed and Delivered addenda, amendments and counter offers, contains the entire agreement of the Parties. Any purported or prior agreement or representation respecting the Property or the duties of Buyer and Seller in relation thereto, which is not expressly set forth herein, is null and void. No amendment to or modification of this Agreement shall be valid or enforceable unless in writing and Signed by Buyer and Seller. This Agreement shall be binding upon and inure to the benefit of the Parties' respective heirs, successors and assigns. If any provision of this Agreement is held unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall remain enforceable.
48. **LEGALLY AUTHORIZED SIGNER:** If checked below the signature lines, wherever the initials or signature of the identified Legally Authorized Signer appears on this Agreement, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity. The Legally Authorized Signer represents that the entity for which they are acting already exists and is in good standing to do business in California, and shall provide evidence of their authority to act in that capacity to Escrow Holder within **5 Days** after Acceptance.

Property: 345 Center St #21, San Mateo, CA 94124 Date: July 31, 2025

49. ACKNOWLEDGMENT OF RECEIPT: The Parties hereby acknowledge receipt of a copy of this Agreement and represent that they have read and understand its provisions.

50. ADDITIONAL TERMS AND CONDITIONS: All Addenda Signed by Buyer and Seller shall be deemed a part of this Agreement. The following terms are also included: _____

Buyer _____ Date _____ Buyer _____ Date _____

☐ Signed in a representative capacity on behalf of _____ (full name of entity or trust)
Printed name of Legally Authorized Signer _____ Title (if applicable) _____

ACCEPTANCE

The undersigned Seller hereby accepts the foregoing offer and agrees to sell the Property on the terms and conditions set forth herein, **or**
☐ **(if checked) accepts the above terms and conditions as amended by and subject to Seller's Counter Offer.**

Seller _____ Date _____ Seller _____ Date _____

☐ Signed in a representative capacity on behalf of _____ (full name of entity or trust)
Printed name of Legally Authorized Signer _____ Title (if applicable) _____

ACKNOWLEDGMENT OF AGENCY RELATIONSHIPS AND ELECTRONIC DELIVERY ADDRESSES

Agency relationships listed in Paragraph 1B are confirmed. Agents' signatures and designated electronic delivery address follow:

Buyer's Brokerage Firm _____
By (Agent for Buyer) _____ Tel. _____ Date _____
Designated electronic delivery address(es) _____ ☐ See C.A.R. form DEDA

Seller's Brokerage Firm KW Advisors SF
By (Agent for Seller) Jeanne Galagher Tel. _____ Date _____
Designated electronic delivery address(es) _____ ☐ See C.A.R. form DEDA

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)
(C.A.R. Form AD, Revised 12/24)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code §§ 2079.13(j), (k), and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. This includes a Buyer's agent under a buyer-broker representation agreement with the Buyer. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, 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.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of §§ 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully.**

Note: Real estate broker commissions are not set by law and are fully negotiable.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE SECOND PAGE.

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant _____ **Buyer 1** Date _____

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant _____ **Buyer 2** Date _____

Agent _____ DRE Lic. # _____

Real Estate Broker (Firm)

By _____ DRE Lic. # _____ Date _____

(Salesperson or Broker-Associate, if any)

AD REVISED 12/24 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)



CIVIL §§ 2079.13 - 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13. As used in this section and §§ 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with § 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with § 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. (b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes a vendee or lessee of real property. (c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with § 1940) of Title 5, (3) a mobilehome, as defined in § 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in § 799.29. (d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. (f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of § 761 in property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in § 18007 of the Health and Safety Code, or a mobilehome as defined in § 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in § 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. (l) "Single-family residential property" or "single-family residential real property" means any of the following: (1) Real property improved with one to four dwelling units, including a leasehold exceeding one year's duration. (2) A unit in a residential stock cooperative, condominium, or planned unit development. (3) A mobilehome or manufactured home when offered for sale or sold through a real estate broker pursuant to § 10131.6 of the Business and Professions Code. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of § 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. (o) "Buyer's agent" means an agent who represents a buyer in a real property transaction. (p) "Buyer-broker representation agreement" means a written contract between a buyer of real property and a buyer's agent by which the buyer's agent has been authorized by the buyer to provide services set forth in subdivision (a) of § 10131 of the Business and Professions Code for or on behalf of the buyer for which a real estate license is required pursuant to the terms of the contract.

2079.14. (a) A copy of the disclosure form specified in § 2079.16 shall be provided in a real property transaction as follows: (1) The seller's agent, if any, shall provide the disclosure form to the seller before entering into a listing agreement. (2) The buyer's agent shall provide the disclosure to the buyer as soon as practicable before the execution of a buyer-broker representation agreement and execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer. (b) The agent providing the disclosure form specified in § 2079.16 shall obtain a signed acknowledgment of receipt from the buyer or seller except as provided in § 2079.15.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to § 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

Seller's Brokerage Firm _____	DO NOT COMPLETE. SAMPLE ONLY	License Number _____
Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)		
Seller's Agent _____	DO NOT COMPLETE. SAMPLE ONLY	License Number _____
Is (check one): ☐ the Seller's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)		
Buyer's Brokerage Firm _____	DO NOT COMPLETE. SAMPLE ONLY	License Number _____
Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)		
Buyer's Agent _____	DO NOT COMPLETE. SAMPLE ONLY	License Number _____
Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)		

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by § 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1289)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of § 2079.14 and § 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c)

"Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. (b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. FORM RPA, Revised 6/25)

Date Prepared: July 31, 2025

1. OFFER:

- A. THIS IS AN OFFER FROM** Buyer 1, Buyer 2 ("Buyer").
- B. THE PROPERTY** to be acquired is 345 Center St #21, situated in San Mateo (City), San Mateo (County), California, 94124 (Zip Code), Assessor's Parcel No(s). _____ ("Property").
(Postal/Mailing address may be different from city jurisdiction. Buyer is advised to investigate.)
- C. THE TERMS OF THE PURCHASE ARE SPECIFIED BELOW AND ON THE FOLLOWING PAGES.**
- D.** 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 Relationship" (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** KW Advisors SF License Number 01995149
Is the broker of (check one): ☒ the Seller; or ☐ both the Buyer and Seller (Dual Agent).
Seller's Agent Jeanne Gallagher License Number 01802283
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 17 pages. The Parties are advised to read all 17 pages.

	Para #	Paragraph Title or Contract Term	Terms and Conditions	Additional Terms
A	5, 5B (cash)	Purchase Price	\$ _____	☐ All Cash
B		Close Of Escrow (COE)	☐ Days after Acceptance OR on ☐ (date)	
C	33A	Expiration of Offer	3 calendar days after all Buyer Signature(s) or _____ (date), at 5PM or ☐ AM/ ☐ PM	
D(1)	5A(1)	Initial Deposit Amount	\$ _____ (% of purchase price) (% number above is for calculation purposes and is not a contractual term)	within 3 (or _____) business days after Acceptance by wire transfer OR ☐
D(2)	5A(2)	☐ Increased Deposit	See attached Increased Deposit Addendum (C.A.R. Form IDA)	
E(1)	5C(1)	Loan Amount(s): First Interest Rate _____ Points _____ If FHA or VA checked, Deliver list of lender required repairs	\$ _____ (% of purchase price) Fixed rate or ☐ Initial adjustable rate • not to exceed _____ % • Buyer to pay up to _____ points to obtain the rate above 17 (or _____) Days after Acceptance	Conventional or, if checked, ☐ FHA (Forms FVAC/HID attached) ☐ VA (Form FVAC attached) ☐ Seller Financing ☐ Other: _____
E(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	Conventional or, if checked, ☐ Seller Financing ☐ Other: _____
E(3)	7A	Occupancy Type	Primary, or if checked, ☐ Secondary ☐ Investment	
F	5D	Balance of Down Payment	\$ _____	
PURCHASE PRICE TOTAL			\$ _____	



G SELLER PAYMENT TO COVER BUYER EXPENSES AND COSTS				
G(1)	5E	☐ Seller Credit to Buyer	\$ _____	For closing costs
G(2)		ADDITIONAL SELLER CREDIT TERMS (does not include buyer broker compensation): _____		
G(3)	18A	☐ Seller Payment to Compensate Buyer's Broker	Seller agrees to pay Buyer's Broker, out of transaction proceeds, _____ % of the final purchase price AND, if applicable \$ _____ OR, if checked ☐ \$ _____.	
H(1)	5B	Verification of All Cash (sufficient funds)	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
H(2)	6A	Verification of Down Payment and Closing Costs	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	
H(3)	6B	Verification of Loan Application	Attached to the offer or ☐ 3 (or _____) Days after Acceptance	☐ Prequalification ☐ Preapproval ☐ Fully underwritten preapproval
I	Intentionally Left Blank			
J	16	Final Verification of Condition	5 (or _____) Days prior to COE	
K	23	Assignment Request	17 (or _____) Days after Acceptance	
L		CONTINGENCIES	TIME TO REMOVE CONTINGENCIES	CONTINGENCY REMOVED
L(1)	8A	Loan(s)	17 (or _____) Days after Acceptance	☐ No loan contingency
L(2)	8B	Appraisal: Appraisal contingency based upon appraised value at a minimum of purchase price or ☐ \$ _____	17 (or _____) Days after Acceptance	☐ No appraisal contingency Removal of appraisal contingency does not eliminate appraisal cancellation rights in FVAC.
L(3)	8C, 12	Investigation of Property	17 (or _____) Days after Acceptance	REMOVAL OR WAIVER OF CONTINGENCY: Any contingency in L(1)-L(8) may be removed or waived by checking the applicable box above or attaching a Contingency Removal (C.A.R. Form CR-B) and checking the applicable box therein. Removal or Waiver at time of offer is against Agent advice. See paragraph 8I . ☐ CR-B attached
		Informational Access to Property	17 (or _____) Days after Acceptance	
		Buyer's right to access the Property for informational purposes is NOT a contingency, does NOT create cancellation rights, and applies even if contingencies are removed.		
L(4)	8D	Insurance	17 (or _____) Days after Acceptance	
L(5)	8E, 14A	Review of Seller Documents	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(6)	8F, 13A	Preliminary ("Title") Report	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(7)	8G, 11L	Common Interest Disclosures Per Civil Code § 4525 or Agreement	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(8)	8H, 9B(6)	Review of leased or liened items (E.g. solar panels or propane tanks)	17 (or _____) Days after Acceptance, or 5 Days after Delivery, whichever is later	
L(9)	8K	Sale of Buyer's Property Sale of Buyer's property is not a contingency, UNLESS checked here: ☐ C.A.R. Form COP attached		
M		Possession	Time for Performance	Additional Terms
M(1)		Time of Possession	Upon notice of recordation, OR ☐ 6 PM or ☐ AM/ ☐ PM on date specified, as applicable, in 3M(2) or attached TOPA.	
M(2)	7D	Seller Occupied or Vacant units	COE date or, if checked below, ☐ _____ days after COE (29 or fewer days) ☐ _____ days after COE (30 or more days)	C.A.R. Form SIP attached if 29 or fewer days. C.A.R. Form RLAS attached if 30 or more days.
M(3)	4A, 7A	Occupied units by tenants or anyone other than the Seller	☐ Tenant Occupied Property Addendum (C.A.R. Form TOPA) attached	See 7A if TOPA is not attached.
N		Documents/Fees/Compliance	Time for Performance	
N(1)	14A	Seller Delivery of Documents	7 (or _____) Days after Acceptance	
N(2)	19B	Sign and return Escrow Holder Provisions and Instructions	5 (or _____) Days after Delivery	
N(3)	11L(2)	Time to pay fees for ordering HOA Documents	3 (or _____) Days after Acceptance	
N(4)	10B(1)	Install smoke alarm(s), CO detector(s), water heater bracing	7 (or _____) Days after Acceptance	
N(5)	32	Evidence of representative authority	3 Days after Acceptance	
O	Intentionally Left Blank			



P		Items Included and Excluded		
P(1)	9	Items Included - All items specified in Paragraph 9B are included and the following, if checked: ☐ Stove(s), oven(s), stove/oven combo(s); ☐ Refrigerator(s); ☐ Wine Refrigerator(s); ☐ Washer(s); ☐ Dryer(s); ☐ Dishwasher(s); ☐ Microwave(s); Additional Items Included: ☐ _____ ☐ Video doorbell(s); ☐ Security camera equipment; ☐ Security system(s)/alarm(s), other than separate video doorbell and camera equipment; ☐ Smart home control devices; ☐ Wall mounted brackets for video or audio equipment; ☐ _____ ☐ _____ ☐ Above-ground pool(s) / ☐ spa(s); ☒ Bathroom mirrors, unless excluded below; ☐ Electric car charging systems and stations; ☐ Potted trees/shrubs; ☐ _____ ☐ _____		
P(2)		Excluded Items: ☐ _____; ☐ _____; ☐ _____		
Q		Allocation of Costs		
	Para #	Item Description	Who Pays (if Both is checked, cost to be split equally unless Otherwise Agreed)	Additional Terms
Q(1)	10A, 11A	Natural Hazard Zone Disclosure Report, including tax information	☐ Buyer ☐ Seller ☐ Both _____ _____ ☐ Provided by: _____	☐ Environmental ☐ Other _____
Q(2)		Optional Wildfire Disclosure Report	☐ Buyer ☐ Seller ☐ Both _____ Provided by: _____	
Q(3)		(A) _____ Report (B) _____ Report	☐ Buyer ☐ Seller ☐ Both _____ ☐ Buyer ☐ Seller ☐ Both _____	
Q(4)	10B(1)	Smoke alarms, CO detectors, water heater bracing	☐ Buyer ☐ Seller ☐ Both _____	
Q(5)	10A 10B(2)	Government Required Point of Sale inspections, reports	☐ Buyer ☐ Seller ☐ Both _____	
Q(6)	10B(2)	Government Required Point of Sale corrective/remedial actions	☐ Buyer ☐ Seller ☐ Both _____	
Q(7)	19B	Escrow Fee	☐ Buyer ☐ Seller ☐ Both _____ Escrow Holder: _____	
Q(8)	13	Owner's title insurance policy	☐ Buyer ☐ Seller ☐ Both _____ Title Co. (If different from Escrow Holder): _____	
Q(9)		Buyer's Lender title insurance policy	Buyer	Unless Otherwise Agreed, Buyer shall purchase any title insurance policy insuring Buyer's lender.
Q(10)		County transfer tax, fees	☐ Buyer ☐ Seller ☐ Both _____	
Q(11)		City transfer tax, fees	☐ Buyer ☐ Seller ☐ Both _____	
Q(12)	11L(2)	HOA fee for preparing disclosures	Seller	
Q(13)		HOA certification fee	Buyer	
Q(14)		HOA transfer fees	☐ Buyer ☐ Seller ☐ Both _____	Unless Otherwise Agreed, Seller shall pay for separate HOA move-out fee and Buyer shall pay for separate move-in fee. Applies if separately billed or itemized with cost in transfer fee.
Q(15)		Private transfer fees	Seller, or if checked, ☐ Buyer ☐ Both _____	
Q(16)		_____ fees or costs	☐ Buyer ☐ Seller ☐ Both _____	
Q(17)		_____ fees or costs	☐ Buyer ☐ Seller ☐ Both _____	
Q(18)	10C	Home warranty plan chosen by Buyer. Coverage includes, but is not limited to: _____ _____	☐ Buyer ☐ Seller ☐ Both _____ Issued by: _____ ☐ Buyer waives home warranty plan	If Seller or Both checked, Seller's cost not to exceed \$ _____.
R	OTHER TERMS: _____ _____ _____			



4. PROPERTY ADDENDA AND ADVISORIES: (check all that apply)**A. PROPERTY TYPE ADDENDA:** This Agreement is subject to the terms contained in the Addenda checked below:

- ☐ Tenant Occupied Property Addendum (C.A.R. Form TOPA) (Should be checked whether current tenants will remain or not.)
☐ Probate Agreement Purchase Addendum (C.A.R. Form PA-PA)
☐ Manufactured Home Purchase Addendum (C.A.R. Form MH-PA)
☐ Tenancy in Common Purchase Addendum (C.A.R. Form TIC-PA)
☐ Stock Cooperative Purchase Addendum (C.A.R. Form COOP-PA)
☐ Mixed Use Purchase Addendum (C.A.R. Form MU-PA) ☐ Other _____

B. OTHER ADDENDA: This Agreement is subject to the terms contained in the Addenda checked below:

- ☐ Addendum # _____ (C.A.R. Form ADM) ☐ Short Sale Addendum (C.A.R. Form SSA)
☐ Back Up Offer Addendum (C.A.R. Form BUO) ☐ Court Confirmation Addendum (C.A.R. Form CCA)
☐ Septic, Well, Property Monument and Propane Addendum (C.A.R. Form SWPI)
☐ Buyer Intent to Exchange Addendum (C.A.R. Form BXA) ☐ Seller Intent to Exchange Addendum (C.A.R. Form SXA)
☐ Other _____ ☐ Other _____

C. BUYER AND SELLER ADVISORIES: (Note: All Advisories below are provided for reference purposes only and are not intended to be incorporated into this Agreement.)

- ☒ Buyer's Investigation Advisory (C.A.R. Form BIA) ☒ Fair Housing and Discrimination Advisory (C.A.R. Form FHDA)
☒ Wire Fraud Advisory (C.A.R. Form WFA) ☒ Cal. Consumer Privacy Act Advisory (C.A.R. Form CCPA)
 (Parties may also receive a privacy disclosure from their own Agent.)
☐ Wildfire Disaster Advisory (C.A.R. Form WFDA) ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
☐ Trust Advisory (C.A.R. Form TA) ☐ Probate Advisory (C.A.R. Form PA)
☐ REO Advisory (C.A.R. Form REO) ☐ Other _____
☐ 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 3D(1)** and such method is unacceptable to Escrow Holder, then upon notice from Escrow Holder, delivery shall be by wire transfer.
 (2) **RETENTION OF DEPOSIT:** Paragraph 26, 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 real estate 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 Property. This Agreement is NOT contingent on Buyer obtaining a loan. Buyer shall, within the time specified in **paragraph 3H(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 conventional financing **UNLESS** FHA, VA, Seller Financing (C.A.R. Form SFA), or Other is checked in **paragraph 3E(1)**.
 (2) **ADDITIONAL FINANCED AMOUNT:** If an additional financed amount is specified in **paragraph 3E(2)**, that amount will provide for conventional financing **UNLESS** Seller Financing (C.A.R. Form SFA), or Other is checked in **paragraph 3E(2)**.
 (3) **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 3E**, 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.
 (4) **FHA/VA:** If FHA or VA is checked in **paragraph 3E(1)**, a FHA/VA amendatory clause (C.A.R. Form FVAC) shall be incorporated and Signed by all Parties. Buyer shall, within the time specified in **paragraph 3E(1)**, Deliver to Seller written notice (C.A.R. Form RR or AEA) (i) of any lender requirements that Buyer requests Seller to pay for or otherwise correct or (ii) that there are no lender requirements. Notwithstanding Seller's agreement that Buyer may obtain FHA or VA financing, Seller has no obligation to pay or satisfy any or all lender requirements unless agreed in writing.

D. BALANCE OF PURCHASE PRICE (DOWN PAYMENT, paragraph 3F) (including all-cash funds) to be deposited with Escrow Holder pursuant to Escrow Holder instructions.**E. LIMITS ON CREDITS TO BUYER:** Any credit to Buyer as specified in **paragraph 3G(1)** or Otherwise Agreed, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender, if any, and made at Close Of Escrow. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit from Seller shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.**6. ADDITIONAL FINANCING TERMS:**

- A. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Written verification of Buyer's down payment and closing costs, within the time specified in **paragraph 3H(2)** 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 3H(3)** a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in **paragraph 3E**. If any loan specified in **paragraph 3E** is an adjustable rate loan, the prequalification or preapproval 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 3B**) even if based upon alternate financing. Buyer's inability to obtain alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.



7. CLOSING AND POSSESSION:

- A. OCCUPANCY:** If Buyer intends to occupy as a primary or secondary residence (see **paragraph 3E(3)**), and unless Otherwise Agreed, such as in C.A.R. Form TOPA: **(i)** the unit Buyer intends to occupy shall be vacant at the time possession is delivered to Buyer, and **(ii)** if the Property contains more than one unit, within **3 Days** after Acceptance Buyer shall give Seller written notice of which unit Buyer intends to occupy. Occupancy may impact available financing. **Seller shall disclose to Buyer if occupied by tenants or persons other than Seller, and attach C.A.R. Form TOPA in a counter offer if not part of Buyer's offer.**
- B. CONDITION OF PROPERTY ON CLOSING:**
Unless Otherwise Agreed: **(i)** the Property shall be delivered "**As-Is**" in its PRESENT physical condition as of the date of Acceptance; **(ii)** the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; **(iii)** Except as specified in **paragraph 9C**, Seller is not responsible to repair any holes left after the removal of any wall hangings (such as pictures and mirrors), brackets, nails or other fastening devices; and **(iv)** all debris and 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.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller and Agents may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had all required permits issued and/or finalized.**
- D. SELLER REMAINING IN POSSESSION AFTER CLOSE OF ESCROW:** If Seller has the right to remain in possession after Close Of Escrow pursuant to **paragraph 3M(2)** or as Otherwise Agreed: The Parties are advised to **(i)** consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and **(ii)** consult with a qualified California real estate attorney where the Property is located to determine the ongoing rights and responsibilities of both Buyer and Seller with regard to each other, including possible tenant rights, and what type of written agreement to use to document the relationship between the Parties. Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- E. 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.
- F. 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, home automation systems, intranet and Internet-connected devices included in the purchase price, garage door openers, and all items included in either **paragraph 3P** or **paragraph 9**. If the Property is a condominium or located in a common interest development, Seller shall be responsible for securing or providing any such items for Association amenities, facilities, and access. Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.**

8. CONTINGENCIES AND REMOVAL OF CONTINGENCIES:**A. LOAN(S):**

- (1) This Agreement is, **unless otherwise specified in paragraph 3L(1) or an attached CR-B 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 Property 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 Property as early as possible, as this may be a requirement for lending. Buyer's ability to obtain insurance for the Property, including fire insurance, is part of Buyer's Insurance contingency. Failure of Buyer to obtain insurance may justify cancellation based on the Insurance 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 Property, 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-B form**, contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the amount specified in **paragraph 3L(2)**, without requiring repairs or improvements to the Property. Appraisals are often a reliable source to verify square footage of the subject Property. However, the ability to cancel based on the measurements provided in an appraisal falls within the Investigation of Property contingency. 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 property 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.
- (3) ☒ Fair Appraisal Act: See **paragraph 29** for additional information.

- C. INVESTIGATION OF PROPERTY:** This Agreement is, as specified in **paragraph 3L(3)**, contingent upon Buyer's acceptance of the condition of, and any other matter affecting, the Property. See **paragraph 12**.
- D. INSURANCE:** This Agreement is, as specified in **paragraph 3L(4)**, contingent upon Buyer's assessment of the availability and approval of the cost for any insurance policy desired under this Agreement.
- 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 14A**.



F. TITLE:

- (1) This Agreement is, as specified in **paragraph 3L(6)**, contingent upon Buyer's ability to obtain the title policy provided for in **paragraph 13G** and on Buyer's review of a current Preliminary Report and items that are disclosed or observable even if not on record or not specified in the Preliminary Report, and satisfying Buyer regarding the current status of title. Buyer is advised to review all underlying documents and other matters affecting title, including, but not limited to, any documents or deeds referenced in the Preliminary Report and any plotted easements.
- (2) Buyer has **5 Days** after receipt to review a revised Preliminary Report, if any, furnished by the Title Company and cancel the transaction if the revised Preliminary Report reveals material or substantial deviations from a previously provided Preliminary Report.

G. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES (IF APPLICABLE): This Agreement is, as specified in **paragraph 3L(7)**, contingent upon Buyer's review and approval of Common Interest Disclosures required by Civil Code § 4525 and under **paragraph 11L** ("CI Disclosures").**H. 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 Property subject to any lien, disclosed pursuant to **paragraph 9B(6)**, is, as specified in **paragraph 3L(8)**, 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(8)**, refuses to enter into any necessary written agreements to accept responsibility for all obligations of Seller-disclosed leased or lienied items.**I. 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 Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Agent.****J. 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, Preliminary Report, and Condominium/Planned Development Disclosures, Buyer shall, within the time specified in **paragraph 3L** or **5 Days** after Delivery of Seller Documents or CI Disclosures, 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.

K. SALE OF BUYER'S PROPERTY: This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer unless the Sale of Buyer's Property (C.A.R. Form COP) is checked as a contingency of this Agreement in **paragraph 3L(9)**.**9. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:****A. NOTE TO BUYER AND SELLER:** Items 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 3P** or as Otherwise Agreed. Any items included herein are components of the home and are not intended to affect the price. All items are transferred without Seller warranty.**B. ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances and appliances for which special openings or encasements have been made (whether or not checked in **paragraph 3P**), window and door screens, awnings, shutters, window coverings (which includes blinds, curtains, drapery, shutters or any other materials that cover any portion of the window) and any associated hardware and rods, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment (including, but not limited to, any cleaning equipment such as motorized/automatic pool cleaners, pool heaters, pool nets, pool covers), garage door openers/remote controls, mailbox, in-ground landscaping, water features and fountains, water softeners, water purifiers, light bulbs (including smart bulbs) and all items specified as included in **paragraph 3P, if currently existing at the time of Acceptance.**

Note: If Seller does not intend to include any item specified as being included above because it is not owned by Seller, whether placed on the Property by Agent, stager or other third party, the item should be listed as being excluded in **paragraph 3P(2)** or excluded by Seller in a counter offer.

- (3) Security System includes any devices, hardware, software, or control units used to monitor and secure the Property, including but not limited to, any motion detectors, door or window alarms, and any other equipment utilized for such purpose. If checked in **paragraph 3P**, all such items are included in the sale, whether hard wired or not.
- (4) Home Automation (Smart Home Features) includes any electronic devices and features including, but not limited to, thermostat controls, kitchen appliances not otherwise excluded, and lighting systems, that are connected (hard wired or wirelessly) to a control unit, computer, tablet, phone, or other "smart" device. Any Smart Home devices and features that are physically affixed to the real property, and also existing light bulbs, are included in the sale. Buyer is advised to use **paragraph 3P(1)** or an addendum to address more directly specific items to be included. Seller is advised to use a counter offer to address more directly any items to be excluded.
- (5) Non-Dedicated Devices: If checked in **paragraph 3P**, all smart home and security system control devices are included in the sale, except for any non-dedicated personal computer, tablet, or phone used to control such features. Buyer acknowledges that a separate device and access to wifi or Internet may be required to operate some smart home features and Buyer may have to obtain such device after Close Of Escrow. Seller shall de-list any devices from any personal accounts and shall cooperate with any transfer of services to Buyer. Buyer is advised to change all passwords and ensure the security of any smart home features.
- (6) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller, within the time specified in **paragraph 3N(1)**, shall (i) disclose to Buyer if any item or system specified in **paragraph 3P** 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.

- (7) 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(6)**, and (ii) are transferred without Seller warranty regardless of value. Seller shall cooperate with the identification of any software or applications and Buyer's efforts to transfer any services needed to operate any Smart Home Features or other items included in this Agreement, including, but not limited to, utilities or security systems.
- C. ITEMS EXCLUDED FROM SALE:** Unless Otherwise Agreed, the following items are excluded from sale: (i) All items specified in **paragraph 3P(2)**; (ii) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (iii) furniture and other items secured to the Property for earthquake or safety purposes. **Unless otherwise specified in paragraph 3P(1), brackets attached to walls, floors or ceilings for any such component, furniture or item will be removed and holes or other damage shall be repaired, but not painted.**
- 10. ALLOCATION OF COSTS:**
- A. INSPECTIONS, REPORTS, TESTS AND CERTIFICATES:** Paragraphs 3Q(1), (2), (3), and (5) only determine 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 3R, 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 3N(1).**
- B. GOVERNMENT REQUIREMENTS AND CORRECTIVE OR REMEDIAL ACTIONS:**
- (1) **LEGALLY REQUIRED INSTALLATIONS AND PROPERTY IMPROVEMENTS:** Any required installation of smoke alarm or carbon monoxide device(s) or securing of water heater shall be completed within the time specified in **paragraph 3N(4)** and paid by the Party specified in **paragraph 3Q(4).** If Buyer is to pay for these items, Buyer, as instructed by Escrow Holder, shall deposit funds into escrow or directly to the vendor completing the repair or installation. Prior to Close Of Escrow, Seller shall Deliver to Buyer written statement(s) of compliance in accordance with any Law, unless Seller is exempt. If Seller is to pay for these items and does not fulfill Seller's obligation in the time specified, and Buyer incurs costs to comply with lender requirements concerning those items, Seller shall be responsible for Buyer's costs.
- (2) **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 and paid by the Party specified in **paragraphs 3Q(5) and 3Q(6)** and any such repair, shall be completed prior to final verification of Property, unless Otherwise Agreed. Defensible space compliance shall be determined as agreed in C.A.R. Form FHDS. 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 3N(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 Property.
- (3) **REINSPECTION FEES:** If any repair in **paragraph 10B(1)** is not completed within the time specified and the lender requires an additional inspection to be made, Seller shall be responsible for any corresponding reinspection fee. If Buyer incurs costs to comply with lender requirements concerning those items, Seller shall be responsible for those costs.
- (4) **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.
- C. HOME WARRANTY:**
- (1) Buyer shall choose the home warranty plan and any optional coverages. Buyer shall pay any cost of that plan, chosen by Buyer, that exceeds the amount allocated to Seller in **paragraph 3Q(18).** Buyer is informed that home warranty plans have many optional coverages, including but not limited to, coverages for Air Conditioner and Pool/Spa. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer and their cost.
- (2) **If Buyer waives the purchase of a home warranty plan in paragraph 3Q(18), Buyer may still purchase a home warranty plan, at Buyer's expense, prior to Close Of Escrow.**
- 11. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**
- A. TDS, NHD, AND OTHER STATUTORY AND SUPPLEMENTAL DISCLOSURES:**
- (1) Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer: unless exempt, fully completed disclosures or notices required by §§ 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement (C.A.R. Form TDS), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD), and, if the Property is in a high or very high fire hazard severity area, the information, notices, documentation, and agreements required by §§ 1102.6(f) and 1102.19 of the Civil Code (C.A.R. Form FHDS).
- (2) The Real Estate Transfer Disclosure Statement required by this paragraph is considered fully completed if Seller has completed the section titled Coordination with Other Disclosure Forms by checking a box (Section I), and Seller has completed and answered all questions and Signed the Seller's Information section (Section II) and the Seller's Agent, if any, has completed and Signed the Seller's Agent's section (Section III), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Section V acknowledgment of receipt of a Copy of the TDS shall be Signed after all previous sections, if applicable, have been completed. Nothing stated herein relieves a Buyer's Agent, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Agent.
- (3) Seller shall, within the time specified in **paragraph 3N(1)**, provide "Supplemental Disclosures" as follows: (i) unless exempt from the obligation to provide a TDS, complete a Seller Property Questionnaire (C.A.R. Form SPQ) by answering all questions and Signing and Delivering a Copy to Buyer; (ii) if exempt from the obligation to provide a TDS, complete an Exempt Seller Disclosure (C.A.R. Form ESD) by answering all questions and Signing and Delivering a Copy to Buyer.

- (4) In the event Seller or Seller's Agent, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer under this paragraph, Seller shall, in writing, promptly provide a subsequent or amended TDS, Seller Property Questionnaire or other document, in writing, covering those items. Any such document shall be deemed an amendment to the TDS or SPQ. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are discovered by Buyer or disclosed in reports or documents provided to or ordered and paid for by Buyer.**
- B. LEAD DISCLOSURES:**
- (1) Seller shall, within the time specified in **paragraph 3N(1)**, for any residential property built before January 1, 1978, unless exempted by Law, Deliver to Buyer a fully completed Federal Lead-Based Paint Disclosures (C.A.R. Form LPD) and pamphlet ("Lead Disclosures").
- (2) Buyer shall, within the time specified in **paragraph 3L(3)**, have the opportunity to conduct a risk assessment or to inspect for the presence of lead-based paint hazards.
- C. HOME FIRE HARDENING DISCLOSURE AND ADVISORY:** For any transaction where a TDS is required, the property is located in a high or very high fire hazard severity zone, and the home was constructed before January 1, 2010, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer: (i) a home hardening disclosure required by law; and (ii) a statement of features on the Property of which Seller is aware that may make the home vulnerable to wildfire and flying embers; (iii) a list of possible low cost fire hardening retrofits identifying which ones Seller has completed; and (iv) a final inspection report regarding compliance with home fire hardening if one was prepared pursuant to Government Code § 51182 (C.A.R. Form FHDS).
- D. DEFENSIBLE SPACE DISCLOSURE AND ADDENDUM:** For any transaction in which a TDS is required and the property is located in a high or very high fire hazard severity zone, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer (i) a disclosure of whether the Property is in compliance with any applicable defensible space laws designed to protect a structure on the Property from fire; and (ii) an addendum allocating responsibility for compliance with any such defensible space law (C.A.R. Form FHDS).
- E. WAIVER PROHIBITED:** Waiver of Statutory, Lead, and other Disclosures in **paragraphs 11A(1), 11B, 11C, and 11D** are prohibited by Law.
- F. RETURN OF SIGNED COPIES:** Buyer shall, within the time specified in **paragraph 3L(5) OR 5 Days** after Delivery of any disclosures specified in paragraphs **11A, B, C or D**, and defensible space addendum in **paragraph 11D**, whichever is later, return Signed Copies of the disclosures, and if applicable, addendum, to Seller.
- G. TERMINATION RIGHTS:**
- (1) **Statutory and Other Disclosures:** If any disclosure specified in paragraphs **11A, B, C, or D**, or subsequent or amended disclosure to those just specified, is Delivered to Buyer after the offer is Signed, Buyer shall have the right to terminate this Agreement within **3 Days** after Delivery in person, or **5 Days** after Delivery by deposit in the mail, or by an electronic record or email satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of rescission to Seller or Seller's Authorized Agent. If Buyer does not rescind within this time period, Buyer has been deemed to have approved the disclosure and shall not have the right to cancel.
- (2) **Defensible Space Compliance:** If, by the time specified in **paragraph 11F**, Buyer does not agree to the terms regarding defensible space compliance Delivered by Seller, as indicated by mutual signatures on the FHDS, then Seller, after first Delivering a Notice to Buyer to Perform, may cancel this Agreement.
- H. WITHHOLDING TAXES:** Buyer and Seller hereby instruct Escrow Holder to withhold the applicable required amounts to comply with federal and California withholding Laws and forward such amounts to the Internal Revenue Service and Franchise Tax Board, respectively. However, no federal withholding is required if, prior to Close Of Escrow, Seller Delivers (i) to Buyer and Escrow Holder a fully completed affidavit (C.A.R. Form AS) sufficient to avoid withholding pursuant to federal withholding Law (FIRPTA); **OR (ii)** to a qualified substitute (usually a title company or an independent escrow company) a fully completed affidavit (C.A.R. Form AS) sufficient to avoid withholding pursuant to federal withholding Law AND the qualified substitute Delivers to Buyer and Escrow Holder an affidavit signed under penalty of perjury (C.A.R. Form QS) that the qualified substitute has received the fully completed Seller's affidavit and the Seller states that no federal withholding is required; **OR (iii)** to Buyer other documentation satisfying the requirements under Internal Revenue Code § 1445 (FIRPTA). No withholding is required under California Law if, prior to Close Of Escrow, Escrow Holder has received sufficient documentation from Seller that no withholding is required, and Buyer has been informed by Escrow Holder.
- I. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to § 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at **www.meganslaw.ca.gov**. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Agent are required to check this website. If Buyer wants further information, Agent recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Agents do not have expertise in this area.)
- J. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at **http://www.npms.phmsa.dot.gov/**. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Website. (Neither Seller nor Agent are required to check this website. If Buyer wants further information, Agent recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Agents do not have expertise in this area.)
- K. NATURAL AND ENVIRONMENTAL HAZARDS:** Seller shall, within the time specified in **paragraph 3N(1)**, if required by Law: (i) Deliver to Buyer the earthquake guide and environmental hazards booklet, and for all residential property with 1-4 units and any manufactured or mobile home built before January 1, 1960, fully complete and Deliver the Residential Earthquake Risk Disclosure Statement; and (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- L. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
- (1) Seller shall, within the time specified in **paragraph 3N(1)**, disclose to Buyer whether the Property is a condominium or is located in a planned development, other common interest development, or otherwise subject to covenants, conditions, and restrictions (C.A.R. Form SPQ or ESD).



- (2) If the Property is a condominium or is located in a planned development or other common interest development with a HOA, Seller shall, within the time specified in **paragraph 3N(3)**, order from, and pay any required fee as specified in **paragraph 3Q(12)** for the following items to the HOA (C.A.R. Form HOA-IR): (i) Copies of any documents required by Law (C.A.R. Form HOA-RS); (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; (v) the names and contact information of all HOAs governing the Property; (vi) pet restrictions; and (vii) smoking restrictions ("CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Seller shall, as directed by Escrow Holder, deposit funds into escrow or direct to HOA or management company to pay for any of the above.
- M. SOLAR POWER SYSTEMS:** For properties with any solar panels or solar power systems, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer all known information about the solar panels or solar power system. Seller shall use the Solar Advisory and Questionnaire (C.A.R. Form SOLAR).
- N. BALCONIES, EXTERIOR STAIRWAYS AND OTHER ELEVATED ELEMENTS:** For properties with any building containing 3 or more dwelling units with elevated balconies, stairways or other elements, Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer the Wooden Balcony and Stairs Addendum (C.A.R. Form WBSA) and comply with its terms.
- O. KNOWN MATERIAL FACTS:** Seller shall, within the time specified in **paragraph 3N(1)**, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including, but not limited to, known insurance claims within the past five years, or provide Buyer with permission to contact insurer to get such information (C.A.R. Form ARC), and make any and all other disclosures required by Law.
- 12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- 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.** Buyer Investigations include, but are not limited to:
- (1) Inspections regarding any physical attributes of the Property or items connected to the Property, such as:
 - (A) A general home inspection.
 - (B) An inspection for lead-based paint and other lead-based paint hazards.
 - (C) An inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2).
 - (D) Any other specific inspections of the physical condition of the land and improvements.
 - (2) Investigation of any other matter affecting the Property, other than those that are specified as separate contingencies. Buyer Investigations do not include, among other things, an assessment of the availability and cost of general homeowner's insurance, flood insurance, and fire insurance. See, Buyer's Investigation Advisory (C.A.R. Form BIA) for more.
- C.** Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report, which shall not include any holes or drilling through stucco or similar material; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- D.** Seller shall make the Property 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 Property, 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, except an appraisal received in connection with an FHA or VA loan.
- E. Buyer indemnity and Seller protection for entry upon the Property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) 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. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 13. TITLE AND VESTING:**
- A.** Buyer shall, within the time specified in **paragraph 3N(1)**, be provided a current Preliminary Report by the person responsible for paying for the title report in **paragraph 3Q(8)**. If Buyer is responsible for paying, Buyer shall act diligently and in good faith to obtain such Preliminary Report within the time specified. The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities.
- B.** Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing. For any lien or matter not being transferred upon sale, Seller will take necessary action to deliver title free and clear of such lien or matter.
- C.** Seller shall within **7 Days** after request, give Escrow Holder necessary information to clear title.
- D.** Seller shall, within the time specified in **paragraph 3N(1)**, disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- E.** If Buyer is a legal entity and the Property purchase price is at least \$300,000 and the purchase price is made without a bank loan or similar form of external financing, a Geographic Targeting Order (GTO) issued by the Financial Crimes Enforcement Network, U.S. Department of the Treasury, requires title companies to collect and report certain information about the Buyer, depending on where the Property is located. Buyer agrees to cooperate with the title company's effort to comply with the GTO.



- F.** Buyer shall, after Close Of Escrow, receive a recorded grant deed or any other conveyance document required to convey title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's vesting instructions. The recording document shall contain Buyer's post-closing mailing address to enable Buyer's receipt of the recorded conveyance document from the County Recorder. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- G.** Buyer shall receive a "ALTA Homeowner's Policy of Title Insurance" or equivalent policy of title insurance, if applicable to the type of property and buyer. Escrow Holder shall request this policy. If an ALTA Homeowner's Policy of Title Insurance is not offered, Buyer shall receive a CLTA Standard Coverage policy unless Buyer has chosen another policy and instructed Escrow Holder in writing of the policy chosen and agreed to pay any increase in cost. Buyer should consult with the Title Company about the availability, and difference in coverage, and cost, if any, between an ALTA Homeowner's Policy and a CLTA Standard Coverage policy and other title policies and endorsements. Buyer should receive notice from the Title Company on its Preliminary (Title) Report of the type of coverage offered. If Buyer is not notified on the Preliminary (Title) Report or is not satisfied with the policy offered, and Buyer nonetheless removes the contingency for Review of the Preliminary Report, Buyer will receive the policy as specified in this paragraph.
- 14. 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-B, CR-S or CC).
- A. SELLER DELIVERY OF DOCUMENTS:** Seller shall, within the time specified in **paragraph 3N(1)**, Deliver to Buyer all reports, disclosures and information ("Reports") for which Seller is responsible as specified in **paragraphs 7A, 9B(6), 10, 11A, 11B, 11C, 11D, 11H, 11K, 11L, 11M, 11N, 11O, 13A, 13D, and 32.**
- B. BUYER REVIEW OF DOCUMENTS; REPAIR REQUEST; CONTINGENCY REMOVAL OR CANCELLATION**
- (1) Buyer has the time specified in **paragraph 3** to: (i) perform Buyer Investigations; review all disclosures, Reports, lease documents to be assumed by Buyer pursuant to **paragraph 9B(6)**, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Other Disclosures Delivered by Seller in accordance with **paragraph 11.**
 - (2) Buyer may, within the time specified in **paragraph 3L(3)**, request that Seller make repairs or take any other action regarding the Property (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-B or CC). Buyer is advised not to remove contingencies related to review of documents until after the documents have been Delivered. 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 14C**, 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 contingency is Delivered to Seller before Seller cancels, Seller may not cancel this Agreement based on that contingency pursuant to **paragraph 14C(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 3D(1)** or **3D(2)** or if the funds deposited pursuant to **paragraph 3D(1)** or **3D(2)** are not good when deposited; (ii) Deliver updated contact information for Buyer's lender(s) as required by **paragraph 5C(3)**; (iii) Deliver a notice of FHA or VA costs or terms, if any, as specified by **paragraph 5C(4)** (C.A.R. Form RR); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by **paragraph 5B** or **6A**; (v) Deliver a letter as required by **paragraph 6B**; (vi) In writing assume or accept leases or liens specified in **paragraph 8H**; (vii) Return Statutory and Other Disclosures as required by **paragraph 11F**; (viii) Cooperate with the title company's effort to comply with the GTO as required by **paragraph 13E**; (ix) Sign or initial a separate liquidated damages form for an increased deposit as required by **paragraph 26**; (x) Provide evidence of authority to Sign in a representative capacity as specified in **paragraph 32**; or (xi) 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 incurred by Buyer and other expenses already paid by Escrow Holder pursuant to this Agreement prior to Seller's cancellation.
 - (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 incurred by Buyer and other expenses already paid by Escrow Holder pursuant to this Agreement prior to Buyer's cancellation.
 - (2) **BUYER RIGHT TO CANCEL; SELLER CONTRACT OBLIGATIONS:** If, by the time specified, Seller has not Delivered any item specified in **paragraph 3N(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 14**, except for Close of Escrow which shall be Delivered under the terms of **paragraph 14G**, 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. However, if the notice is for multiple items, the notice shall be valid for all contingencies and contractual actions for which the Delivery of the notice is within the time permitted in the Agreement and void as to the others. 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 above timeframe, 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. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to Sign cancellation instructions if no good faith dispute exists as to which Party is entitled to the deposited funds (Civil Code § 1057.3). 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.**
- 15. 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.
- 16. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property condition within the time specified in **paragraph 3J**, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to **paragraph 7B**; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 17. PRORATIONS OF PROPERTY 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: real property taxes and assessments, interest, Seller rental payments to third parties, HOA regular assessments due prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. Seller shall pay any HOA special or emergency assessments due prior to Close Of Escrow. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special or emergency assessments that are due after Close Of Escrow. Property will be reassessed upon change of ownership. Any supplemental tax bills delivered to Escrow Holder prior to closing shall be prorated and paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). 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.**
- 18. BROKERS AND AGENTS:**
- A. COMPENSATION:**
- (1) **Broker 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. The amount of compensation, if a percentage, will be based on the final purchase price. Buyer is advised that Buyer's Broker should not receive compensation from any source in excess of the amount in the buyer representation agreement. 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.
- (2) **Third party beneficiary:** Seller acknowledges and agrees that Buyer's Broker is a third-party beneficiary of this Agreement and may pursue Seller for failure to pay the amount specified in this Agreement.



- 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 Property; (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 Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Agent; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (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 Property 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.
- 19. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. ESCROW INSTRUCTION PARAGRAPHS:** 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, 3R, 4A, 4B, 5A(1-2) 5D, 5E, 10B(2)(A), 10B(3), 10C, 11H, 11L(2), 13 (except 13D), 14H, 17, 18A, 19, 23, 25, 31, 32, 33, and 34.** 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. ESCROW HOLDER GENERAL PROVISIONS:** 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 3N(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 HOA or HOA management company or others any fee required by **paragraphs 3, 8, 10, 11,** or elsewhere in this Agreement.
- C. COPIES; STATEMENT OF INFORMATION; TAX WITHHOLDING INSTRUCTIONS:** 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. Escrow Holder shall provide Seller's Statement of Information to Title Company when received from Seller, if a separate company is providing title insurance. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under **paragraph 11H,** Escrow Holder shall deliver to Buyer, Buyer's Agent, and Seller's Agent a Qualified Substitute statement that complies with federal Law. If Escrow Holder's Qualified Substitute statement does not comply with federal law, the Parties instruct escrow to withhold all applicable required amounts under **paragraph 11H.**
- D. BROKER COMPENSATION:**
- (1) **PAYMENT:** Agents are not a party to the escrow, except for Brokers for the sole purpose of compensation pursuant to **paragraph 18A.** If a Copy of the separate compensation agreement(s), including if applicable **paragraph 3G(3)** of this Agreement, 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's obligation to pay Buyer's Broker shall be offset by any amount that Seller pays Buyer's Broker. Buyer and Seller irrevocably assign to Brokers compensation specified in **paragraph 18A,** 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.
- (2) **COMPENSATION DISCLOSURE:** Escrow Holder shall provide to Buyer a closing statement or other written documentation disclosing the amount of compensation paid to Buyer's Broker. Escrow Holder shall provide to Seller a closing statement or other written documentation disclosing: (i) the amount of compensation paid to Seller's Broker; and (ii) if applicable pursuant to **paragraph 3G(3)** or other mutual instruction of the parties, the amount paid by Seller for Buyer's Broker compensation. Escrow Holder's obligation pursuant to **paragraph 19D,** is not intended to alter any preexisting practice of Escrow Holder to issue, as applicable, joint or separate closing statements. Escrow Holder's obligation pursuant to **paragraph 19D** is independent of, but may be satisfied by, any closing statement mandated by Buyer's lender.
- E. INVOICES:** 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. VERIFICATION OF DEPOSIT:** Upon receipt, Escrow Holder shall provide Buyer, Seller, and each Agent verification of Buyer's deposit of funds pursuant to **paragraphs 5A(1) and C.A.R. Form IDA.** 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. DELIVERY OF AMENDMENTS:** 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.
- 20. 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.
- 21. 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 Property that has been or will be input 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.
- 22. 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 27A.**



- 23. 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 AOOA). 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.
- 24. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 25. 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 Property 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 the grant deed, or other evidence of transfer of title, is recorded for any real property, or the date of Delivery of a document evidencing the transfer of title for any non-real property transaction.
 - 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, any holiday under Government Code § 6700. (5) For the purposes of COE, any day that the Recorder's office in the County where the Property 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 is 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). A document, or as applicable link to a document, shall be deemed to be "in possession" if it is located in the inbox for the applicable Party or Authorized Agent; or (ii) an Electronic Copy of the document, or as applicable, link to the document, has been sent to the designated electronic delivery address specified in the Real Estate Broker Section, unless Otherwise Agreed in C.A.R. Form DEDA. 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 (C.A.R. Form DEDA). 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 recipient opening, the document by link.
 - L. "Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Unless Otherwise Agreed, Buyer and Seller agree to the use of Electronic Signatures. 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.
 - 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 33** or **paragraph 34**.
 - 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 Property provided for under this Agreement.
 - Q. "Sign" or "Signed"** means either a handwritten or Electronic Signature on an original document, Copy or any counterpart.



26. LIQUIDATED DAMAGES (By initialing in the space below, you are agreeing to Liquidated Damages):

If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. 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 _____ / _____

27. 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 28B; (ii) The obligation to mediate does not preclude the right of either Party to seek a preservation of rights under paragraph 28C; and (iii) Agent's rights and obligations are further specified in paragraph 28D. These terms apply even if the Arbitration of Disputes paragraph is not initialed.

28. 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 residential real estate 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 _____ / _____



29. FAIR APPRAISAL ACT NOTICE:

- A.** Any appraisal of the property is required to be unbiased, objective, and not influenced by improper or illegal considerations, including, but not limited to, any of the following: race, color, religion (including religious dress, grooming practices, or both), gender (including, but not limited to, pregnancy, childbirth, breastfeeding, and related conditions, and gender identity and gender expression), sexual orientation, marital status, medical condition, military or veteran status, national origin (including language use and possession of a driver's license issued to persons unable to provide their presence in the United States is authorized under federal law), source of income, ancestry, disability (mental and physical, including, but not limited to, HIV/AIDS status, cancer diagnosis, and genetic characteristics), genetic information, or age.
- B.** If a buyer or seller believes that the appraisal has been influenced by any of the above factors, the seller or buyer can report this information to the lender or mortgage broker that retained the appraiser and may also file a complaint with the Bureau of Real Estate Appraisers at <https://www2.brea.ca.gov/complaint/> or call (916) 552-9000 for further information on how to file a complaint.

30. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property 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 Property for sale and to accept any other offer at any time prior to notification of Acceptance and to market the Property 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.

31. 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.**

32. LEGALLY AUTHORIZED SIGNER: Wherever the signature or initials of the Legally Authorized Signer identified in **paragraphs 33 or 34** 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 **3 Days** after Acceptance, 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).

33. 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) **Non-Individual (entity) Buyers:** One or more Buyers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
- (2) **Full entity name:** The following is the full name of the entity (if a trust, enter the complete trust name; if under probate, enter full name of the estate, including case #): _____
- (3) **Contractual Identity of Buyer:** For purposes of this Agreement, when the name described below is used, it shall be deemed to be the full entity name.
 - (A) If a trust: The trustee(s) of the trust or a simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust);
 - (B) If Property is sold under the jurisdiction of a probate court: The name of the executor or administrator, or a simplified probate name (John Doe, executor, or Estate (or Conservatorship) of John Doe).
- (4) **Legally Authorized Signer:**
 - (A) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not for him/herself as an individual. See **paragraph 32** for additional terms.
 - (B) The name(s) of the Legally Authorized Signer(s) is/are: _____.

C. The RPA has 17 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: **Buyer 1**

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

(Signature) By, _____ Date: _____

Printed name of BUYER: **Buyer 2**

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

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



34. ACCEPTANCE

A. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property 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) **Non-Individual (entity) Sellers:** One or more Sellers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.

(2) **Full entity name:** The following is the full name of the entity (if a trust, enter the complete trust name; if under probate, enter full name of the estate, including case #): _____.

(3) **Contractual Identity of Seller:** For purposes of this Agreement, when the name described below is used, it shall be deemed to be the full entity name.

(A) If a trust: The trustee(s) of the trust or a simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust);

(B) If Property is sold under the jurisdiction of a probate court: The name of the executor or administrator, or a simplified probate name (John Doe, executor, or Estate (or Conservatorship) of John Doe).

(4) **Legally Authorized Signer:**

(A) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not for him/herself as an individual. See **paragraph 32** for additional terms.

(B) The name(s) of the Legally Authorized Signer(s) is/are: _____.

C. The RPA has 17 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

**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
PROCEED TO NEXT PAGE**



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. 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.
- 4. Agents' Signatures and designated electronic delivery address:**

A. Buyer's Brokerage Firm _____ DRE Lic. # _____
 By _____ DRE Lic. # _____ Date _____
 By _____ DRE 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): Email above or _____

- ☐ **Attached DEDA:** If Parties elect to have an alternative Delivery method, such method may be indicated on C.A.R. Form DEDA.

B. Seller's Brokerage Firm KW Advisors SF DRE Lic. # 01995149
 By Jeanne Galagher DRE Lic. # 01802283 Date _____
 By _____ DRE Lic. # _____ Date _____
 Address 1430 Howard Ave City Burlingame State CA Zip 94010
 Email Jeanne@JGallagherRealtor.com 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): Email above or _____

- ☐ **Attached DEDA:** If Parties elect to have an alternative Delivery method, such method may be indicated on C.A.R. Form DEDA.

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

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 19** 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).
 Agent or Seller Initials _____



BUYER'S INVESTIGATION ADVISORY

(C.A.R. Form BIA, Revised 6/25)

1. **IMPORTANCE OF PROPERTY INVESTIGATION:** Unless otherwise specified in the Agreement, the physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A Broker's inspection is a limited visual inspection (see C.A.R. Form AVID), and a Broker is not qualified to conduct the investigations listed below nor will Broker conduct the investigations checked below by Buyer. For these reasons, you should conduct thorough inspections, investigations, tests, surveys and other studies (Inspections and Investigations) of the Property personally and with appropriate professionals (see C.A.R. Form SBSA), who should provide written reports of their Inspections. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If any professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.
2. **BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to other professionals, Broker does not guarantee their performance.
3. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**
 - A. **GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
 - B. **SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
 - C. **WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
 - D. **SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
 - E. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
 - F. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
 - G. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
 - H. **FIRE, HAZARD, AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and insurance contingencies.
 - I. **BUILDING PERMITS, ZONING, GOVERNMENTAL REQUIREMENTS, AND ADDRESS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. Postal/mailling address and zip code may not accurately reflect the city which has jurisdiction over the Property.
 - J. **RENTAL PROPERTY RESTRICTIONS:** The State, some counties, and some cities impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Dead bolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
 - K. **SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
 - L. **UTILITIES; SEWER; INTERNET:** Availability of gas, electric, water, sewer, garbage, internet and other services. The provider and quality of service may vary by location.
 - M. **SOLAR POWER SYSTEM:** The existence of a solar power system; whether it is owned, leased, financed, or otherwise subject to obligations, such as a power purchase agreement or maintenance agreement; the condition of and costs associated with the system.

N. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS: Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, 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, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyer acknowledges that they have received a copy of this Buyer Investigation Advisory, and they have read and understand its terms. Buyer is encouraged to read it carefully.

Buyer _____ **Buyer 1** Date _____

Buyer _____ **Buyer 2** Date _____

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

BIA REVISED 6/25 (PAGE 2 OF 2)



BUYER'S INVESTIGATION ADVISORY (BIA PAGE 2 OF 2)



POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, Revised 6/25)

1. **BROKER AGENCY RELATIONSHIP WITH MULTIPLE PRINCIPALS:** A real estate broker ("Brokerage"), whether a corporation, partnership or sole proprietorship, may legally represent more than one buyer or seller. This multiple representation can occur through a sole proprietor Brokerage; or through a salesperson or broker acting under the Brokerage's license ("Associate Licensee"). Associate Licensees under a Brokerage's license may be working out of the same or different office locations, and may or may not know one another. Clients of the Brokerage may have similar goals and may compete against each other for the same property or the same pool of prospective buyers. Some buyers and sellers prefer to work with individual, sole proprietor brokerages, some with brokerages that have multiple licensees, and others with large brokerage companies that have multiple offices and may have a regional, statewide or a national or international presence. Each has its own advantages. It is important for buyers and sellers to understand how the Brokerage representation of multiple buyers or sellers may impact them under various situations.
 - A. **MULTIPLE BUYERS:** Brokerage (individually or through any of its Associate Licensees) may work with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed by the Brokerage. Whether Brokerage is large or small, it is possible that one Associate-Licensee (agent 1) working with a buyer may not be aware that another Associate-Licensee (agent 2) is working with a different buyer who is interested in viewing or making an offer on the same property as agent 1's client, and vice-versa. Brokerage will not limit or restrict any buyer from making an offer on any specific property, whether or not the Brokerage represents other buyers interested in the same property.
 - B. **MULTIPLE SELLERS:** Brokerage (individually or through its Associate Licensees) may have listings on many properties at the same time. As a result, Brokerage will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Brokerage and some may not. Brokerage will market all listed properties to all prospective buyers, whether or not Brokerage has other listed properties that may appeal to the same prospective buyers.
 - C. **DUAL AGENCY IN A TRANSACTION:** California law allows a brokerage to represent both a buyer and a seller in a transaction (Civil Code § 2079 et seq.).
 - (1) **Brokerage Dual Agency:** If one Associate-Licensee from the Brokerage is working with a buyer and another Associate-Licensee from the same Brokerage is working with a seller on the same transaction, the Brokerage is considered a dual agent with fiduciary duties to both buyer and seller. In that situation, each individual Associate Licensee working on the transaction is also considered a dual agent having the same knowledge and responsibility as the Brokerage.
 - (2) **Single Agent Dual Agency:** Another form of dual agency occurs when an individual Associate-Licensee is working with both the buyer and seller in the same transaction. In that situation, both the Brokerage company and the individual Associate-Licensee are dual agents with fiduciary duties to each side of the transaction. There is no one approach to this situation. Some brokerages allow the single agent dual agent to continue to represent both parties, as that Associate-Licensee is the chosen agent of the principal. Some brokerages recommend that the broker or an office manager get involved if there is a dispute between the buyer and seller. Some brokerages will require that the broker or an office manager assist the Associate-Licensee with one principal or the other, even if the parties do not have a dispute. Whether one of these approaches, or another, is taken in a single agent dual agency will depend on the circumstances and the brokerage policy. Regardless of the approach, the Associate-Licensee and Brokerage shall conduct activity consistent with the terms in paragraph 2C.
2. **ACKNOWLEDGEMENT AND CONSENT:**
 - A. **OFFERS ARE NOT NECESSARILY CONFIDENTIAL:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer to other interested buyers and agents unless all parties and their agent have signed a written confidentiality agreement, (C.A.R. Form NDA). In the absence of a signed NDA, Buyer consents to such disclosure. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy, and the instructions of the seller.
 - B. **MULTIPLE BUYERS OR SELLERS:** If Seller is represented by Brokerage, Seller acknowledges that Brokerage may represent prospective buyers of Seller's property and consents to Brokerage acting as a dual agent for both Seller and buyer in that transaction. If Buyer is represented by Brokerage, Buyer acknowledges that Brokerage may represent sellers of property that Buyer is interested in acquiring and consents to Brokerage acting as a dual agent for both Buyer and seller with regard to that property.
 - C. **DUAL AGENCY IN A TRANSACTION:** In the event of dual agency, Seller and Buyer agree that: (i) 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 (ii) 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. Seller and Buyer should discuss with a dual agent the details and parameters of this requirement. Seller and/or Buyer consents to allowing Brokerage to act as a dual agent in a transaction.

PRBS REVISED 6/25 (PAGE 1 OF 2)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 2)



By signing below, Buyer and/or Seller acknowledge that each has received a copy of this Possible Representation of More Than One Buyer or Seller -- Disclosure and Consent, and each has read, understands, and agrees to its terms and consents to the agency possibilities disclosed.

Buyer _____ **Buyer 1** Date _____

Buyer _____ **Buyer 2** Date _____

Seller _____ Date _____

Seller _____ Date _____

Buyer's Brokerage Firm _____ DRE Lic # _____

By _____ DRE Lic # _____ Date _____

Seller's Brokerage Firm **KW Advisors SF** _____ DRE Lic # **01995149**

By _____ DRE Lic # **01802283** Date _____

Jeanne Galagher

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

PRBS REVISED 6/25 (PAGE 2 OF 2)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 2 OF 2)

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

HOA, CONDO,





FAIR HOUSING AND DISCRIMINATION ADVISORY

(C.A.R. Form FHDA, Revised 12/24)

1. **EQUAL ACCESS TO HOUSING FOR ALL:** All housing in California is available to all persons. Discrimination as noted below is prohibited by law. Resources are available for those who have experienced unequal treatment under the law.
2. **FEDERAL AND STATE LAWS PROHIBIT DISCRIMINATION AGAINST IDENTIFIED PROTECTED CLASSES:**
 - A. **FEDERAL FAIR HOUSING ACT ("FHA")** Title VIII of the Civil Rights Act; 42 U.S.C. §§ 3601-3619; Prohibits discrimination in sales, rental or financing of residential housing against persons in protected classes;
 - B. **CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT ("FEHA")** California Government Code ("GC") §§ 12900-12996, 12955; 2 California Code of Regulations ("CCR") §§ 12005-12271; Prohibits discrimination in sales, rental or financing of housing opportunity against persons in protected classes by providers of housing accommodation and financial assistance services as related to housing;
 - C. **CALIFORNIA UNRUH CIVIL RIGHTS ACT ("Unruh")** California Civil Code ("CC") § 51; Prohibits business establishments from discriminating against, and requires full and equal accommodation, advantages, facilities, privileges, and services to persons in protected classes;
 - D. **AMERICANS WITH DISABILITIES ACT ("ADA")** 42 U.S.C. §§ 12181-12189; Title III of the ADA prohibits discrimination based on disability in public accommodations; and
 - E. **OTHER FAIR HOUSING LAWS:** § 504 of Rehabilitation Act of 1973 29 U.S.C. § 794; Ralph Civil Rights Act CC § 51.7; California Disabled Persons Act; CC §§ 54-55.32; any local city or county fair housing ordinances, as applicable.
3. **POTENTIAL LEGAL REMEDIES FOR UNLAWFUL DISCRIMINATION: Violations of fair housing laws may result in monetary civil fines, injunctive relief, compensatory and/or punitive damages, and attorney fees and costs.**
4. **PROTECTED CLASSES/CHARACTERISTICS:** Whether specified in Federal or State law or both, discrimination against persons based on that person's belonging to, association with, or perceived membership in, certain classes or categories, such as the following, is prohibited. Other classes, categories or restrictions may also apply.

Race (and race traits)	Color	Ancestry	National Origin	Religion
Age	Sex, Sexual Orientation	Gender, Gender Identity, Gender expression	Marital Status	Familial Status (family with a child or children under 18)
Citizenship	Immigration Status	Primary Language	Military/Veteran Status	Source of Income (e.g., Section 8 Voucher)
Medical Condition	Disability (Mental & Physical)	Genetic Information	Criminal History (non-relevant convictions)	Any Arbitrary Characteristic or Intersectionality

5. **THE CALIFORNIA DEPARTMENT OF REAL ESTATE REQUIRES TRAINING AND SUPERVISION TO PREVENT HOUSING DISCRIMINATION BY REAL ESTATE LICENSEES:**
 - A. California Business & Professions Code ("B&PC") § 10170.5(a)(4) requires 3 hours of training on fair housing for DRE license renewal; Real Estate Regulation § 2725(f) requires brokers who oversee salespersons to be familiar with the requirements of federal and state laws relating to the prohibition of discrimination.
 - B. Violation of DRE regulations or real estate laws against housing discrimination by a real estate licensee may result in the loss or suspension of the licensee's real estate license. B&PC §10177(l)(1); 10 CCR § 2780
6. **REALTOR® ORGANIZATIONS PROHIBIT DISCRIMINATION:** NAR Code of Ethics Article 10 prohibits discrimination in employment practices or in rendering real estate license services against any person because of race, color, religion, sex, disability, familial status, national origin, sexual orientation, or gender identity by REALTORS®.
7. **WHO IS REQUIRED TO COMPLY WITH FAIR HOUSING LAWS?**

Below is a non-exclusive list of providers of housing accommodations or financial assistance services as related to housing who are most likely to be encountered in a housing transaction and who must comply with fair housing laws.

 - Sellers
 - Real estate licensees
 - Mobilehome parks
 - Insurance companies
 - Landlords/Housing Providers
 - Real estate brokerage firms
 - Homeowners Associations ("HOAs");
 - Government housing services
 - Sublessors
 - Property managers
 - Banks and Mortgage lenders
 - Appraisers
8. **EXAMPLES OF CONDUCT THAT MAY NOT BE MOTIVATED BY DISCRIMINATORY INTENT BUT COULD HAVE A DISCRIMINATORY EFFECT:**
 - A. Prior to acceptance of an offer, asking for or offering buyer personal information or letters from the buyer, especially with photos. Those types of documents may inadvertently reveal, or be perceived as revealing, protected status information thereby increasing the risk of (i) actual or unconscious bias, and (ii) potential legal claims against sellers and others by prospective buyers whose offers were rejected.
 - B. Refusing to rent (i) an upper-level unit to an elderly tenant out of concern for the tenant's ability to navigate stairs or (ii) a house with a pool to a person with young children out of concern for the children's safety.
9. **EXAMPLES OF UNLAWFUL OR IMPROPER CONDUCT BASED ON A PROTECTED CLASS OR CHARACTERISTIC:**
 - A. Refusing to negotiate for a sale, rental or financing or otherwise make a housing opportunity unavailable; failing to present offers due to a person's protected status;
 - B. Refusing or failing to show, rent, sell or finance housing; "channeling" or "steering" a prospective buyer or tenant to or away from a particular area due to that person's protected status or because of the racial, religious or ethnic composition of the neighborhood;
 - C. "Blockbusting" or causing "panic selling" by inducing a listing, sale or rental based on the grounds of loss of value of property, increase in crime, or decline in school quality due to the entry or prospective entry of people in protected categories into the neighborhood;
 - D. Making any statement or advertisement that indicates any preference, limitation, or discrimination;

© 2024, California Association of REALTORS®, Inc.

FHDA REVISED 12/24 (PAGE 1 OF 2)

FAIR HOUSING AND DISCRIMINATION ADVISORY (FHDA PAGE 1 OF 2)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201

Fax:
www.lwolf.com

HOA, CONDO,



- E. Inquiring about protected characteristics (such as asking tenant applicants if they are married, or prospective purchasers if they have children or are planning to start a family);
 - F. Using criminal history information before otherwise affirming eligibility, and without a legally sufficient justification;
 - G. Failing to assess financial standards based on the portion of the income responsible by a tenant who receives government subsidies (such as basing an otherwise neutral rent to income ratio on the whole rent rather than just the part of rent that is the tenant's responsibility);
 - H. Denying a home loan or homeowner's insurance;
 - I. Offering inferior terms, conditions, privileges, facilities or services;
 - J. Using different qualification criteria or procedures for sale or rental of housing such as income standards, application requirements, application fees, credit analyses, sale or rental approval procedures or other requirements;
 - K. Harassing a person;
 - L. Taking an adverse action based on protected characteristics;
 - M. Refusing to permit a reasonable modification to the premises, as requested by a person with a disability (such as refusing to allow a tenant who uses a wheelchair to install, at their expense, a ramp over front or rear steps, or refusing to allow a tenant with a disability from installing, at their own expense, grab bars in a shower or bathtub);
 - N. Refusing to make reasonable accommodation in policies, rules, practices, or services for a person with a disability (such as the following, if an actual or prospective tenant with a disability has a service animal or support animal):
 - (i) Failing to allow that person to keep the service animal or emotional support animal in rental property,
 - (ii) Charging that person higher rent or increased security deposit, or
 - (iii) Failing to show rental or sale property to that person who is accompanied by the service animal or support animal, and;
 - O. Retaliating for asserting rights under fair housing laws.
- 10. EXAMPLES OF POSITIVE PRACTICES:**
- A. Real estate licensees working with buyers or tenants should apply the same objective property selection criteria, such as location/neighborhood, property features, and price range and other considerations, to all prospects.
 - B. Real estate licensees should provide complete and objective information to all clients based on the client's selection criteria.
 - C. Real estate licensees should provide the same professional courtesy in responding to inquiries, sharing of information and offers of assistance to all clients and prospects.
 - D. Housing providers should not make any statement or advertisement that directly or indirectly implies preference, limitation, or discrimination regarding any protected characteristic (such as "no children" or "English-speakers only").
 - E. Housing providers should use a selection process relying on objective information about a prospective buyer's offer or tenant's application and not seek any information that may disclose any protected characteristics (such as using a summary document, e.g. C.A.R. Form SUM-MO, to compare multiple offers on objective terms).
- 11. FAIR HOUSING RESOURCES:** If you have questions about your obligations or rights under the Fair Housing laws, or you think you have been discriminated against, you may want to contact one or more of the sources listed below to discuss what you can do about it, and whether the resource is able to assist you.
- A. Federal: https://www.hud.gov/program_offices/fair_housing_equal_opp
 - B. State: <https://calcivilrights.ca.gov/housing/>
 - C. Local: local Fair Housing Council office (non-profit, free service)
 - D. DRE: <https://www.dre.ca.gov/Consumers/FileComplaint.html>
 - E. Local Association of REALTORS®. List available at: <https://www.car.org/en/contactus/rosters/localassociationroster>.
 - F. Any qualified California fair housing attorney, or if applicable, landlord-tenant attorney.
- 12. LIMITED EXCEPTIONS TO FAIR HOUSING REQUIREMENTS: No person should rely on any exception below without first seeking legal advice about whether the exception applies to their situation. Real estate licensees are not qualified to provide advice on the application of these exceptions.**
- A. Legally compliant senior housing is exempt from FHA, FEHA and Unruh as related to age or familial status only;
 - B. An owner of a single-family residence who resides at the property with one lodger may be exempt from FEHA for rental purposes, PROVIDED **no real estate licensee is involved** in the rental;
 - C. An owner of a single-family residence may be exempt from FHA for sale or rental purposes, PROVIDED (i) **no real estate licensee is involved** in the sale or rental and (ii) no discriminatory advertising is used, and (iii) the owner owns no more than three single-family residences. Other restrictions apply;
 - D. An owner of residential property with one to four units who resides at the property, may be exempt from FHA for rental purposes, PROVIDED **no real estate licensee is involved** in the rental; and
 - E. Both FHA and FEHA do not apply to roommate situations. See, *Fair Housing Council v Roommate.com LLC*, 666 F.3d 1216 (2019).
 - F. Since both the 14th Amendment of the U.S. Constitution and the Civil Rights Act of 1866 prohibit discrimination based on race; the FHA and FEHA exemptions do not extend to discrimination based on race.

Buyer/Tenant and Seller/Housing Provider have read, understand and acknowledge receipt of a copy of this Fair Housing & Discrimination Advisory.

Buyer/Tenant _____ **Buyer 1** Date _____

Buyer/Tenant _____ **Buyer 2** Date _____

Seller/Housing Provider _____ Date _____

Seller/Housing Provider _____ Date _____

© 2024, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC, a subsidiary of the California Association of REALTORS®

FHDA REVISED 12/24 (PAGE 2 OF 2)

FAIR HOUSING AND DISCRIMINATION ADVISORY (FHDA PAGE 2 OF 2)

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

HOA, CONDO,





BUYER HOMEOWNERS' INSURANCE ADVISORY

(C.A.R. Form BHIA, 6/24)

- 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 a specific contingency pertaining to insurance or may be part of an overall investigation contingency. 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. Additionally, if the property is part of an HOA, lenders may require and buyers will want to know that the HOA has adequate insurance to cover the areas for which the HOA is responsible.
- 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, due to rising replacement costs and an increase in natural disasters. 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. INSURANCE CONDITIONS:** Many insurance carriers impose physical condition standards before issuing a policy, or reserve the right to cancel policies even after they are issued, if certain minimum standards are not confirmed in an inspection or otherwise. Physical conditions standards could include, but are not limited to, prohibition of "knob and tube" electrical wiring, requirements related to piping/plumbing materials, standards related to the age and/or quality of the roof or foundation, minimal safety standards related to handrails, tripping hazards, and defensible space requirements.
- 5. 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>.
- 6. 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 _____ **Buyer 1** Date _____

Buyer _____ **Buyer 2** Date _____

© 2024, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

BHIA 6/24 (PAGE 1 OF 1)



BUYER HOMEOWNERS' INSURANCE ADVISORY (BHIA PAGE 1 OF 1)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwof.com

HOA, CONDO,



**WIRE FRAUD AND ELECTRONIC FUNDS
TRANSFER ADVISORY**
(C.A.R. Form WFA, Reviewed 6/25)

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

ACCORDINGLY, YOU ARE ADVISED:

1. Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Housing Providers at the beginning of the transaction.
2. DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number or account number included in any emailed transfer instructions.
3. Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Housing Provider.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Housing Provider, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>; the FBI's IC3 at www.ic3.gov; or 310-477-6565

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

NOTE: There are existing alternatives to electronic and wired fund transfers such as cashier's checks.

The term "Housing Provider" also includes Landlord or Rental Property Owner.

By signing below, Buyer/Tenant and Seller/Housing Provider acknowledge that each has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory, and each has read and understands its terms.

Buyer/Tenant _____ **Buyer 1** Date _____
Buyer/Tenant _____ **Buyer 2** Date _____
Seller/Housing Provider _____ Date _____
Seller/Housing Provider _____ Date _____

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

WFA REVIEWED 6/25 (PAGE 1 OF 1)



WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (WFA PAGE 1 OF 1)



CALIFORNIA CONSUMER PRIVACY ACT ADVISORY, DISCLOSURE AND NOTICE

(C.A.R. Form CCPA, Revised 12/22)

The California Consumer Privacy Act (commencing with Civil Code § 1798.100) ("CCPA"), as amended by California voters in 2020, grants to California residents certain rights in their private, personal information ("PI") that is collected by companies with whom they do business. Under the CCPA, PI is defined broadly to encompass non-public records information that could reasonably be linked directly or indirectly to you. PI could potentially include photographs of, or sales information about, your property.

During the process of buying and selling real estate your PI will be collected and likely shared with others, including real estate licensees, a Multiple Listing Service, real estate internet websites, service providers, lenders, and title and escrow companies, to name several possibilities. Businesses that are covered by the CCPA are required to grant you various rights in your PI, including the right to know what PI is collected, the right to know what PI is sold or shared and to whom, the right to request that the business correct or delete your PI, the right to "opt out" or stop the transfer of your PI to others, and the right to limit the use of certain PI which is considered "sensitive." You may get one or more notices regarding your CCPA rights from businesses you interact with in a real estate transaction. However, not all businesses that receive or share your PI are obligated to comply with the CCPA. Moreover, businesses that are otherwise covered under the CCPA may have a legal obligation to maintain PI, notwithstanding your instruction to the contrary. For instance, regardless of whether they are covered by CCPA, under California law, brokers and Multiple Listing Services are required to maintain their records for 3 years. If you wish to exercise your rights under CCPA, where applicable, you should contact the respective business directly.

You can obtain more information about the CCPA and your rights under the law from the State of California Department of Justice (oag.ca.gov/privacy/ccpa). Additionally, the California Privacy Protection Agency is authorized to promulgate regulations which may further clarify requirements of the CCPA (cppa.ca.gov/regulations/).

I/we acknowledge receipt of a copy of this California Consumer Privacy Act Advisory, Disclosure and Notice.

Buyer/Seller/Landlord/Tenant _____ Date _____
Buyer 1

Buyer/Seller/Landlord/Tenant _____ Date _____
Buyer 2

© 2022, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, LLC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020



CCPA REVISED 12/22 (PAGE 1 OF 1)

CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: HOA, CONDO,
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com



HOMEOWNER ASSOCIATION REQUEST FOR REQUIRED STATUTORY DOCUMENTS AND CHARGES

(AS REQUIRED BY § 4525)
(C.A.R. Form HOA-RS, Reviewed 6/25)

Property Address: 345 Center St #21, San Mateo, CA 94124
Owner of Property: _____ ("Seller")
Owner's Mailing Address: _____
(If known or different from property address)

The Seller may, in accordance with § 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by § 4525 that are in the possession of the Seller. A Seller may request some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Provider of the Civil Code § 4525 items:

Print Name: _____ Print Title _____
☐ Association or ☐ Agent Date form completed _____

Check or complete applicable column or columns below:

Document	Civil Code Section Includes	Fee for Document	HOA Response Attached or Not Available (N/AV), Not Applicable (N/APP) OR Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that HOA is not incorporated	4525(a)(1)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
CC&Rs	4525(a)(1)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Bylaws	4525(a)(1)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
(Operating) Rules and Regulations	4525(a)(1)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Age restrictions, if any	4525(a)(2)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Annual Budget Report, or summary including reserve study	5300, 4525(a)(3)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Assessment and Reserve Funding Disclosure Summary	5300, 4525(a)(4)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Financial Statement Review	5305, 4525(a)(3)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Assessment Enforcement Policy	5310, 4525(a)(4)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Insurance Summary	5300, 4525(a)(3)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Regular Assessment	4525(a)(4)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Special Assessment	4525(a)(4)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Emergency Assessment	4525(a)(4)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Other unpaid obligation of Seller	5675, 4525(a)(4)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Approved changes to assessments	5300, 4525(a)(4),(8)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Settlement Notice Regarding Common Area Defects	4525(a)(6), (7), 6100	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Preliminary list of defects	4525(a)(6), 6000, 6100	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Notice(s) of Violations	5855, 4525(a)(5)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Required statement of fees	4525	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Rental restrictions, if any	4525(a)(9)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP

© 2025, California Association of REALTORS®, INC.

HOA-RS REVIEWED 6/25 (PAGE 1 OF 2)



HOMEOWNER ASSOCIATION REQUEST FOR REQUIRED STATUTORY DOCUMENTS AND CHARGES (HOA-RS PAGE 1 OF 2)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: HOA, CONDO,
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

Property Address: 345 Center St #21, San Mateo, CA 94124

Date: _____

Document	Civil Code Section Includes	Fee for Document	HOA Response
Minutes of regular board meetings conducted over the previous 12 months, if requested	4525(a)(10)	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Total Fees for These Documents		\$	

The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of § 4525 shall be charged separately.

HOA _____ Date _____

By _____ Title _____

Seller hereby confirms that all HOA documents delivered directly to Buyer by Seller (DP) are current documents.

Seller _____ Date _____

Seller _____ Date _____

By signing below, Buyer acknowledges receipt of a copy of each item checked above. Broker(s) have not and will not review the documents provided. This document may be executed in counterparts.

Buyer _____ **Buyer 1** Date _____

Buyer _____ **Buyer 2** Date _____

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

HOA-RS REVIEWED 6/25 (PAGE 2 OF 2)



HOMEOWNER ASSOCIATION REQUEST FOR REQUIRED STATUTORY DOCUMENTS AND CHARGES (HOA-RS PAGE 2 OF 2)

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

HOA, CONDO,



HOMEOWNER ASSOCIATION INFORMATION REQUEST

(C.A.R. Form HOA-IR, Reviewed 6/25)

Property Address: 345 Center St #21, San Mateo, CA 94124
 Owner of Property: _____ ("Seller")
 Owner's Mailing Address: _____
 (If known or different from property address)

To: Homeowner Association _____ ("HOA")

I. HOA'S MUST DELIVER THE REQUESTED DOCUMENTS WITHIN 10 DAYS OF SELLER'S REQUEST (CIVIL CODE § 4530(a)).

California Civil Code § 4525 requires sellers to provide buyers of a condominium unit or an interest in a cooperative or planned unit development, at the time of sale, a financial disclosure statement detailing the project's income, expenses, and operating budget for the current fiscal year, as well as a true written statement from an association representative as to unpaid current and special assessments, late charges and fines and penalties or liens on the unit for sale. California Civil Code § 4530 requires the Homeowner Association (HOA) to provide such information to sellers upon written request.

Seller requests: Within **10 calendar days from receipt of this request**, please provide to Seller answers to the questions on Section II and the items and information listed on HOA-RS and HOA-RN at the address indicated above or to _____.

Seller _____ Date: _____
 Seller _____ Date: _____

- II.**
- This HOA is self-managed or ☐ professionally managed
 - There are _____ units in total. Of those, _____ are owner-occupied and _____ are tenant-occupied. Of the total units, does any owner own more than 1 unit? ☐ Yes ☐ No. If yes, please describe _____
 - Does the HOA have any commercial units? ☐ Yes ☐ No. If yes, please identify _____
 - The current regular assessment for this unit is \$ _____ per month or (if checked) ☐ quarter ☐ year
 - The following regular assessment change to \$ _____ has been approved, effective _____
 - The current balance of the HOA operating account is \$ _____, as of _____
 - ☐ The HOA (if checked) maintains a separate reserve account with a balance of \$ _____ as of _____
 - There are no delinquent assessments, penalties, attorney fees or any other charges due with respect to any unit, except for _____
 - The following special assessment has been approved by the HOA:
 - Description _____
 - Amount payable by subject unit \$ _____, due date or payment schedule _____
 - The HOA anticipates the following special assessments (that have not yet been approved) for maintenance/repairs or to increase reserves: _____
 - There is (☐ is not) pending or anticipated litigation or claims affecting the HOA. If so, attach a description.
 - The HOA has (☐ has not) maintained financial statements as required by Civil Code § 5300 (See page 2 for § 5300 requirements). Financial records are maintained by _____
 - The HOA charges the following fees and/or holds deposits for transfers of ownership \$ _____ ☐ move-ins \$ _____ ☐ move-outs \$ _____ refundable move deposits \$ _____ ☐ Other \$ _____
 - The HOA ☐ does (☐ does not) have separate rules and regulations, in addition to the CC&Rs.

Signature _____ Position _____ Homeowner Association _____

Print name _____ Date _____ Telephone _____

By signing below, Seller acknowledges that they have received a completed copy of Part II of this Homeowner Association Information Request, and they have read and understand its terms.

Seller _____ Date: _____

Seller _____ Date: _____



California Civil Code § 5300 provides that the HOA financial statements should contain, among other things:

- (1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis.
- (2) A summary of the association's reserves, prepared pursuant to § 5565.
- (3) A summary of the reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of § 5550. The summary shall include notice to members that the full reserve study plan is available upon request, and the association shall provide the full reserve plan to any member upon request.
- (4) A statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.
- (5) A statement as to whether the board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.
- (6) A statement as to the mechanism or mechanisms by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.
- (7) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of § 5570, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.
- (8) A statement as to whether the association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.
- (9) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies.
- (10) When the common interest development is a condominium project, a statement describing the status of the common interest development as a Federal Housing Administration (FHA)-approved condominium project pursuant to FHA guidelines, including whether the common interest development is an FHA-approved condominium project.
- (11) When the common interest development is a condominium project, a statement describing the status of the common interest development as a federal Department of Veterans Affairs (VA)-approved condominium project pursuant to VA guidelines, including whether the common interest development is a VA-approved condominium project.

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

HOA-IR REVIEWED 6/25 (PAGE 2 OF 2)



HOMEOWNER ASSOCIATION INFORMATION REQUEST (HOA-IR PAGE 2 OF 2)

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

HOA, CONDO,



CALIFORNIA
ASSOCIATION
OF REALTORS®

**HOMEOWNER ASSOCIATION REQUEST FOR NON-STATUTORY
DOCUMENTS, OTHER INFORMATION, AND CHARGES**
(DISCLOSURE NOT REQUIRED BY § 4525 BUT REQUIRED
BY PURCHASE AGREEMENT)
(C.A.R. Form HOA-RN, Reviewed 6/25)

Property Address: 345 Center St #21, San Mateo, CA 94124
Owner of Property: _____ ("Seller")
Owner's Mailing Address: _____
(If known or different from property address)

Provider of the documents and information below:

Print Name: _____ Print Title _____
☐ Association or ☐ Agent Date form completed _____

Check or complete applicable column or columns below

Document	Fee for Document	HOA Response Attached or Not Available (N/AV), Not Applicable (N/APP) OR Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Pending or anticipated claims or litigation by or against HOA	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Number of designated parking spaces	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Location of parking spaces	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Number of designated storage spaces	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Location of storage spaces	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Name and contact information of other HOAs governing the property		☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Private Transfer Fees and/or Taxes	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Pet restrictions	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Smoking Restrictions	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Any other document required by law	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Other	\$	☐ Yes ☐ N/AV ☐ N/APP ☐ DP
Total fees for these documents	\$	

The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of § 4525 shall be charged separately.

HOA _____ Date _____
By _____ Title _____

Seller hereby confirms that all HOA documents delivered directly to Buyer by Seller (DP) are current documents.

Seller _____ Date _____
Seller _____ Date _____

By signing below, Buyer acknowledges receipt of a copy of each item checked above. Broker(s) have not and will not review the documents provided. This document may be executed in counterparts.

Buyer _____ **Buyer 1** Date _____
Buyer _____ **Buyer 2** Date _____

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

HOA-RN REVIEWED 6/25 (PAGE 1 OF 1)



HOMEOWNER ASSOCIATION CHARGES FOR NON-STATUTORY DOCUMENTS (HOA-RN PAGE 1 OF 1)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: _____ HOA, CONDO,
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com



GENERAL INFORMATION FOR BUYERS AND SELLERS OF RESIDENTIAL REAL PROPERTY IN SAN FRANCISCO (DISCLOSURES AND DISCLAIMERS ADVISORY)

(This form is a supplement to the California Association of REALTORS® Form SBBA, "Statewide Buyer and Seller Advisory")

SAN FRANCISCO ASSOCIATION OF REALTORS® STANDARD FORM [GIBS]

This Advisory is intended for use in San Francisco

Table of Contents

INTRODUCTION	2
A. GENERAL ADVISORIES	2
1. CONTRACT CONTINGENCIES	2
2. PROBATE SALES	3
3. COURT CONFIRMATION OF CERTAIN SALES	3
4. TITLE INSURANCE AND PRELIMINARY REPORT	3
5. PROPERTY INSURANCE	4
6. EXISTING HOUSING STOCK	4
7. FLOORS AND WALLS	4
8. TEMPERED GLASS	4
9. CONDOMINIUMS, COOPERATIVES AND HOMEOWNERS ASSOCIATIONS	4
10. NEW CONSTRUCTION WARRANTIES, DEFECTS AND LAWSUITS	5
11. RE-KEYING	6
12. WEB-BASED PHOTOGRAPHS AND VIDEOS	6
13. PERSONAL PROPERTY AND STAGING ITEMS	6
14. FAIR HOUSING AND SERVICE/COMPANION ANIMALS	6
15. CRIME	8
16. RESIDENTIAL FIREPLACE DISCLOSURE	8
17. WET WEATHER CONDITIONS	8
B. SAN FRANCISCO SPECIFIC ADVISORIES	9
18. SAN FRANCISCO CLIMATE CONDITIONS	9
19. SAN FRANCISCO BAY REGULATIONS	9
20. NEW CONSTRUCTION AND DEVELOPMENT IMPACT	9
21. SUBTERRANEAN ISSUES	10
22. REAL PROPERTY TAXES AND ASSESSMENT DISTRICTS	10
23. REAL PROPERTY TRANSFER TAXES AND PRIVATE TRANSFER FEES	11
24. REPORT OF RESIDENTIAL BUILDING RECORD ("3R")	11
25. PERMIT ISSUES	12
26. NONCONFORMING ROOMS, ALTERATIONS OR ADDITIONS	12
27. CODE COMPLIANCE AND ENFORCEMENT	13
28. PLANNING CODE	13
29. RENT AND EVICTION CONTROL ORDINANCE	13
30. TENANT SECURITY DEPOSITS	14
31. APARTMENT LICENSE FEES AND RENT ORDINANCE FEES	14
32. OWNER AND RELATIVE MOVE-IN EVICTIONS	14
33. RELOCATION PAYMENTS AND TENANT BUYOUTS	16
34. ELLIS ACT EVICTIONS	16
35. RENT REGISTRY	17
36. VACANCY TAX	17
37. SHORT-TERM RESIDENTIAL RENTALS	18
38. SELLER OCCUPANCY AFTER CLOSE OF ESCROW	18
39. CONDOMINIUM CONVERSION ORDINANCE	18
40. TENANCIES-IN-COMMON (TICs)	19
41. SQUARE FOOTAGE DISCLOSURE AND LOT SIZE	19
42. HOMEOWNERS AND NEIGHBORHOOD ONLINE SITES	19
43. AFFORDABLE HOUSING ENCUMBRANCES	20
44. HOUSING AND SOCIAL SERVICES – NAVIGATION CENTERS	20
45. WATER HEATERS	21
46. SMOKE AND CARBON MONOXIDE DETECTORS	21
47. RESIDENTIAL ENERGY AND WATER CONSERVATION ORDINANCES	21
48. WATER CONSERVATION	22
49. BOILER ORDINANCE	22
50. UNDERGROUND STORAGE TANKS (USTs)	22
51. UNREINFORCED MASONRY AND SOFT-STORY BUILDINGS	22
52. NEW CONSTRUCTION AND DEVELOPMENT IMPACT; HIGH-RISE SEISMIC SAFETY REPORT	23
53. SAFETY INSPECTION – DECKS AND APPENDAGES	23
54. TREES AND VEGETATION	24
55. HOUSEHOLD AND HAZARDOUS WASTES	24
56. SAN FRANCISCO ENTERTAINMENT DISTRICT ADVISORY AND DISCLOSURE	24
C. SUPPLEMENTS TO THIS ADVISORY AND INFORMATION ON RECENT DEVELOPMENTS	24
D. HYPERLINKS ADVISORY	25
E. RECOMMENDATION TO RETAIN A QUALIFIED ATTORNEY AND ACCOUNTANT	25



This Advisory contains important information regarding the purchase of real property located in San Francisco. The information in this Advisory will change over time, new issues will develop, and laws and regulations will change at the City and County, State, or federal levels. Where available, links to government websites are provided to allow Buyers and Sellers to update themselves as to any such changes.

Some of the issues that are covered in this Advisory are point-of-sale requirements or retrofit requirements that may also be triggered by remodeling efforts or efficiency requirements. In addition, there are many laws, regulations and ordinances which may impact Buyer's plans for remodel, expansion or change of use after the purchase, which are too detailed to be covered in this Advisory. Buyers should be aware of the fact that the apparent or current use of a property is not a guarantee that such use complies with applicable laws, including zoning ordinances. Buyers must investigate the applicability of these requirements to the past, present and future sale, purchase, ownership, use and/or development of the Property.

Buyers must bear in mind that a Property may contain defects and deficiencies of which neither Sellers nor Brokers are aware. Buyers should also recognize that not all issues or conditions can be objectively determined-even by professional investigations. Further, some issues can have varying impacts on different people since some people may be more sensitive than others to certain factors such as sounds and odors.

Although licensed to list, sell and lease real estate, Brokers may not have expertise on any or all of the topics discussed in this Advisory. Given Buyer's legal duty to exercise reasonable care to protect themselves regarding facts that are known to or within the diligent attention or observation of a buyer, Buyer is urged to investigate, without limitation, (a) all public records which may affect the Property; (b) neighborhood conditions which may affect the Property; (c) the items detailed in this Advisory; (d) the condition of the foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, energy/water efficiency, security, appliances/personal property, pool/spa, and all other systems and components of the Property; and (e) all laws, regulations, and ordinances that may affect Buyer's intended use or development of the Property. The items and issues identified in this Advisory may impact the value or desirability of the Property. Broker will not be investigating these issues for Buyer, unless agreed to in writing.

The San Francisco Association of REALTORS® does not warrant or guarantee the accuracy of the information contained in this Advisory or the adequacy of the information as it relates to a specific real property transaction. Any representations about the issues in this Advisory made by third parties have not been verified by Brokers and need to be independently confirmed by Buyer.

A. GENERAL ADVISORIES

1. CONTRACT CONTINGENCIES

Buyers should protect themselves either by obtaining a thorough understanding of the condition of a Property in advance, or by conditioning their purchase on inspections and the ability to obtain any necessary financing. Buyers who decide to enter into a contract without either or both of these contingencies to make their offer more attractive to the Seller assume major risks. For example, if after entering into a contract without a physical inspection contingency, Buyer becomes aware of a problem with the foundation, roof or mechanical systems before the close of escrow, the contract may require Buyer to nonetheless close escrow, or forfeit the deposit.

A lender's approval of financing includes the determination that (a) the Buyer is creditworthy, (b) can afford to make the mortgage payments, and (c) that the Property appraises for at least the principal amount of the loan. Even if a Buyer has obtained a pre-qualification or pre-approval letter from a lender, the lender may still not approve the specific loan requested by Buyer. Denial of a loan may result from a variety of factors, including but not limited to, changes in federal lending regulations, changes in the lender's policies, changes to the Buyer's employment or financial status, or because

an appraiser determines that the Property's fair market value is insufficient for the lender to approve the loan amount requested. If there is no financing contingency and the Property does not "appraise", the Buyer may not be able to make up the difference between the loan amount applied for and the loan amount actually offered by the lender. Under those circumstances, the Buyer may not be able to perform their contractual obligations. This could result in a determination that the Buyer is in breach of the contract and must pay damages to the Seller. It is a serious risk for any Buyer to forgo including a financing contingency in any offer if they intend to secure a loan to purchase the Property.

2. PROBATE SALES

The Representative of a decedent's estate (i.e., the executor or administrator) may sell real property of an estate if it is in the best interests of the estate to do so. The sale of probate property is typically subject to probate court confirmation (see the next Section).

The Independent Administration of Estates Act ("IAEA") provides a simplified method of probating estates with limited court supervision. Under the IAEA, the Representative may list real property with a broker for a period not to exceed 90 days without prior court approval and to sell the Property without court confirmation. The Representative's ability to sell without court supervision or approval under IAEA is not absolute and is conditioned upon there being no objections by interested persons (generally, the heirs) who are given the right to object. If there is an objection, court confirmation will be necessary.

Probate property is always sold "As-Is" and the Representative is not required to complete or sign a Real Estate Transfer Disclosure Statement. However, the Representative must nonetheless disclose all actual knowledge of material facts affecting the value or desirability of the Property. Real estate licensees who are involved in the listing or sale of probate property are obligated to conduct a reasonably diligent visual inspection of accessible areas of the Property and provide a disclosure based upon that inspection.

3. COURT CONFIRMATION OF CERTAIN SALES

Whenever the sale of real property is subject to open competitive bidding, as in the case of a probate, conservatorship, guardianship, receivership, or bankruptcy sale, it is strongly recommended that Buyers be in court when their offer is scheduled for confirmation. Buyers should understand that in sales requiring court confirmation, the Property may continue to be marketed by the broker and others, and that their broker and others may represent other competitive bidders prior to and at the court confirmation hearing. Different types of courts have their own rules for how to handle the possibility of over-bids including whether initial deposits need to be in a certain amount or whether the amount of an over-bid needs to be a specific percentage above the original offer. Questions regarding the specific rules for the court where the confirmation hearing is to be held should be directed to the clerk of that court, or if legal advice regarding property subject to court confirmation is needed, then it is strongly recommended that a qualified real estate attorney who is knowledgeable about sales regarding court confirmation be consulted. Real estate brokers/agents are not qualified to provide legal advice.

4. TITLE INSURANCE AND PRELIMINARY REPORT

Buyers will receive a Preliminary Report ("Prelim") from a title company as a part of Buyer's investigation and due diligence regarding the Property. A Prelim is only an offer of title insurance and may not contain every item affecting title. Title companies today will provide an electronic Prelim ("ePre") that has hyperlinks to those underlying documents, many of which are important for full review of conditions. Buyers should be aware that a Prelim on paper may not have the underlying documents attached and any hyperlink may not be highlighted. Real estate brokers and agents strongly encourage Buyers to review all matters affecting title and to purchase title insurance at the close of escrow.

5. PROPERTY INSURANCE

Prior to making an offer or removing any contingencies, buyers are advised to verify the availability and cost of insurance coverage with an insurance agent. Many insurance carriers are no longer writing property insurance in California. If insurance is not available from a traditional carrier, there may be other options. Two possibilities are non-admitted carriers and the California FAIR Plan. Several factors may affect obtaining property insurance including, but not limited to, the foundation and roof, knob and tube wiring or an outdated electrical panel, older plumbing or heating, defensible space, fire hardening, proximity to a wildland, and some prior insurance claims.

6. EXISTING HOUSING STOCK

Properties in this area have been built under different building codes. Regardless of the age of the Property, Buyers should have the Property inspected by a qualified inspector and have additional inspections recommended in any inspection report, or as may be necessary to determine the actual condition of the Property. The Property's components, appliances, fixtures, systems and materials will have varying degrees of remaining useful life and are subject to failure without notice. In addition, components, improvements and fixtures of the Property may not comply with current codes, zoning, health and safety, setback requirements, religious or cultural preferences. Some homes contain appliances, products or manufactured materials, such as dry wall from China, which may be defective, create problems with the use of aspects of the home and may be subject to manufacturer or governmental recall and/or a class action lawsuit. All homes include components which require ongoing maintenance. Deferred maintenance decreases the lifespan and functionality of many of these components. Buyers should seek reliable advice from appropriate professionals and plan for future maintenance and repairs.

7. FLOORS AND WALLS

The personal property of the Seller may make a visual inspection of floors and walls difficult. Certain types of flooring (e.g., carpeting and rugs), certain types of wall coverings (e.g., wallpaper and paneling), as well as furniture may prevent inspectors and brokers from inspecting the condition of the floors and walls beneath those materials. When exposed, these areas may exhibit a different pattern of wear or shade of color. If the Buyer desires to determine the condition of the floors and walls beneath such coverings, Buyer will need to secure the written authorization of Seller to conduct investigations with appropriate professionals since removal of floor and wall coverings may be required.

8. TEMPERED GLASS

Many homes contain glass that is NOT tempered in locations where tempered glass IS now required by building codes. Buyer is advised to have a contractor's inspection to identify the presence of any glass that is not tempered before removing a physical inspection contingency on a prospective purchase of real property. Buyer should consider replacing any non-tempered glass with tempered glass to reduce the risk of injury.

9. CONDOMINIUMS, COOPERATIVES AND HOMEOWNERS ASSOCIATIONS

Properties located in a Common Interest Development (or "CID," which is a broad term commonly used to describe a condominium, cooperative, planned unit development, etc.) are usually managed by a Homeowners' Association, ("HOA"), pursuant to a Declaration of Covenants, Conditions and Restrictions ("CC&Rs") which govern the use of the Property, assessments and costs for maintaining the HOA and common areas. The Seller should request that the HOA provide certain required documents regarding the HOA operation and expenses to meet the Seller's disclosure obligations under Civil Code Section 1368.

It is strongly recommended that Buyers receive the current HOA documents from the HOA rather than from an earlier transaction. Buyers need to carefully examine all of the documents that are provided regarding the HOA and compare them with a list of required or potential disclosures. If any documents are missing, Buyer should send a written request to the Seller that the Seller provide the missing documents. Buyers should retain the services of experts, such as attorneys, accountants or others who specialize in reviewing HOAs to determine the adequacy of the reserves and assessments. In reviewing the adequacy of assessments and reserves, Buyers should also request and obtain any available information about intended maintenance, repairs or improvements that are planned by the HOA.

Due to noise transmission and other factors, the CC&Rs and Rules and Regulations of the HOA may restrict the use, the type of alterations/improvements, floor and/or wall materials that can be used in units and the number, size and/or type of pets. Buyers should carefully review the CC&Rs and other HOA documents and contact the HOA Board to determine whether or not the Property can be used for Buyer's intended purposes. Buyer should also determine whether or not the Property meets Buyer's subjective personal preferences.

Many CIDs have been or are presently involved in litigation regarding the design, construction, maintenance and/or condition of all or a part of the CID. Whether or not these lawsuits are successful, litigation is expensive and the cost of such legal actions may impact not only the adequacy of the HOA reserves but also the amount of current or future assessments. When an HOA is involved in a lawsuit, it can make it very difficult to obtain financing on a unit. Therefore, Buyers are urged to investigate the existence of any pending lawsuits.

Occasionally, issues arise in the purchase of property in a CID regarding parking and/or storage spaces associated with a single interest or unit in the CID. Parking and storage spaces, if any, may be described in a Condominium Map/Plan or in the Prelim issued by a title Company. In some cases, the HOA reassigns parking and storage spaces after a sale. Buyers should determine for themselves whether or not the allocated parking spaces are adequate to park Buyers' vehicles by actually parking in those spaces. The actual markings, striping and numbering of these spaces may be in conflict with the spaces designated in the recorded documents. It is therefore crucial that Buyer personally determine that the parking and storage spaces that are designated in the recorded documents are actually being transferred to Buyer and that those spaces are acceptable for Buyers' needs.

Many HOAs prohibit or limit new owners from renting or leasing units, depending on when the prohibition or restriction was enacted. An existing owner in a CID may be exempt from any such limitation. However, generally any exemption will not apply to a prohibition that was in effect before the owner acquired title to his or her unit. Investor Buyers in a CID should be sure to check whether rent prohibitions are in effect; and inquire of the HOA if they are planning on implementing any such prohibitions which might go into effect prior to the close of escrow.

The existence of HOA insurance does not necessarily mean that there is insurance coverage for any given single interest or unit in the CID, an owner's remodeling or upgrade efforts and/or the owner's contents.

A "Co-Op" (or more formally "Stock cooperative") means a development in which a corporation is formed primarily for the purpose of holding title to improved real property, and all or substantially all of the shareholders of the corporation receive a right of exclusive occupancy in a portion of the real property typically by a lease. The owners' interest in the corporation, whether evidenced by shares of stock, a certificate of membership, or otherwise is a form of common interest development.

10. NEW CONSTRUCTION WARRANTIES, DEFECTS AND LAWSUITS

The Real Estate Transfer Disclosure Statement ("TDS") asks Sellers to disclose if there are any lawsuits by or against the Seller threatening or affecting this real property. It then goes on to ask questions related to construction defects and references Civil Code Sections 900, 903, 910 and 914. These code sections are part of a law that is widely known as SB800

or Title 7, which generally applies to residential real property built by a “Builder” (as defined in Section 911) and sold for the first time after January 1, 2003. Section 900 provides for a limited one-year warranty from the Builder. Section 901 et seq. refers to “enhanced protection agreements,” which are sometimes provided by the Builder and may extend the warranty period. Other provisions (see Section 907 et al.) require the homeowner to follow all reasonable maintenance obligations and schedules communicated in writing by the Builder and product manufacturers, as well as commonly accepted maintenance practices. Failure to do so may provide a defense against a homeowner claim (see Section 944). Sections 910 and 914 refer to pre-litigation procedures and remedies in the event of a claim against the Builder. Sellers who have questions about how to answer this TDS question should consult with a California real estate attorney for advice. Likewise, if lawsuits or claims are disclosed by Seller, Buyers should investigate such disclosures with a California real estate attorney. Brokers are not qualified to give you advice on these matters.

11. RE-KEYING

Buyers are advised that all locks should be re-keyed immediately upon close of escrow for the Buyers' safety and security of their person(s) as well as their personal belongings. Alarms, if any, should be serviced by professionals and codes should be changed. Garage door openers and remotes should be re-coded.

12. WEB-BASED PHOTOGRAPHS AND VIDEOS

Property images, floor plans, descriptions, and transaction terms will be published in the Multiple Listing Service (“MLS”) and on other internet websites. Information and images live in perpetuity on the internet. Brokers/Agents cannot and will not attempt to remove information or images from internet websites, including the MLS and Broker's own website. Civil Code Section 1088(c) requires the MLS to maintain property information and images for a minimum of three (3) years.

13. PERSONAL PROPERTY AND STAGING ITEMS

In order to show a property in its best light, Sellers and their Brokers/Agents often engage the services of “Staging” companies to assist in the presentation of the Property during the sales process. The furniture, furnishings and accessories provided by the staging company are removed prior to close of escrow and do not transfer to the Buyer. As stated in the Purchase Agreement, NO personal property is included in the sale unless specifically designated in the Agreement or an Addendum. Therefore, NONE of the staged furniture or other staging items (e.g., window sheers, drapes, artwork, mirrors, rugs, lamps, planters and plants, etc.) are included in the sale. If Buyer wishes to purchase any of the staging items, Buyer should enter into a separate written contract directly with the staging company.

Note that the MLS entry, flyers and other marketing materials are NOT part of the Purchase Agreement. Only the Agreement specifies the inclusion or exclusion of fixtures and personal property.

14. FAIR HOUSING AND SERVICE/COMPANION ANIMALS

When properties are offered to the public for lease or sale, the owner and real estate licensees must act in compliance with all State and federal Fair Housing laws including, but not limited to, providing unrestricted access (including open houses and other showings) to potential purchasers and tenants who have service/companion animals. Landlords are also required under the Fair Housing laws to provide a “reasonable accommodation” for tenants with disabilities which includes allowing tenants to occupy the rented residence with the service/companion animal. Landlords may not charge a “pet deposit” or otherwise charge tenants who have service/companion animals in any manner that is different from what is charged to tenants without an animal. Any property owner who rents their property should consult with a California real estate attorney specializing in landlord/tenant and Fair Housing issues for advice on any matters related to Fair Housing and service/companion animals.

15. CRIME

The existence of crime is a fact of life. Because of the ever-changing nature of statistics and information regarding crime, neither Seller nor Brokers will independently investigate criminal activity in the area of any property being purchased by any means including, but not limited to, contacting the police or reviewing any internet databases. If criminal activity is a factor in the decision to purchase a property in a particular neighborhood, Buyers are urged to check with the local law enforcement agencies and online information, prior to removing their inspection contingency. Additional information is available at the San Francisco Police Department Crime Dashboard www.SFARForms.com/sfpd-crimedashboard.

16. RESIDENTIAL FIREPLACE DISCLOSURE

Residential wood burning is the leading source of wintertime air pollution in the Bay Area, and studies have confirmed there are significant health impacts from exposure to the fine particulate matter found in wood smoke. The Bay Area Air Quality Management District ("Air District") established the Wood Smoke Rule, Regulation 6, Rule 3 to reduce wintertime smoke pollution and protect public health. The Wood Smoke Rule requires anyone selling, renting or leasing a property in the Bay Area to disclose the health impacts from air pollution caused from burning wood. Fine particulate matter, also known as PM2.5, can travel deep into the respiratory system, bypass the lungs and enter the bloodstream. Exposure can cause short-and long-term health effects, including eye, nose and throat irritation, reduced lung function, asthma, heart attacks, chronic bronchitis, cancer and premature deaths. Exposure to fine particulates can worsen existing respiratory conditions. High PM2.5 levels are associated with increased respiratory and cardiovascular hospital admissions, emergency department visits, and even deaths. Children, the elderly and those with pre-existing respiratory or heart conditions are most at risk from negative health effects of PM2.5 exposure. The Buyer should consult with a licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace insert according to manufacturer's specifications to help reduce wood smoke pollution. The Air District encourages the use of cleaner and more efficient, non-wood burning heating options such as gas-fueled or electric inserts to help reduce emissions and exposure to fine particulates.

When the Air District issues a Winter Spare the Air Alert during the winter season from November 1 through the end of February, it is illegal to burn wood, manufactured fire logs, pellets or any solid fuels in fireplaces, wood stoves or outdoor fire pits. To check when a Winter Spare the Air Alert is issued and it is illegal to burn wood, please call (877) 4NO-BURN or visit www.SFARforms.com/Baaqmd or www.SFARforms.com/SpareTheAir.

This information was provided by the Bay Area Air Quality Management District.

17. WET WEATHER CONDITIONS

At times, this area may have months with heavier than usual rainfall. During these times, hillside properties may be susceptible to earth movement and drainage problems. Properties on flatlands may be susceptible to flooding. Properties which may not have experienced water intrusion into or under the Property in the past may experience these conditions as a result of weather-related phenomena. Sellers are obligated to disclose to Buyers those material defects or conditions known to them which affect the value or desirability of the Property; however, not all Sellers may be aware of recent changes in the conditions of the Property or its improvements caused by unusually wet weather. Because of these factors, it is recommended that, in addition to a home inspection, Buyer have such additional inspections by inspectors or engineers regarding these conditions as Buyer may desire.

B. SAN FRANCISCO SPECIFIC ADVISORIES

18. SAN FRANCISCO CLIMATE CONDITIONS

The San Francisco area exhibits several microclimates. Buyer is advised that these areas are subject to frequent strong winds, wind-driven rain, fog, salty sea air and mist, and direct sunlight, any of which, alone or in combination, can affect the condition of the land as well as prematurely age the interior and exterior of structures. Erosion, warping and cracking of surfaces, failed seals on dual-paned windows, deterioration of roofing material, and water intrusion, among other problems, are not uncommon with such properties, and thus these properties require regular, thorough maintenance. Buyer is advised to fully investigate these conditions and the increased maintenance and repairs that may be needed for any property located in these coastal areas.

In 2018, the San Francisco Public Utilities Commission updated its “100-Year Storm Flood Risk Map” (“Map”) to warn of the potential for significant flooding in the event of an intense storm. According to the map, approximately 1% (2,100) of the City's parcels are located in the “100-Year Storm” zone. Homes in this zone are likely to experience “deep and contiguous flooding” during a “100-Year Storm” defined as flooding at least 6 inches deep and spanning an area of at least the size of one half of a city block. The Map, along with suggested preventative measures and procedures, is available at: www.SFARforms.com/100yearfloodmap. Buyer is advised, if purchasing a property within the designated zone, to consult Buyer's lender and insurance carrier to discuss the present or future potential impact on the availability of financing and property insurance.

In 2019, the San Francisco Board of Supervisors passed an ordinance amending the Police Code to require sellers or landlords of real property in San Francisco to disclose to buyers or tenants that a property is located within the flood risk zone delineated on the Map; amending the Housing Code to require that the Department of Building Inspection's Report of Residential Building Record (3R) include a disclosure statement for properties located within the flood risk zone; and affirming the Planning Department's determination under the California Environmental Quality Act.

19. SAN FRANCISCO BAY REGULATIONS

The San Francisco Bay Conservation and Development Commission (“BCDC”) is charged with the responsibility of restoring Bay wetlands and marshes, preventing wetlands and mudflats from being filled, and supporting the continued and productive use of salt ponds. Properties abutting San Francisco Bay, its tidelands and marshes may be subject to the jurisdiction of the BCDC, which may limit building and impose other requirements on property owners. Buyers of such property are urged to contact BCDC by email at: info@bcdc.ca.gov.

20. NEW CONSTRUCTION AND DEVELOPMENT IMPACT

New construction of many residential and commercial buildings is underway and much more is in the planning/approval process. The planning process is unpredictable, with projects introduced, modified or eliminated regularly. Buyers should independently research public records and real estate news websites, and contact appropriate City departments to determine whether existing, planned or potential developments could affect views, traffic, noise, or access to sunlight, cause other nuisances from construction, or have an impact on property use, desirability and value.

Reports have surfaced of sinking and tilting of a modern high-rise building in the South of Market area. A substantial portion of that area and of other San Francisco neighborhoods, such as the Marina, have land that was filled historically. Not far below ground is Bay mud, and bedrock can be hundreds of feet down. Buyers are urged to carefully review the Natural Hazard Disclosure Report and all other available information and conduct their own investigation before purchasing a home in filled land locations. This includes, without limitation, contacting all potential sources of information and reviewing documents. Buyers are encouraged to contact and make inquiry of any relevant HOA, and engage

independent qualified experts, such as a structural engineer, a geotechnical engineer, an attorney or an appraiser, to answer any questions, provide advice and otherwise aid in the investigation of the construction of the Property. Brokers/Agents are not qualified to, and cannot and will not, investigate such issues.

21. SUBTERRANEAN ISSUES

Many of San Francisco's hills include active or potentially active landslide areas. The geologic forces which have shaped California are still active today. The only way to determine the nature of the soil and bedrock under a structure, and how these forces may affect the structure, is with a geologic or geotechnical inspection and report.

Before natural gas was available, Pacific, Gas and Electric Company ("PG&E") operated manufactured gas plants ("MGP") located throughout San Francisco which processed coal and oil to produce gas for lighting, heating and cooking. While that practice ended by the 1930s, "byproducts" from the operation remain underground. MGP sites have been identified in the following neighborhoods: Marina District, North Beach, Potrero Hill, and Fisherman's Wharf.

According to PG&E (See official website at www.SFARforms.com/MGPsites), testing and review of the medical literature suggests there is no indication the former MGP sites pose health concerns to the public because in most cases the MGP byproducts (residues) remain underground where direct contact exposure is unlikely. The PG&E official advisory provides the following warning, however: "While exposure to MGP residues is not common, under certain conditions, MGP residues in the environment can affect human health. The purpose of our program is to reconfirm that these sites will continue to have no impact on public health in the future."

The existence of MGP byproducts in the soil is a material fact Buyer should consider. Adverse consequences to the Property and for the property owner possibly include: health concerns, future soils remediation obligations and costs, restrictions and delays in obtaining building and demolition permits, adverse impact on the ability to obtain financing or refinancing, disclosure obligations at the time of a future sale, and other.

PG&E has a testing program in place to determine which properties are impacted. This program includes the purchase and remediation of properties adversely impacted. Buyer may choose to engage PG&E to test the soil – telephone (415) 973-0270. Buyer may also engage a qualified specialist to test the soil, to assist Buyer in understanding and interpreting tests performed by PG&E, or help Buyer understand and evaluate possible risks. Buyer is encouraged to seek additional information and independent counsel. Seller and real estate agents have not and will not verify the information provided by PG&E or others related to MGPs or soil conditions.

Much of the City's underground sewer lines date back over 100 years. Fractures in major pipes have caused ground collapses in parts of the City. Individual clay sewers from properties can also crack over time due to pressure from tree roots. A sewer-lateral inspection should be considered for older properties, particularly those with old growth trees nearby.

Property owners are generally responsible for maintaining the sidewalk in front of their property. Both tree roots and seismic events can damage and uplift the sidewalk, thereby requiring maintenance and repair.

22. REAL PROPERTY TAXES AND ASSESSMENT DISTRICTS

California allows each county to collect an annual ad valorem tax on real property. The tax is payable in two installments for the tax year, July 1 to June 30. The first payment is due on November 1 and delinquent after December 10, and the second is due on the following February 1 and delinquent after April 10.

Under Proposition 13, passed by California voters in 1976, the ad valorem tax rate is set at one percent of the assessed value of real property. This limitation, however, does not apply to special assessments levied for the purpose of paying interest and redemption charges on bonded indebtedness approved by County voters. The assessed value of real property is subject to being increased by two percent each year, or by a larger amount upon change of ownership. The real property tax due for any property can be calculated by multiplying the assessed value of the Property by the real property tax rate for the county in which the Property is located. The current property tax rate for San Francisco can be found by calling the County tax assessor's office at (415) 554-5596 or visiting this website: www.SFARforms.com/SFPropertyTax.

Buyers should be aware that the assessed value of real property is adjusted upon change of ownership to an amount that is presumed by law to be equal to the purchase price of the Property. However, that presumption may be rebutted by the tax assessor and a higher value assessed, where the assessor can establish the higher value by a preponderance of the evidence using accepted methods of valuation. Also, under many circumstances, the construction of improvements to an existing property can trigger an adjustment to the assessed value of the Property.

23. REAL PROPERTY TRANSFER TAXES AND PRIVATE TRANSFER FEES

Buyers should be aware that all counties in California impose a transfer tax of at least 0.11 percent (55 cents per \$500 of value) on the purchase price of real property whenever a property changes hands. Transfers of leaseholds with a remaining term of 35 years or more are also subject to a transfer tax.

Cities may increase the transfer tax rate to generate additional local revenue. Some cities, such as San Francisco, have adopted tiered rates. San Francisco's rates can be found at this link: www.SFARforms.com/TransferTax or by emailing the County tax assessor's office at: assessor@sfgov.org.

Since most transfer tax ordinances do not specify whether the tax is to be paid by the Buyer or the Seller, the custom that prevails in the jurisdiction in which the real property is located usually dictates who will pay the tax. In San Francisco, it is the custom for the Seller to pay the transfer tax. One common exception is in new construction sales, where the Buyer usually pays the transfer tax.

However, the SBSA includes a paragraph referring to Community Enhancement and Private Transfer Fees. Although not commonplace, such fees are charged occasionally in San Francisco. For example, in Mission Bay, a Community Enhancement Fee is customarily paid by the Buyer upon resale.

24. REPORT OF RESIDENTIAL BUILDING RECORD ("3R")

Local law requires that owners of one or more dwelling units obtain and deliver to Buyers a Report of Residential Building Record ("3R") prior to selling the Property. The Records Management Division of the Department of Building Inspection ("DBI") will issue a 3R upon request using the following online order form: www.SFARforms.com/3R. The fee for the 3R is shown on the form. The time to produce the 3R can be several weeks.

Seller is advised to instruct their Broker/Agent to order a 3R on their behalf as soon as the Listing Agreement is signed. Review and approval of the 3R by the Buyer is a condition of the Purchase Agreement.

The body of the 3R purports to list all building permits for the Property, dating back to the original construction. However, if the original construction was prior to the April 1906 earthquake, that permit will not be shown, as the DBI lost its records in the fire which followed. The 3R does not include permits for electrical or plumbing work. Those DBI departments maintain their own permit history.

The codes on the line items are explained on the second page of the 3R. Note, however, that all permits prior to 1950 will show as 'N' (New), rather than 'C' (Completed), as the City did not issue Job Cards or record the Final Completion of permitted work prior to that time. The 3R also shows the Original and Current Permitted Use of the Building, as an "n-Family Dwelling." The Current Permitted Use shown on a 3R has more credence with the Planning Department than the Assessor's records for the Property. If the Permitted Use is missing or "Unknown," Buyer should contact the Planning Department and inquire whether or not this can be corrected or otherwise addressed prior to removing Buyer's inspection contingencies.

The accuracy of 3R is less than 100%, as records have been lost, misfiled, or not copied accurately over the years. If the existence or absence of a particular permit is important, then Buyer should retain a qualified permit researcher to investigate further. The 3R is not a guarantee that the work performed under any of the listed permits was done in compliance with applicable laws. Therefore, Buyer should conduct his or her own investigation regarding such work.

25. PERMIT ISSUES

Some improvements to property such as repairs, remodels and additions may have been done without a required permit. One such example would be where an additional living unit (an "in-law") is being rented by the Seller but the required permits were not obtained for it. An improvement that is made without the required permit can, among other things, have a negative impact on value, lending or appraisals; require a retrofit; impact habitability; preclude insurance coverage; and result in fees, penalties, and government and/or civil enforcement actions.

There are also significant restrictions affecting an owner's right to construct or improve garages in San Francisco. Therefore, if Buyer intends to build a garage or alter an existing one, Buyer is strongly advised to consult a qualified architect, engineer and/or contractor before removing any inspection contingencies.

DBI's Permit Tracking website (www.SFARforms.com/DBIpermits) provides limited information about building, electrical, plumbing, and boiler permits. DBI's website likely does not include all permits on the Property. The website is not a substitute for contacting DBI and/or consulting with relevant qualified local professionals to investigate matters affecting the Property.

26. NONCONFORMING ROOMS, ALTERATIONS OR ADDITIONS

Buyers are advised that any rooms, alterations or additions to the Property that were made or constructed without necessary permits or certificates of completion ("nonconforming improvements") may be subject to fines, permit costs, construction costs and other expenses to bring into conformity. In some cases, nonconforming improvements may be subject to tenants' rights, and/or removal by local building inspection and code enforcement agencies. Nonconforming rental units may be required to be vacated and possibly removed. It might not be possible to legalize such nonconforming improvements because of zoning or permit issues and/or other legal or regulatory limitations. San Francisco DBI and code enforcement agencies may conduct random inspections of properties for permit, code and other violations while the Property is being marketed. Such nonconforming improvements may also be discovered when anyone applies for a new permit to do work on the Property. Whenever nonconforming uses are discovered, the current owner could face expensive repairs, permit fees and other costs and/or even removal of the nonconforming improvement.

While Sellers are obligated to disclose any known nonconforming improvements, the Seller may not be aware of some or all illegal improvements or uses, especially those that were made prior to the Seller's ownership of the Property.

Current City policy and practice favors requiring homeowners to legalize "illegal" units where feasible, possibly at significant expense to the owner, and with consequences to the owner's rights to use and occupy the Property in accordance with local rent and eviction control laws and policies. The City may investigate prior occupancy; and where

evidence of prior occupancy of an “illegal” unit is discovered the City may require restoration and the legalization of the unit.

In addition, real estate Brokers and agents are not required by law to inspect public records and cannot and will not determine the legal status of improvements based solely on their required visual inspection of the Property. For these reasons, Buyers are strongly urged to investigate possible nonconforming improvements by contacting the local building inspection and code enforcement agencies as well as obtaining the advice of contractors, architects, engineers or other professionals regarding the status and condition of the Property prior to removing inspection contingencies.

27. CODE COMPLIANCE AND ENFORCEMENT

If this Property is not new, some aspects, components and structures may not meet current codes. This may be because codes have changed since the improvements were first constructed or, in some cases, the improvements did not meet the codes in effect at the time they were built. Real estate brokers/agents are not qualified to identify code violations. If the San Francisco DBI discovers code violations, whether as part of a random inspection or an application to perform new work, or in response to a complaint, the current owner may be required to bring the Property into compliance or remove or demolish the portion of the Property that is in violation. Prior to removal of the inspection contingency, Buyers should have the home inspected by a qualified home inspector who can comment on local codes, regulations and enforcement practices.

DBI's Complaint Tracking website provides information about a Property's complaints history going back only as far as the 1980's. This website's information is incomplete and is not a substitute for contacting the DBI and/or consulting with relevant qualified local professionals to investigate matters affecting the Property.

28. PLANNING CODE

Properties in San Francisco are subject to the Planning Code that may restrict and limit alterations and renovations. Additional oversight may be imposed resulting in permits and proposals being rejected. E.g., properties rated through the Historic Resource Assessment process as a Historic Resource may be subject to limitations on the permitted use or future alterations or renovations. The San Francisco Planning Department's Property Information Map (located at www.SFARForms.com/PIM) provides some information about the Property, but Buyers are urged to contact the San Francisco Planning Department and/or consult with a qualified local land use attorney or architect to investigate how the Planning Code may impact the Property before removing relevant contingencies.

29. RENT AND EVICTION CONTROL ORDINANCE

On June 13, 1979, the San Francisco Residential Rent Stabilization and Arbitration Ordinance (“Rent Ordinance”) was signed into law. Properties of two or more dwellings are limited to annual rent increases of not more than 60% of the Bay Area Consumer Price Index. The allowable annual rent increases are published by the San Francisco Residential Rent Stabilization and Arbitration Board (“Rent Board”) on its website at www.SFARforms.com/SFRentBoard.

Additionally, the Rent Ordinance now limits the right of a landlord to terminate a tenancy of tenants in all residential properties to circumstances where a “just cause” reason is present. There are 16 “just cause” reasons authorized by the Rent Ordinance, including, without limitation, the non-payment of rent, the breach of a lease covenant, creating or permitting a nuisance, an owner-move-in, or the invocation of the Ellis Act. Terminating the tenancy of any residential tenant in San Francisco can be very difficult, and landlords can incur significant liability for wrongful endeavors to do so. Therefore, if the Property is occupied by tenants, Buyer is urged to consult with a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco.

The Rent Ordinance also requires that a Seller of a building containing two or more residential units, one or more of which will be delivered vacant at the close of escrow, disclose the legal grounds for the termination of the tenancy in each vacant unit and whether the unit was occupied by an elderly or disabled tenant at the time the tenancy was terminated. (See SFAR form VUDIS). Because such terminations can affect the use of vacant rental units even after the sale, Buyer is again urged to consult a qualified California real estate attorney for advice on such issues.

The Rent Ordinance makes it unlawful for a landlord to raise the rent for the purpose of effecting a tenant vacancy. Such an increase is deemed to be in "bad faith" constituting unlawful "tenant harassment" and subjecting the landlord (or the agent) to criminal and civil penalties. Factors considered and presumed to constitute "bad faith" include (among others) the following: (1) the rent increase was substantially in excess of market rates for comparable units; (2) the rent increase was within six months after an attempt to recover possession of the unit; and (3) such other factors as a court or the Rent Board may deem relevant.

The Rent Ordinance is further refined by a set of Rules and Regulations established and updated regularly by the Rent Board. The Rent Ordinance and the Rules and Regulations can be found on the Rent Board's website at www.SFARforms.com/SFRentBoard. However, since this is a complex area and the penalties for not following the established laws can include triple damage payments, Buyers and Sellers are advised to consult a qualified attorney when negotiating the sale or purchase of rental property.

The above-described limitations do not constitute an exhaustive list of all the restrictions imposed by the Rent Ordinance or its Rules and Regulations. Real estate brokers/agents are not qualified to explain all ramifications of the applicable local and State law. Therefore, Buyers are strongly advised to seek the advice of a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco.

30. TENANT SECURITY DEPOSITS

Landlords may collect a "security deposit" from tenants, not to exceed two months' rent for unfurnished units and three months' rent for furnished units. All amounts held, whether described as key deposits, last month's rent, pet deposit, etc., are included in the definition of security deposit. The handling of security deposits is primarily governed by State law. Upon departure of the tenant, the security deposit must be returned within 21 days. Any deductions (for example, for damages or additional cleaning) must be itemized and made pursuant to specific procedures that should be followed carefully to avoid potentially significant penalties for the wrongful withholding of a security deposit.

Additionally, in San Francisco, local law requires landlords to pay simple interest on security deposits held for at least one year at a rate determined annually by the Rent Board and published on their website. (See SFAR form SDC.)

31. APARTMENT LICENSE FEES AND RENT ORDINANCE FEES

DBI recovers part of its costs by charging an Apartment License Fee to owners of 3-unit or larger apartment buildings and condominiums, and a Code Enforcement Fee to owners of 1-and 2-unit non-owner-occupied residential units. This fee is added to the property tax bill annually. The fee varies according to the number of units and can be found at www.SFARforms.com/SFDBI. The Rent Board recovers part of its operating costs through a per-unit fee charged to landlords for each residential dwelling unit subject to the Rent Ordinance. This fee is also added to the property tax bill annually. Fifty percent of the fee may be charged to the tenant living in the unit on November 1 of each year, either billed to them or deducted from their security deposit interest. (More information on the Rent Board fee and the history of the amounts charged can be found on the Rent Board's website and on SFAR form SDC).

32. OWNER AND RELATIVE MOVE-IN EVICTIONS

The Rent Ordinance authorizes an owner to evict a tenant from a rental unit in order to live there as his or her principal place of residence. However, the Rent Ordinance restricts the right of an owner to do so in a number of material respects, and also sets forth stringent legal and notice requirements, related to which Buyer is strongly recommended to consult with a qualified real estate attorney specializing in San Francisco landlord/tenant law.

For example, the Owner Move-In eviction (“OMI”) requires that an owner intend to occupy the unit as his or her principal place of residence for at least 36 continuous months. Also, the Rent Ordinance generally only allows an OMI eviction from one unit in the Property. If there has been a prior OMI eviction, Buyer generally may not do an OMI eviction after December 18, 1998, from any unit in the Property except the one specific unit that was the subject of the prior eviction. The Rent Ordinance also generally prohibits an owner from doing an OMI eviction if any tenant in the unit: (1) is 60 years of age or older and has lived in the unit for at least ten (10) years; (2) is disabled, qualified to receive SSI/SSP payments, and has lived in the unit for at least ten (10) years; or (3) is catastrophically ill and has lived in the unit for at least five (5) years. This type of tenant is commonly referred to as a “Protected Tenant.” The Rent Ordinance provides further definitions on what does and does not qualify an occupant as a protected tenant for purposes of an OMI. There are many other limitations on evictions including, but not limited to, provisions governing the timing of an eviction notice when a minor child is in occupancy, and the above is not intended to be an exhaustive list.

In addition to authorizing OMI evictions, the Rent Ordinance allows Relative Move-In (“RMI”) evictions in certain circumstances. The RMI eviction is also subject to a number of significant restrictions, as well as legal and notice requirements. For example, an RMI can generally only be done for certain relatives (the landlord's grandparents, grandchildren, parents, children, brother, sister, or the landlord's spouse or the spouses of such relations) who intend to occupy the unit as their principal residence for at least 36 continuous months. Further, an RMI can generally only be done if the owner either lives in the Property or is simultaneously pursuing an OMI eviction to evict a tenant from another unit in the Property. There are many additional limitations on an owner's right to pursue an RMI eviction including, but not limited to, provisions governing the timing of the RMI eviction notice when a minor child is in occupancy, and the above is not intended to be an exhaustive list.

When proceeding with either an OMI or an RMI eviction, the owner is required to pay relocation payments to the displaced tenants (see Paragraph 32).

Given the complexities involved with OMI/RMI evictions, it is strongly recommended that Buyer request from Seller a copy of the “Request for Protected Tenant Status Information and Tenant Declaration Regarding Protected Status” (see SFAR form RFIUS), which form should be completed and signed by any tenants then in possession of the Property before removal of Buyer's contingencies. It is likewise recommended that Buyer review the completed forms carefully, and obtain the advice of a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco, with respect to the OMI/RMI restrictions and how they may apply given the content of the completed RFIUS forms. Buyer is advised to obtain such advice before removing the applicable contingencies.

Once an OMI or RMI eviction is completed, the owner will have limitations on re-rental and certain reporting requirements. If the owner seeks to re-rent the unit during the five-year period after the OMI/RMI notice was served, the evicted tenant has a right of first refusal to re-rent the unit at the same rent he/she would have paid had he/she remained in occupancy. If an owner seeks to re-rent within five years of service of the eviction notice and the prior tenant does not want to re-rent the unit, the unit may be offered to the public, but for no more than the rental amount the former tenant would have paid if he/she had remained in occupancy. Furthermore, the Rent Board requires that an owner annually file a statement stating, among other things, the date of the recovery of the premises, and whether the owner or relative is living in the premises, with supporting documentation. The penalty for failure to comply starts at \$250 for the first violation and eventually increases to \$1,000 per violation.

33. RELOCATION PAYMENTS AND TENANT BUYOUTS

Under the Rent Ordinance, landlords are required to pay certain relocation payments to tenants who are evicted for: OMI/RMIs under Section 37.9(a)(8); demolition or permanent removal from housing use under Section 37.9(a)(10); substantial rehabilitation under Section 37.9(a)(12); or the Ellis Act under Section 37.9(a)(13). Landlords had also historically been obligated to pay these amounts to tenants temporarily evicted for capital improvement work under Section 37.9(a)(11); however, a State law has been passed superseding that provision in certain situations depending on the duration of the temporary displacement. Buyer is advised to consult a qualified California real estate attorney who specializes in landlord/tenant law in San Francisco about such issues.

The amounts of relocation payments are adjusted each year by the Rent Board and can be found at the following link: www.SFARforms.com/RelocationPayments and for Ellis Act evictions at www.SFARforms.com/EllisAct or by calling the Rent Board at (415) 252-4600.

San Francisco has adopted an ordinance governing “Buyout Agreements” (agreements by which a landlord pays a tenant money or provides other consideration to vacate a rental unit). In addition, the ordinance dictates a detailed multi-step process for “Buyout Negotiations” (any discussion or bargaining, oral or written, between a landlord and tenant regarding the possibility of entering into a Buyout Agreement). SFAR form TBLA provides a partial summary of the ordinance. The full text may be found at: www.SFARForms.com/Buyouts.

Broker is not qualified to give any legal advice regarding evictions, relocation payments or tenancy buyouts. Buyer is advised to seek the advice of a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco.

34. ELLIS ACT EVICTIONS

As an alternative to continuing to rent units in the Property, Buyer can choose to terminate the tenancies of all occupied rental units by invoking the provisions of California Government Code Sections 7060 - 7060.7 (the “Ellis Act”). Section 37.9(a)(13) of the Rent Ordinance provides that the Ellis Act is a just cause for eviction. However, as with an OMI/RMI, there are many limitations on the Ellis Act process, and invoking the Ellis Act can have significant impacts on the use and value of the Property in the future.

Generally, those limitations prevent or restrict the re-rental of units for specific time periods and provide certain re-rental rights for tenants who were evicted pursuant to the Ellis Act. The duration of these restrictions, the amount of rent that can be charged upon a re-rental and whether prior occupants have a right to return are all complex issues about which Buyer is advised to obtain the advice of a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco.

The limitations imposed by the Rent Ordinance for Ellis Act evictions also include the obligation to pay relocation expenses. The obligation to pay those expenses is similar to, but does not exactly overlap, that discussed above in the preceding Section. If Buyer is contemplating the use of the Ellis Act as a means of recovering possession of units at the Property, Buyer is advised to seek the advice of a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco on the relocation payment obligations and how they are distinct from those discussed above. Furthermore, as restrictions imposed by the Ellis Act continue to affect a property even after sale, Buyer is advised to obtain any and all available records from Seller and the Rent Board about any prior Ellis Act evictions at the Property. Failure to comply with the re-rental restrictions of the Ellis Act and Rent Ordinance can subject the owner to significant liability claims by evicted tenants or the City and County of San Francisco; therefore, **Buyer is urged to consult a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco to fully appreciate and understand the effects of the Ellis Act on the Property.**

35. RENT REGISTRY

RENT BOARD HOUSING INVENTORY - SAN FRANCISCO ("RENT REGISTRY") Beginning March 1, 2023, all San Francisco residential property owners (single family homes, condominiums, co-ops, multi-unit residential buildings, and vacant unit residential properties) must provide certain information to the Rent Board regarding their property annually.

As a consequence for failure to comply with the reporting requirements ("the Registry"), property owners are disqualified from obtaining a license necessary to lawfully increase their tenant's rent and apply any "banked" rent increases.

The Registry process as enacted consists of an annual City mailing to all property owners of a Rent Board Housing Inventory Notice. The owners are responsible to complete and return the form electronically via the Rent Board Portal.

Information required and collected:

1. Occupancy - owner, non-owner, vacant.
2. Number of bedrooms and bathrooms in each unit.
3. Approximate square footage of each unit.
4. Approximate commencement date of occupancy for each unit.
5. Base rent paid by tenant(s) in each unit.
6. Business contact information for owner or property manager.
7. Business registration number for four (4) plus unit buildings.

The information reported into the Rent Board Housing Inventory is public record under California State law. While the mailing address used by the property owner for property tax purposes is kept private, the owner's business contact or person designated by the owner to address repairs in the unit is a public record. The names of tenants are not collected by the Rent Board Housing Inventory.

36. VACANCY TAX

In November of 2022, voters in San Francisco approved Prop M, which imposes a "vacancy" tax on certain residential properties commencing January 1, 2024. The law is (at this time) applicable only to residential properties with three (3) or more units - including co-ops and condominiums in a building of three (3) or more units. This law applies to property owners of a two (2) unit building with an illegal third (3rd) unit or "illegal" in-law apartment.

In March 2023, a lawsuit was filed in the Superior Court challenging the legality of Prop M. The suit was filed by several local trade associations and interested parties - the San Francisco Association of REALTORS®, the San Francisco Apartment Association, and the Small Property Owners of San Francisco Institute. The challenge is likely to take several years to resolve. The law is in full force in the meantime.

Prop M imposes a tax on the owner of applicable properties (3+ units) if a property or any "unit" is vacant for more than 182 days (approximately six months) in a calendar year. The tax is significant - \$2,500-\$5,000 in 2024 and up to \$20,000 in subsequent years for units continuously held vacant, with additional adjustments for inflation.

Exceptions to the "Six Month Rule" are limited:

1. The property/unit is the principal residence of the owner and a Homeowner's Exception has been filed for that unit.
2. A permit application is in process - but not to exceed one year.
3. During construction, not to exceed one year after permit issuance.

4. One year following the issuance of a Certificate of Occupancy for new construction.
5. A two-year period after the unit was made uninhabitable by a fire.
6. For one year following the death of an owner who was the sole occupant, or the period during which the unit is subject to Probate (whichever is longer).
7. During any period in which all residents who used the unit as their principal residence are in the hospital, long-term or supportive care, a medical or other similar facility.

Rentals to co-owners or family members do not relieve the owner(s) of their responsibility to pay the tax. Such properties are considered “unrented” under the terms of Prop M.

Buyers are advised to consult a qualified local real estate attorney for advice on this issue. A link to the Ordinance can be found at this link: www.SFARforms.com/SFVacancyTax.

37. SHORT-TERM RESIDENTIAL RENTALS

San Francisco regulates what are supposed to be short-term residential rentals facilitated by companies such as Airbnb. Currently, that law allows property owners and tenants to conduct short-term residential rentals without violating the requirements of the City's Residential Unit Conversion and Demolition Ordinance (Administrative Code Chapter 41A) or the Planning Code, subject to many requirements. A short-term residential rental for purposes of that law is a rental of all or a portion of a residential unit for periods of less than 30 nights. To engage in such rentals under this law, eligible Permanent Residents (owners and tenants) must apply to place their residential unit on the “Office of Short-Term Rentals’ Short-Term Residential Rental Registry.” Further information can be found by calling (415) 575-9179, by emailing shorttermrentals@sfgov.org, or by visiting this website: www.SFARforms.com/ShortTermRentals.

38. SELLER OCCUPANCY AFTER CLOSE OF ESCROW

Under the Rent Ordinance, a Seller of real property who continues to occupy the property after the close of escrow may acquire tenants' rights, which may make it difficult for the Buyer to recover possession of the newly purchased Property if a dispute arises before the Seller vacates. If Buyer is considering whether to allow Seller to occupy the Property after the close of escrow, Buyer is urged to consult with a qualified California real estate attorney who specializes in landlord/tenant issues in San Francisco to assess the risks and benefits of such an arrangement.

39. CONDOMINIUM CONVERSION ORDINANCE

Since 1982, local laws in San Francisco have severely limited the conversion of apartment buildings to condominiums. In summary, no buildings containing 7 or more residential units could be converted, and a lottery system was in place allowing no more than 200 units to be created annually from 2- to 6-unit apartment buildings (the “Lottery”). The only exceptions to the Lottery system were 2-unit buildings with both units owner-occupied. Such buildings could bypass the Lottery and begin the conversion process after both units had been simultaneously owner-occupied for a year.

In June 2013, a new ordinance was passed suspending the Lottery system for 10 to 12 years and further restricting entry into it, if and when it does resume. Those restrictions include eliminating all buildings with more than 4 residential units and increasing the owner-occupancy requirements for 3-and 4-unit buildings, such that any building entering the Lottery can have only one unit with a tenant in place. In the interim, a schedule of permissions to convert for buildings which have met the prior requirements to enter the Lottery has been created. New conversion fees of as much as \$20,000 per unit are charged and lifetime leases must be offered to non-purchasing tenants.

Certain buildings are ineligible for condominium conversion based on past tenant “No-Fault Evictions.” (“No Fault Evictions” include OMI, RMI, Ellis Act, permanent removal of rental units and capital improvement evictions.) Buyer is advised to investigate past No-Fault Evictions if the Property is being purchased with any intention to convert the units to

condominiums. Because the conversion restrictions apply regardless of whether the evictions were done by Seller or a prior owner, if Buyer intends to convert the Property to condominiums, Buyer is also urged to consult a qualified California real estate attorney who specializes in landlord/tenant issues and condominium conversions in San Francisco before removing the applicable contingency.

40. TENANCIES-IN-COMMON (TICs)

A Tenancy-in-Common ("TIC") is a form of ownership in which all of the owners of the Property (the "co-tenants" or "tenants-in-common") own undivided interests in the entire Property, in percentages set forth in their respective deeds. By agreement, the owners may assign to one another specific occupancy and other rights. Usually, all of the owners are fully liable for the mortgage, unless each owner has secured an individual loan for their TIC interest, and the mortgage generally cannot be modified without the consent of the lender and all of the owners. These are extremely complex relationships requiring, among other matters, a carefully written TIC agreement setting forth the rights and responsibilities of all of the owners, including rights of exclusive occupancy of specific units, parking or storage spaces, financial obligations, restrictions on use, use of common areas, restrictions on subsequent sales and dispute resolution mechanisms. Brokers are not qualified to review and analyze TIC agreements. Prior to purchasing a TIC property, Buyer is strongly urged to seek the advice of a qualified California real estate attorney to review any existing TIC agreement, and to otherwise advise Buyer regarding the nature of this unique form of real estate ownership in general, and specifically this particular TIC arrangement. See SFAR form TICFD.

41. SQUARE FOOTAGE DISCLOSURE AND LOT SIZE

Frequently occurring square footage discrepancies are caused by a number of factors including a lack of industry-wide measurement standards. Appraisers generally exclude the thickness of exterior and/or interior walls, stairwells and laundry rooms, while surveyors often include all of that space. Out-of-date tax records often fail to include structural modifications. Depending on who is making measurements, size figures may include 'unfinished' possibly illegal space. Typical, though never definitive, square footage sources include: Tax Assessor records, condominium plans and maps, graphic artist floor plans, architectural drawings and appraisal diagrams. All square footage and "price per square foot" quotations are estimates only, the accuracy of which should be independently verified by Buyer.

While square footage is relevant in assessing the value of comparable properties, Buyers should note that many factors - location, amenities, natural light, views, design, property condition, nearby noise - affect a property's desirability and "actual value" per square foot. When square footage is critical in a purchase decision, Buyers should always conduct their own measurements. Brokers/Agents can neither verify nor conduct measurements.

Lot size and boundaries can only be determined by a licensed surveyor. Fences, walls, and other benchmarks may not correspond with actual property lines or meet setback requirements. When accurate parameters are important to a purchase decision or offer price, Buyer should engage a licensed surveyor before removing contingencies.

San Francisco employs a Block and Lot rather than a Parcel numbering system to designate each property's precise location. Note that details transferred from Block Books to the Assessor's records may not be accurate. Sanborn maps, a traditional metric source, are no longer updated and may not reflect current conditions.

Neither Sellers nor Broker/Agents are qualified to measure and cannot and will not verify the accuracy of lot size or dimensions, property square footage or reported price per square foot calculations.

42. HOMEOWNERS AND NEIGHBORHOOD ONLINE SITES

Homeowner and neighborhood associations often maintain authorized websites, chat rooms, Google groups, blogs or other forums. Other unauthorized, interested-party websites may be found, as well. Critical information that can significantly affect a purchase decision is regularly found on these websites, such as important notices and documents pertaining to the governance of the HOA. Some websites also allow readers to express opinions and air complaints, or to gossip, speculate or spread rumors, making it difficult to determine what is factual and what is not.

The Seller and agents may not be aware of such websites, nor will they conduct a search for them. Buyers should conduct an independent online search for all websites relevant to a Property, then access and review the content thoroughly prior to removal of inspection contingencies. Buyers are advised to engage a qualified real estate attorney with related questions.

43. AFFORDABLE HOUSING ENCUMBRANCES

The City and County of San Francisco offers various affordable housing programs for low- to moderate-income buyers. These restrictions typically prohibit a buyer from reselling the Property at market price. Instead, such a buyer at the time of resale must comply with various requirements that ensure another qualified low- to moderate-income person is buying the Property, and that person gets the benefit of a controlled, below market price. (An example of one of these restrictions is reprinted below.) The Buyer of a property subject to such a special program is bound by it, regardless of whether they knew about the restrictions or not. Thus, any such Buyer needs to be duly informed of these restrictions.

In some instances, a Seller and the Brokers/Agents involved in a transaction may have no actual knowledge that any such restrictions apply. This could happen, for example, where the Seller was not informed of the restrictions when they bought the Property, or the owner is deceased, and the Property is sold in probate. In such instances, an unsuspecting Buyer could pay market price, which would be well over what may otherwise be allowed under the applicable San Francisco affordable housing program.

To protect against non-disclosure in this regard, local government requires recordation with the County Recorder of documents describing the special restrictions. In some instances, there are special instruments pertaining to a particular unit. In other instances, the only document is the subdivision map for the entire condominium project. But at present, it is unclear if all title companies in their Preliminary Reports ("Prelims") are describing such restrictions in a manner that makes it easy for Buyers to recognize them. For example, it has come to the Association's attention that some title companies, for example, may be providing Prelims that (a) first reference the San Francisco affordable housing restrictions in the "exceptions" along these lines: *"Recitals as shown under 'General Notes' on that certain map recorded [Month/Day/Year], in Condominium Map Book XX, at Pages XX1-XX4, of Official Record"*; and, (b) then attach and incorporate in the Prelim less than sharp copies of the entire subdivision map for the condominium project with the pertinent disclosure for the unit for sale in print as small as 6-point type. (6-point type, for example, looks like this:

SPECIAL NOTE: UNITS XXX and XXX SHOWN ON THIS MAP HAVE BEEN DETERMINED TO BE PART OF THE CITY'S LOW AND MODERATE INCOME HOUSING STOCK, SUBJECT TO MAXIMUM SALES PRICE, PRICE INCREASE RESTRICTIONS AND RESALE PROVISIONS OF SECTION 1385 OF THE SUBDIVISION CODE.

Information on San Francisco's "Below-Market Rate ('BMR') Condominium Conversion" Program can be found at www.SFARforms.com/BMRCondoConversion or by calling 415-701-5500. Section 1385 of the San Francisco Subdivision Code can be found at: www.SFARforms.com/SubdivisionCode.

Buyers and Sellers who receive Prelims with "exceptions" similar to the above example, or who otherwise are concerned that a special housing program may affect the Property for sale, are urged to engage a qualified real estate attorney. A broker/agent is not qualified to provide advice in this regard or answer any related legal questions.

43. HOUSING AND SOCIAL SERVICES – NAVIGATION CENTERS

The Property may be located near an existing or proposed San Francisco City "Navigation Center" which is intended to provide housing and social services to unhoused persons and those in need. A link to the Navigation Center locations and a description of their services can be found at www.SFARforms.com/NavigationCenters.

45. WATER HEATERS

Under State law, all water heaters must be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion, and a Seller of Property must certify to a Buyer that the bracing requirement has been satisfied. In addition, water heaters which are newly installed or moved must be raised so their ignition point is 18 inches off the ground. Many other plumbing code requirements may also apply, e.g., gas venting, pipe wrapping, temperature and pressure relief valves, drain valves and bollard protection in garages.

46. SMOKE AND CARBON MONOXIDE DETECTORS

California Health and Safety Code §13113.8 and San Francisco Ordinance 386–84 require smoke detectors in residential property. If a TDS is required, the Seller certifies that the Property has (or will have prior to Close of Escrow) operable smoke detectors which are approved and installed in compliance with the State Fire Marshal's regulations and applicable local standards. In addition, DBI requires smoke detectors in all bedrooms of residential property before it will issue a Certificate of Completion for any permitted contracting work costing \$1,000 or more.

State law requires carbon monoxide detectors in living areas for all residential properties that have fossil fuel burning appliances, even if those are several floors below, such as furnaces in the basement of a condominium building.

47. RESIDENTIAL ENERGY AND WATER CONSERVATION ORDINANCES

The San Francisco Residential Energy Conservation Ordinance requires a Seller to notify a Buyer of the requirements of the ordinance. Delivery of an informational brochure entitled What You Should Know About San Francisco's Residential Energy and Water Conservation Requirements satisfies this requirement. The brochure is available online at: www.SFARforms.com/SFWaterEnergy.

Prior to the transfer of title of any residential building the Seller or their Broker must: (a) obtain a valid energy inspection by a qualified energy inspector; (b) install all required conservation measures as itemized in a form specified by DBI; (c) furnish to the Buyer a copy of the completed inspection form, showing compliance with required energy conservation measures; and (d) record a certificate of completion with the County recorder's office no later than the transfer of title. However, this inspection is not required when a proof of compliance has been recorded already with DBI and the county recorder's office. No Seller is required to spend more than one percent of the purchase price or one percent of the assessed value of the building, whichever is greater, to comply with the energy ordinance. Further, in the case of one or two-unit buildings, the cost of compliance shall not be greater than \$1,300. Exemptions from the energy ordinance include residential buildings permitted after July 1, 1978, live/work lofts, transfers pursuant to a court order, and transfers between co-owners, spouses, registered domestic partners or certain relatives.

The responsibility for compliance with the ordinance may be transferred from Seller to Buyer provided that before transfer of title (a) a valid energy inspection has been performed; (b) a written agreement is signed by Seller and Buyer wherein Buyer agrees that the energy conservation measures will be installed within 180 days after transfer; and (c) Seller agrees that funds equal to one percent of the purchase price will be deposited in escrow. Further information on this ordinance can be obtained from DBI at (628) 652-3200.

47. WATER CONSERVATION

Unlike the energy ordinance, water conservation inspections are required prior to each sale of most residential buildings, regardless of prior energy and water compliance certification. Exemptions are more limited than for energy compliance, but include transfers pursuant to a court order and transfers between co-owners, spouses, registered domestic partners or certain relatives. Unless exempt, the following water conservation measures are required:

- Low-Flow Showerheads: Any showerhead with a maximum flow of more than 2.5 gallons per minute must be replaced. All showers may have no more than one showerhead per valve.
- Faucet Aerators: An aerator with a flow rate of 2.2 gallons per minute or less must be installed on all sink faucets.
- Toilets: All toilets with a water consumption of more than 1.6 gallons per flush must be replaced. Modifications to toilets with a rated water consumption greater than 1.6 gallons per flush no longer comply. An exemption may be granted if the historical integrity of the building would be compromised by the replacement.
- Leak Repair: All plumbing leaks must be located and repaired.

Contact the San Francisco Water Department at (415) 551-3000 for more detailed information regarding compliance and exempt properties and transfers.

49. BOILER ORDINANCE

Some homes in San Francisco contain boilers which generate steam for heat or for domestic hot water production. Homeowners who have boilers on their property must maintain their boiler in safe operating condition and also maintain a current "Permit to Operate Boiler." The permit must be renewed annually and displayed near the boiler. For more information, visit: www.SFARforms.com/BoilerInspection.

50. UNDERGROUND STORAGE TANKS (USTs)

Underground storage tanks (USTs) buried in front of residential properties were used for the storage of oil for steam heat systems, beginning in the late 1800s. They can be identified by a number of indicators -- a filler cap in the sidewalk; a breather spout attached to an exterior building wall (which allowed air to be displaced from the tank as it was filled); a fire-brick enclosed boiler room in the basement; and, sometimes still in place, an electrical box on a wall in the boiler room labeled "Oil Burner." The tanks were abandoned when the fuel source was replaced with piped natural gas. Article 21 of the San Francisco Health Code requires owners, within 30 days of discovering a disused underground tank, to file a plan to "close" it by either removing it, or filling it with concrete and taking out a license, to be renewed annually, to continue to own it in place. Removal is the preferred approach, but can become expensive if the tank has deteriorated and oil has leaked into the soil below, thereby causing contamination and requiring remediation. California Health and Safety Code Section 25280 establishes the standards for removal and remediation. A professional inspection is recommended if a Buyer suspects that a UST may still be in place and has not been given any evidence to the contrary. Owners of real property in San Francisco are advised to retain prior UST inspection reports and, if a tank has been removed, the closure documentation.

51. UNREINFORCED MASONRY AND SOFT-STORY BUILDINGS

In 1992, a San Francisco ordinance required that Unreinforced Masonry Buildings (UMBs), identified as such by DBI, be retrofitted to a minimum "bolts-plus" standard. By now, most of the brick buildings identified on DBI's "UMB list" have been so retrofitted. Further information may be found at www.SFARforms.com/SoftStory.

"Soft Story" buildings have been determined by the City and County of San Francisco to pose a risk of collapse during a major earthquake. Accordingly, local law now requires the owners of such buildings to seismically strengthen them.

A Soft Story building is defined under local law as any structure that (a) was constructed or had a permit application for its construction submitted before 1978; (b) has 3 or more stories (or 2 stories over a basement or underfloor area that has any portion extending above grade) and 5 or more dwelling units (whether the dwelling unit is legally approved for residential use or not), including condominium buildings and residential or tourist hotels (whether or not all guestrooms have kitchens); and (c) which has not had certain seismic strengthening work completed in compliance with applicable building codes. Generally, but not always, such buildings will also have first story perimeter walls with large openings for garage doors or windows, few interior partitions, and/or construction materials that have deteriorated over time.

The seismic retrofit work necessary to comply with this law can result in substantial costs. Real estate brokers and agents are not qualified to provide cost estimates, evaluate any prior seismic work for compliance with the law, or otherwise opine as to the law's requirements, and they do not investigate public records, such as at the San Francisco DBI. Before removing contingencies, it is strongly recommended that Buyers of "Soft Story" buildings (or a condominium unit in such a building) engage qualified construction or design professionals to fully investigate the Property, including, without limitation, the costs to complete any necessary retrofit work.

Additional information on "Soft Story" buildings can be obtained from the San Francisco Director of Earthquake Safety by visiting City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or at this web page: www.SFARforms.com/SoftStory. The City has created a list of buildings that it "believes, to the best of our knowledge", to be within the scope of the Mandatory Seismic Retrofit Ordinance. These are not necessarily unsafe buildings, but rather buildings that need to be screened to ascertain if they are within this program or not." To check the status of a building, email softstory@sfgov.org.

52. NEW CONSTRUCTION AND DEVELOPMENT IMPACT: HIGH-RISE SEISMIC SAFETY REPORT

A coalition of public and private San Francisco building, design, and engineering experts have led a pioneering effort to research the unique issues and challenges related to the seismic safety of high-rise buildings, and to create an information dataset including specific safety recommendations. The result is the "Tall Buildings Safety Strategy" which purports to "close the data gap on San Francisco's tall building stock and provide the City with the key information needed to think collectively and proactively about the seismic safety and resiliency of these highly complex structures." The report is available online at www.SFARforms.com/TallBuildings.

53. SAFETY INSPECTION – DECKS AND APPENDAGES

For apartment buildings and residential condominiums of 3 or more units, and hotels, San Francisco Housing Code Section 604 requires periodic inspection of all building "appendages", defined as "all wood and metal decks, balconies, landings, exit corridors, stairway systems, guardrails, handrails, fire escapes, or any parts thereof in weather-exposed areas – but NOT including interior building areas." The inspection must be performed by either a licensed general contractor, structural pest control licensee, or a licensed professional architect or engineer, for the purpose of verifying that the exit system, corridor, balcony, deck, or any part thereof is in general safe condition, in adequate working order, and free from hazardous dry rot, fungus, deterioration, decay, or improper alteration.

Property owners shall provide proof of compliance with this Section by submitting a mandated affidavit, with verification (if applicable) completed and signed by the licensed professional who inspected the building. Completed affidavits must be submitted to the Housing Inspection Services Division every 5 years at the following address: San Francisco Department of Building Inspection Housing Inspection Services, Attn: Section 604 H.C. Affidavit Filing, 1660 Mission Street, 6th Floor San Francisco, CA 94103-2414. The affidavit and full text of the requirements can be found at: www.SFARforms.com/DeckSafety.

54. TREES AND VEGETATION

According to the Department of Public Works, there are about 100,000 street trees in the City of San Francisco. The City is responsible for maintaining trees in the public sidewalk area next to properties, as well as the sidewalk around those trees. It is important to note that a property owner must obtain a permit to either plant or remove a tree. Removing a tree without a permit can subject the owner to a fine. For more information, see: www.SFARforms.com/Trees.

55. HOUSEHOLD AND HAZARDOUS WASTES

San Francisco residents must divide household waste into three bins: recycling, compost and landfill waste. In addition to that, there are several types of hazardous waste that must be handled separately: batteries are to be placed in a plastic bag and left on top of one of the collection bins; cooking oil should be poured into leak-proof containers and delivered to a collection site; old medications are accepted at most pharmacies for disposal; paint can be disposed of at Recology's Hazardous Waste Collection Facility or many hardware stores in the City; syringes and needles can be dropped off in a "sharps" container at most pharmacies in San Francisco, and fluorescent light bulbs and tubes can be dropped off at neighborhood collection sites, which can be found here: www.SFARforms.com/Recycling.

In 1986, San Francisco enacted Ordinance 253-86 relating to hazardous wastes in soil. Also known as the "Maher Ordinance", it is primarily concerned with land in San Francisco where fill was placed near the bay after the 1906 earthquake. It addresses the risk that such fill may have hazardous levels of organic or inorganic constituents that may pose a health and safety risk to the public and requires a notice to Buyers of such land regarding the contents of the Ordinance. Applicants for building permits which involve the disturbance of 50 cubic yards of soil or more may be affected. San Francisco Health Code Sections 1219-1237 apply and Building Code Section 106A.3.2.4 contains a full explanation of the ordinance. A map identifying its scope can be found at the following link: www.SFARforms.com/MaherMap.

56. SAN FRANCISCO ENTERTAINMENT DISTRICT ADVISORY AND DISCLOSURE

San Francisco Administrative Code Chapter 116.8 creates a disclosure requirement for the transfer (sale and lease) of residential properties within 300 feet of certain "Places of Entertainment," such as bars and nightclubs. Seller is required to make the disclosure in conjunction with the disclosures required by California Civil Code Section 1102.3. A disclosure form, and accompanying advisory form, have been created by the San Francisco Association of Realtors. As set forth in the advisory, Buyer should take care to physically inspect the adjacent properties and neighborhood for the purpose of discovering and detecting "Places of Entertainment" and other venues, properties, and conditions which may create noise or other conditions which could impact Buyer's use and enjoyment of the Property. Buyer is further advised to make an online search/inquiry which may include, but is not limited to, the following San Francisco Entertainment Commission permit map at www.SFARforms.com/EntertainmentCommissionPermitting.

C. SUPPLEMENTS TO THIS ADVISORY AND INFORMATION ON RECENT DEVELOPMENTS

Local laws affecting San Francisco real property often change during the year. While it is beyond the scope of this Advisory to provide a comprehensive and up-to-date report on all new local laws, the latest additions to this Advisory and a summary of general information on recent developments compiled by the San Francisco Association of REALTORS® can be found at: www.SFARAdvisories.com. Buyers and Sellers should engage a qualified real estate attorney who is knowledgeable about San Francisco's local laws for advice regarding a specific real estate transaction.

D. HYPERLINKS ADVISORY

Some advisories, disclosures and reports included in the purchase/sales transaction make reference to external sources of supplemental information accessed via internet hyperlink. This information may significantly affect present and future use and value of the Property. Much of the content is updated periodically and possibly taken off-line. Buyers and Sellers are advised to carefully review the hyperlinked materials and to download or print the content for future reference.

E. RECOMMENDATION TO RETAIN A QUALIFIED ATTORNEY AND ACCOUNTANT

In addition to the professional service providers you will retain to inspect and analyze the Property you are purchasing or selling, you may need legal, tax or financial advice. Brokers are not qualified to give any such advice, for example in the manner of holding title. A situation may arise during the course of your transaction that requires you to make an important decision or select a plan of action that could result in significant legal consequences and substantial impact on your personal finances. The most prudent and best plan is for you to identify a qualified real estate attorney, in advance of the sale or purchase of your property. That way, you can quickly contact and seek the proper legal and financial advice and guidance needed during the transaction. If you are considering an IRS 1031 exchange, contact an exchange accommodator to discuss the proper method, timing and documentation of the exchange.

In these and all other matters referred to in this General Information (Disclosures and Disclaimers Advisory), Buyer and Seller are advised to seek any desired assistance from appropriate qualified professionals. Nothing Broker/Agent may say will change the terms or effect of this Advisory.

THE UNDERSIGNED ACKNOWLEDGE RECEIPT OF THIS ADVISORY.

Buyer	_____	Date	_____	Buyer	_____	Date	_____
	<i>Buyer 1</i>				<i>Buyer 2</i>		
Seller	_____	Date	_____	Seller	_____	Date	_____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.



STOCK COOPERATIVE OWNERSHIP ADVISORY

(C.A.R. Form COOP-OA, Reviewed 6/25)

This Stock Cooperative ("CO-OP") Advisory is informational only and not intended in any way to take the place of, or substitute for, consulting with a qualified California real estate attorney. Brokers and Agents are not qualified to provide any legal, tax or financial advice about CO-OPs. Buyers are urged, before signing any agreements, to review and consider all matters of concern, including but not limited to:

1. **WHAT IS A STOCK CO-OP?** According to the California Department of Real Estate Reference Book:
 - A. A stock cooperative is defined in Section 4190(a) of the Civil Code as a corporation which is formed or availed of primarily for the purpose of holding title to improved real property, either in fee simple or for a term of years.
 - B. All or substantially all the shareholders receive a right of exclusive occupancy of a portion of the real property, which right is transferable only concurrently with the transfer of the share(s) of stock.
 - C. Most stock cooperative projects are of the apartment house type, operated by a board of directors and including community recreation facilities.
 - D. The ownership corporation is usually a nonprofit mutual benefit corporation.
2. **WHAT DO I OWN IF I BUY A UNIT IN A STOCK CO-OP?**
 - A. Most people are familiar with a condominium purchase where the purchaser owns an undivided interest in real property with other owners and the ownership of a separate interest within the walls of a specified unit. In a condominium, the purchaser owns a portion of the real property.
 - B. In a CO-OP, the purchaser owns a portion of the shares of the ownership entity (again, usually a corporation) together with the exclusive right to occupancy of a certain portion of the property owned by the corporation.
 - C. In short, in a CO-OP, you own shares in a corporation with the right to occupy a certain portion of the property owned by the corporation. In a condominium, you own an undivided interest in the real property overall and the air space in an individual unit.
 - D. There may be some issues in financing the purchase and transfer of title (or shares) of a CO-OP unit that are unique to CO-OP ownership.
 - E. Both CO-OPs and condominiums are forms of Common Interest Developments under the Davis-Stirling Common Interest Development Act (Civil Code § 4000 et seq.).
3. **WHY ARE THERE BOTH CONDOMINIUMS AND STOCK CO-OPS?**
 - A. Part of the reason for the difference is usually the age of the project. A Co-Op is one of the first forms of common interest ownership and it is generally found on the East Coast. Before the passage of the Davis-Stirling Act in California, most unit or apartment sales in projects were sold using the Co-Op form of ownership. Co-Ops in California are typically older projects found in San Francisco and Los Angeles, but they can be found throughout the State.
 - B. Since the passage of the Davis-Stirling Act, Common Interest Developments have largely been condominium projects because financing and transfer of ownership is more easily understood by lenders as well as the general public.
4. **SELLER DISCLOSURES:** Co-Ops, like condominiums, have disclosure requirements under the Davis-Stirling Act, common law, and contracts. Seller is obligated to make all applicable disclosures as specified in the Agreement.

By signing below, Seller and Buyer acknowledge that each has received a copy of this Stock Cooperative Ownership Advisory, and each has read and understands its terms.

Seller	_____	Date	_____
Seller	_____	Date	_____
Buyer	_____	Buyer 1	Date _____
Buyer	_____	Buyer 2	Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTION ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED CALIFORNIA REAL ESTATE ATTORNEY OR CPA.

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

COOP-OA REVIEWED 6/25 (PAGE 1 OF 1)



STOCK COOPERATIVE OWNERSHIP ADVISORY (COOP-OA PAGE 1 OF 1)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: HOA, CONDO,
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com



The following terms and conditions are hereby incorporated in and made a part of the San Francisco Purchase Agreement
OR ☐ other _____ dated 07/31/2025 for the
Cooperative Apartment known as _____ (Apartment)
between Buyer 1, Buyer 2 (Buyer)
and _____ (Seller).

1. **PROPERTY:** The Property being purchased includes all of the shares of Stock in the California Corporation known as _____ which are allocated to this Apartment, together with the Apartment's Proprietary Lease ("Lease"). The Lease includes the right to exclusive use of the following checked area(s):
☐ Parking space(s) described as _____ ;
☐ Storage area(s) described as _____ ;
☐ Other area(s) described as _____ .
 The Purchase Price shall be reduced by the unpaid portion allocable to this Apartment of any loan secured by the Corporation to the Property in which the Apartment is located. The security for any financing obtained by Buyer shall be a pledge of the Stock and/or an assignment of the Lease, as required by Buyer's lender.
2. **BOARD APPROVAL:** Seller shall obtain unconditional approval of this sale from the Corporation's Board of Directors (the "Board"). Buyer shall cooperate by providing to the Board, within 10 or _____ days after Acceptance, such financial and personal reference information as is customarily required by the Board in making its determination. If within 45 or _____ days after Acceptance Board approval has not been obtained (and Buyer and Seller have not agreed upon an extension of time), either Buyer or Seller may terminate this Contract and the deposit(s) shall be returned to Buyer upon execution by both Buyer and Seller of a release whereby all Parties, including Brokers /Agents, are relieved of liability or obligation under or related to this Contract.
3. **PRELIMINARY TITLE REPORT:** Buyer acknowledges that the Preliminary Title Report obtained from Escrow Agent may not refer to the Apartment, unless a prior Memorandum of Lease has been recorded.
4. **DISCLOSURES AND INSPECTIONS:** In addition to disclosures required by the Contract, Seller shall also provide a copy of the Lease and Seller's Stock Certificate for Buyer's review within 5 or _____ days after Acceptance and Buyer shall approve said documents within 5 or _____ days of receipt, or either Party may terminate this Contract. In the event the Stock Certificate has been lost, the Parties should consult a qualified real estate attorney. Buyer is advised that any inspections of common areas may be subject to the approval of, and limited in scope by, the Board.
5. **TRANSFER FEES:** Buyer shall bear the cost of any document drafting charges and transfer fees customarily incurred on account of the transfer of the Stock and the assumption of the Lease, including fees for attorneys retained by the Board. If a new loan is obtained, Buyer shall also bear the cost of recording fees for a new Memorandum of Lease and a Leasehold Deed of Trust securing new financing on the Apartment.
6. **SATISFACTION OF TRANSFER:** The written assumption of the Lease (or provision of a new one) and acceptance of a Stock Certificate by Buyer shall discharge the obligation on the part of Seller pursuant to this Addendum.

The foregoing terms and conditions are hereby agreed to and the undersigned acknowledge receipt of a copy of this Addendum.

Buyer _____ Date _____ Buyer Buyer 2 Date _____
Buyer 1
 Seller _____ Date _____ Seller _____ Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.





STOCK COOPERATIVE PURCHASE ADDENDUM

(C.A.R. Form COOP-PA, Reviewed 6/25)

This is an addendum to the Purchase Agreement, OR ☐ Counter Offer No. _____, ☐ Other _____ ("Agreement"),
dated _____, on property known as 345 Center St #21, San Mateo, CA 94124 ("Property"),
between Buyer 1, Buyer 2 ("Buyer"),
and _____ ("Seller").
Buyer and Seller are referred to as the "Parties."

1. **PROPERTY:** The Property being purchased includes all of the shares of stock in the California Corporation known as _____ ("Corporation") which are allocated to the exclusive use of the Property, together with the Corporation's stock holders' cooperative agreement ("CO-OP Agreement"). The CO-OP Agreement includes the exclusive use of the following additional checked areas. (check all that apply):
 - A. ☐ Parking space(s) identified as _____.
 - B. ☐ Storage space(s) identified as _____.
 - C. ☐ Other exclusive use common area(s) identified as _____.(The Purchase Price shall be reduced by the unpaid portion allocable to this Property secured by the Corporation to the Property, if any. The security for any financing obtained by Buyer shall be a pledge of the Stock and/or assignment of the CO-OP Agreement, as required by Buyer's lender.)
2. **FINANCING:** ☐ (If checked) Part of the purchase price shall be financed by Buyer's assumption of Seller's obligation to pay a portion of the loan obtained by the Corporation and secured by the development in which the Property is located.
3. **DISCLOSURES AND INSPECTIONS:** In addition to other disclosures required by this Agreement, Seller shall within **5 (or _____) Days** after Acceptance, Deliver to Buyer a Copy of the CO-OP Agreement and Seller's Stock Certificate (the CO-OP Documents) for Buyer's review. Buyer shall have **5 (or _____) Days** after Delivery to approve the CO-OP Documents. If Buyer does not approve the CO-OP Documents, Seller after giving buyer a Notice to Buyer to Perform, may cancel this Agreement. If the Stock Certificate has been lost, the Parties are advised to seek a qualified Real Estate attorney. Buyer is advised that inspections of common areas may be subject to and limited in scope by the Board in respect to any and all financial or tax questions or issues relative to ownership, financing, management, sale or other disposition of the ownership interest in the stock cooperative, prior to removing the conditions established by this Addendum.
4. **BOARD APPROVAL:** Seller shall obtain unconditional approval of this sale from the Corporation's Board of Directors ("Board"). Buyer shall cooperate by providing the Board, within **10 (or _____) Days** after Acceptance, such financial and personal reference information as is customarily required by the Board in making its determination. If within **45 (or _____) Days** after Acceptance Board approval has not been obtained (and Buyer and Seller have not agreed on an extension of time), either Buyer or Seller may cancel this Agreement.
5. **PRELIMINARY TITLE REPORT:** Buyer acknowledges that the Preliminary Title Report obtained from Escrow may not refer to the Property, unless a prior Memorandum of the CO-OP Agreement has been recorded.
6. **TRANSFER FEES:** ☐ Buyer ☐ Seller shall pay for any document drafting charges and transfer fees customarily incurred due to the transfer of Stock and assumption of the CO-OP Agreement.
7. **SATISFACTION OF TRANSFER:** The written assumption of the CO-OP Agreement and the acceptance of the Stock Certificate by Buyer shall discharge Seller's obligations in this Addendum.
8. **SALE OF 5 OR MORE INTERESTS:** A public report is required from the Subdivisions Office of the California Department of Real Estate (DRE) prior to the sale of a Stock Cooperative interest by a seller owning five or more Stock Cooperative interests in the real property. If this project contains 5 or more Stock Cooperative interests that are being sold by one seller, the DRE must have pre-approved the language of this Agreement and this Addendum prior to their use. Accordingly, the advice of a qualified real estate attorney should be obtained.

By signing below, Buyer and Seller acknowledge that each has received a copy of this Stock Cooperative Purchase Addendum, and each has read, understands, and agrees to its terms.

Buyer _____ **Buyer 1** Date _____
Buyer _____ **Buyer 2** Date _____
Seller _____ Date _____
Seller _____ Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTION ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED CALIFORNIA REAL ESTATE ATTORNEY OR CPA.

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

COOP-PA REVIEWED 6/25 (PAGE 1 OF 1)



STOCK COOPERATIVE PURCHASE ADDENDUM (COOP-PA PAGE 1 OF 1)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: _____
Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

HOA, CONDO,



TENANCY IN COMMON ("TIC") OWNERSHIP ADVISORY

(C.A.R. Form TIC-OA, Reviewed 6/25)

1. **OWNERSHIP:** A Tenancy-In-Common (TIC) is a form of group ownership under California law which is created when two or more individuals or entities have an undivided ownership interest in the same property, such as an apartment building. You will co-own the entire Property with other investors/co-owners as a tenancy in common and share common costs such as taxes, insurance, building maintenance, repairs, and, possibly, a shared mortgage.
2. **A TIC IS NOT A CONDOMINIUM:** TICs are not condominiums or common interest developments and, therefore, fall outside the protections and requirements of the Davis-Stirling Common Interest Development Act (the "Act"). As such, TIC owners do not have deeded rights to their units and clear ownership of, nor obligations regarding, common areas as do owners in condominiums or other ownership interest under the Act.
3. **THE NEED FOR A TIC AGREEMENT:** Most protections for TIC projects are contractual, based on a TIC agreement. If a problem arises, you will be relying on the provisions of the TIC agreement. If you do not have a valid TIC Agreement, you may be subjected to a variety of legal and financial issues or problems. For instance, you may not have a legally enforceable right to exclusive use of a specific residential unit or a specific parking space without a TIC agreement executed by all co-owners because you do not own the specific unit or parking space as you would in a condominium project. Or one co-owner may have the legal right to a partition, which is a forced sale of the entire property even if other co-owners object. It is important to note that TIC agreements vary greatly. It is essential that all current co-owners sign the TIC agreement. Any person who becomes a co-owner in the future should, along with existing co-owners, sign an amendment to the TIC agreement accepting all rights and responsibilities for that co-tenancy share under the TIC agreement. A TIC agreement may not be binding on a co-owner who does not sign it and therefore all co-owners should retain a copy of the executed TIC agreement along with any exhibit or amendments. Buyer is strongly advised during Buyer's investigation period to seek qualified real estate legal counsel to review the TIC agreement to ensure that it affords adequate protection and to inspect the entire building, not just the unit Buyer will occupy.
4. **RECORDS:** Most TIC projects are required under their TIC agreement to maintain financial and governing records. For an existing TIC, Buyer is advised to carefully review these records to ascertain the current status of the TIC.
5. **FINANCING:** Financing for TIC projects is done through either a group loan or a fractional TIC loan. Buyer should evaluate the risks and benefits of both options when choosing how to finance the purchase of this type of property.
 - A. **Group Loans:** A group loan, as the name implies, is taken out by multiple co-owners and is secured by the entire property. As a result, Buyer is relying on the owners of other interests in the property to meet their obligations to the lender. For instance, if one co-owner defaults on its share of the debt and the other co-owners do not pay the defaulting co-owner's share, then the lender would be entitled to foreclose on the entire property leading to the loss of all of the co-owners' interests in the property even if others are making timely payments on their share of the loan. Likewise, if one co-owner needs to refinance, it can have an impact on the other co-owners who all need to participate in a new group loan because (i) there could be an interest rate increase, or (ii) one of the co-owners may no longer qualify for a loan, or (iii) group loan financing may not be available on the same terms and conditions. An adequately drafted TIC agreement will provide some protection in these circumstances. However, even a well-drafted TIC agreement cannot protect against all problems that can arise in co-ownership. Therefore, before sale Buyer should assess the financial ability and responsibility of the other co-owners and request relevant credit information.
 - B. **Fractional TIC Loans:** Another financing option is a fractional TIC loan. This type of loan is secured only by the borrower's individual interest. Although the risk associated with this type of loan is lower in one sense because it is secured only by a co-owner's single interest, it has other risks of which Buyer should be aware. These loans have only been available for a few years and only a small number of lenders currently offer them. There is no guarantee that these loans will be available in the future when Buyer decides to sell or refinance. In that event, Buyer would need to seek a group loan. Accordingly, Buyer should review the TIC agreement to determine if other co-owners are required to participate in obtaining a group loan. Also, fractional TIC loans are generally more expensive and have more stringent qualifications than group loans. Again, this could affect Buyer's ability to sell as finding a qualified new Buyer may be difficult.
6. **CASH PURCHASE:** If Buyer intends to forego financing to be secured by the Property and pay the complete sales price in cash, Buyer is advised to seek qualified legal advice regarding the effect of the group loan on Buyer's interest in the Property.
7. **RESALE:** In addition to possible problems associated with reselling due to a potential lack of financing for the new buyer, there are other resale issues to consider. Buyer should carefully review the TIC agreement and seek the advice of qualified legal counsel to determine if there are any contractual requirements for resale, such as consent by the other co-owners and the payment of costs under the TIC agreement. If resale requires financing of the group loan at a higher monthly cost, the seller is often required by the TIC agreement to offset the additional costs incurred by the non-selling co-owners.
8. **CONDOMINIUM CONVERSION:** Conversions of TIC interests into condominiums may involve complying with the Subdivision Map Act and the Subdivided Lands Act, complex laws involving both local and state approvals for conversion. Additionally, state, city and county laws and regulations may impose additional requirements for conversions, especially when dealing with tenant protections such as just cause eviction and rent control laws. Buyer is advised to consult with qualified legal counsel familiar with applicable state and local laws regarding condominium conversion.

By signing below, Buyer acknowledges that they have received a copy of this Tenancy In Common ("TIC") Ownership Advisory, and they have read and understand its terms. Buyer has had the opportunity to seek independent legal counsel to review the risks of tenancy in common ownership. Buyer has not relied on any oral statements from Seller or Broker concerning how this TIC project will function.

Buyer _____ Buyer 1 Date _____

Buyer _____ Buyer 2 Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTION ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED CALIFORNIA REAL ESTATE ATTORNEY OR CPA.

© 2025, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. a subsidiary of the California Association of REALTORS®

TIC-OA REVIEWED 6/25 (PAGE 1 OF 1)



TENANCY IN COMMON ("TIC") OWNERSHIP ADVISORY (TIC-OA PAGE 1 OF 1)

KW Advisors Peninsula Estates, KW Advisors San Francisco, KW Advisors Palo Alto, 1430 Howard Ave Burlingame CA 94010 Phone: 6505045110 Fax: HOA, CONDO, Jeanne Gallagher, Broker Officer Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com



This is an advisory regarding a form of group ownership under California law known as a Tenancy-In-Common ("TIC"). It is informational only and not intended in any way to take the place of, or substitute for, consulting with a qualified real estate attorney. Brokers and Agents are not qualified to provide any legal, tax or financial advice about TICs. Buyers are urged, before signing any agreements, to review and consider all matters of concern, including but not limited to:

1. **TIC OWNERSHIP:** A Tenancy-In-Common (TIC) is a form of group ownership under California law which is created when more than 1 individual or entity has an undivided ownership interest in the same property, often a multi-unit building. Buyers will co-own the entire Property with other investors/co-owners as Tenants-In-Common, sharing all costs such as taxes, building insurance, maintenance, repairs, and, possibly, a single mortgage or "group loan." Unforeseen changes in the financial condition of one TIC owner can thus affect the financial and property interests of the other co-owners. Because a TIC involves co-ownership and issues of shared liability, information and documentation should be obtained and carefully reviewed regarding the financial condition of the current and prospective TIC owners and their ability to pay joint obligations before Buyer removes all conditions associated with the purchase of a TIC interest. The current TIC marketplace is made up of **resales** of existing TIC interests and the **creation of new TICs**.
2. **A TIC IS NOT A CONDOMINIUM:** With a condominium (a form of "common interest development" specially regulated by State law), an owner is deeded their unit and shares ownership of the common areas of the condominium project with all of the other condominium owners through a homeowners' association subject to a recorded set of rules commonly called "CC&Rs" ("Covenants, Conditions & Restrictions"). A TIC is not a form of common interest development. Instead it involves co-ownership of an **undivided interest in the entire property (all residential units and the common area)** with all of the other TIC interest owners. The right to exclusively use and occupy a specific portion of a TIC property is dependent upon an agreement by and among the co-owners. Absent such an agreement, each co-owner could use and occupy any part of the entire property, including each residential unit.
3. **A CURRENT TIC AGREEMENT IS STRONGLY RECOMMENDED:** Given the special risks and issues presented by co-ownership, a current, well-drafted written TIC agreement **is a must**. Brokers/Agents strongly recommend against entering into an agreement to purchase a TIC before a TIC agreement is signed by all of the co-owners. The TIC agreement should, among other things, expressly provide for the exclusive right of occupancy of a given part of the property for Buyer, and set forth rules for management and conflict resolution procedures for the TIC Property and its co-owners. Lack of a valid TIC agreement signed by all of the co-owners, can result in serious legal and financial problems. For instance, a co-owner may have no legally-enforceable right to exclusive use of a specific residential unit or a specific parking space. Or one co-owner may have the legal right to a partition, which is a forced sale of the entire property, even if other co-owners object. It is important to note that TIC agreements vary greatly. All future and existing co-owners should sign an amendment to the TIC agreement, accepting all rights and responsibilities for that co-tenancy share under the TIC agreement. Unless the agreement otherwise expressly provides, a TIC agreement may not be binding on a co-owner who does not sign it and, therefore, all co-owners should retain a copy of the executed TIC agreement and all exhibits or amendments. Lenders may require changes or amendments to a TIC agreement as a condition of approval of any loan on a TIC property. Buyer is strongly advised during Buyer's inspection period to thoroughly review the TIC agreement to ensure that it affords clearly defined and adequate protections. The TIC agreement should not be recorded, nor should any deed conveying an interest in the Property refer to a right of exclusive occupancy of a specific unit of the Property. Doing so could result in a violation of California and local laws regarding subdivisions. A memorandum referencing the TIC agreement may be recorded, but that should be done only on the advice of a qualified real estate attorney.
4. **POTENTIAL PROBLEMS THAT A TIC AGREEMENT MAY NOT SOLVE:** Many events and problems can be difficult or impossible, as a practical matter, for the TIC owners to resolve. Neither Seller nor the Brokers/Agents for the parties can represent or warrant that the TIC property will be operated in accordance with the terms set forth in the TIC agreement. Nor can they predict that in the future all other owners can or will comply with the TIC agreement to make the required payments for the operation and maintenance of the TIC property, or what the cost to enforce payment would be. Some of the risks involved are: (i) One of the TIC owners goes bankrupt and the property



becomes subject to bankruptcy court jurisdiction; (ii) A lien for unpaid taxes by one of the TIC owners is recorded against the entire property; (iii) There is a foreclosure on a loan secured by the property and, for “fractional” loans, the lender of a foreclosed buyer may become a co-owner and bring different criteria and priorities to the management of the property, and, for “group loans,” each co-owner may suffer damage to their credit rating or be subject to a deficiency judgment under California law; (iv) Landlord-tenant (rent control or wrongful termination) issues; (v) An accident occurs in the unit that one owner of a TIC interest exclusively occupies, leading to claims of joint liability against the other owners; (vi) Disagreements over the terms and conditions of the TIC agreement and changes to that agreement that might be undesirable from an individual owner's standpoint; (vii) Whether Seller will be released from an existing loan secured by the Property and obligations under the TIC agreement; and, (viii) Possible unrecorded TIC interest transfers of all or some of the TIC ownership interests by private contract without a corresponding change to the interests set forth in the existing recorded grant deed. Failure to timely repair a roof, plumbing, electrical, foundation or other component can result in unanticipated consequences, e.g., complaints from local government, tenant claims, loss of property insurance (and the ability to get new insurance), issues with existing financing or the ability to refinance, difficulty in selling a TIC interest, etc.

5. **RECORDS:** Most TIC agreements require maintenance of comprehensive financial and governance records. The Buyer of an existing TIC is advised to carefully review financial records and recent meeting minutes to ascertain the current financial condition of the TIC. Agreements should establish and define operating budgets, as well as reserve and default fund requirements. The levels of reserve and default funds in the TIC accounts should be carefully analyzed by Buyer. Brokers/Agents are not qualified to determine the sufficiency of such funds.
6. **THOROUGH INVESTIGATION REQUIRED:** Buyers are strongly encouraged to investigate the condition of the entire Property and the financial stability and compatibility of the prospective co-owners before committing to purchase an individual TIC interest. A Transfer Disclosure Statement (TDS) prepared by a Seller of an undivided interest in a TIC may reflect only the Seller's knowledge of the area where the Seller resides and not the remainder of the Property (other exclusive occupancy areas, the roof, foundation, walls, garage, storage areas, etc.). Buyer is advised to have a qualified general contractor of their choice examine the entire Property and have further inspections by appropriate professionals, as recommended by the general contractor or other inspectors. Further, because work performed anywhere in the TIC Property without permits can result in legal consequences for all of the TIC owners, Buyer is urged to investigate the permit history and all other public records applicable to the entire Property. Be forewarned, the City's Department of Building Inspection routinely inspects 3 or more unit buildings for compliance with health, safety and building codes. When a TIC group is newly forming, there should be at least 1 meeting of all prospective buyers to ensure that all are willing to observe accounting formalities and other TIC agreement rules.
7. **SHARED PROPERTY TAXES:** Unlike condominiums, TIC groups receive a combined property tax bill, which must be allocated among the co-owners. To minimize financial liability, it is essential that TIC groups collect property taxes as part of the monthly dues. TIC buyers should insist on reviewing the budget and bank statements to verify that property taxes are being collected, and that each owner is paying a tax amount commensurate with their purchase price. The resale of a TIC interest triggers a reassessment of the property value on the tax rolls. It can take months for the Assessor's Office to issue “Supplemental” tax bills and they may need assistance to correctly reassess for the interest that was sold.
8. **NO ASSURANCE OF CONDOMINIUM CONVERSION:** There is no guarantee or assurance that a TIC building can be converted to condominiums. Condominium conversion laws in San Francisco are complex and subject to change. Buyer is advised to consult with a qualified real estate attorney familiar with San Francisco condominium conversion law. If a conversion is possible, all owners will incur expenses in the process, including, but not limited to, application fees, City inspection fees, legal document preparation fees, and, under the 2013 Expedited Conversion Program, “Impact Fees.”
9. **FINANCING:** TIC projects are financed using either fractional TIC loans or a group loan. Buyer should consider all available options and their associated risks and benefits when choosing how to finance this type of property.
 - A. **Fractional TIC Loans:** These loans are secured solely by an individual TIC interest. Although a fractional loan has less risk than a group loan, there are a number of limitations. Fractional loans are non-conventional, generally with higher interest rates and fees, and are available only from a small number of lenders. There is no guarantee that these loans will be available in the future when Buyer decides to sell or refinance. In that event, a cash buyer or a new group loan would be required. Because a fractional loan has more stringent qualifications and is generally more expensive than a group loan, finding a qualified new Buyer may be difficult.

- B. Group Loan:** A group loan is shared by the multiple co-owners and secured by the entire property. As a result, each owner relies on all other owners to meet their loan obligations. If one co-owner defaults on their share of the debt, the other co-owners must make good on the default, or the lender is entitled to foreclose on the entire property, even if others are making timely payments on their share of the loan. Likewise, if one co-owner wants to refinance, it can impact all of the other co-owners who need to participate in a new group loan. For example, the interest rate on a new loan may be higher, 1 or more of the co-owners may no longer qualify, or group loan financing with similar terms and conditions may be unavailable. A carefully crafted TIC agreement offers useful protection with group loan management, but cannot guard against all contingencies. The TIC Buyer participating in a group loan should request and carefully assess the financial and credit information of all of the other co-borrowers.
10. **POTENTIAL CASH PURCHASE ISSUES:** Buyers intending to forego financing to be secured by the Property and pay the complete sales price in cash, are advised to seek legal advice regarding the effect of any existing or proposed group loan or fractional loans on Buyer's interest in the Property.
11. **RESALE RISKS:** There are a limited number of banks that lend on individual TIC interests. If the availability of TIC financing declines, it may be difficult to resell a TIC interest. Other possible resale risks may include, but are **not** limited to, problems obtaining consent of co-owners that may be required by a TIC agreement, the amount of assessed costs required under a TIC agreement, or higher interest rates associated with a group loan refinance that the seller might be required to offset. Buyer should carefully review the TIC agreement, with a qualified real estate attorney, to determine all of the contractual requirements for a resale.
12. **ELLIS ACT:** If a State law, commonly known as the "Ellis Act," has been previously invoked to terminate all residential tenancies at a property subsequently sold as TICs, the owners of the TIC interests may be subject to restrictions on the future rental of units for which they have an exclusive use. In certain circumstances, a lender of a fractional loan could invoke the Ellis Act to evict a tenant from their exclusive right of occupancy interest which would affect other rental tenants in the building and cause similar rental restrictions on all of the co-owners. Buyers are advised to seek legal advice as to those restrictions.
13. **PUBLIC REPORT:** A building with 5 or more TIC interests is subject to the requirement for a Public Report approved by the California Department of Real Estate ("DRE"). [To determine if 5 or more interests exist, DRE disregards whether one co-owner owns several TIC interests or if there are any agreements between the co-owners limiting the total number of interests or the like. It makes its determination in this regard strictly by counting the total number of physical residential units at the TIC property.] Public reports, however, are no guarantee of greater Buyer protection. Indeed, there may be greater risk from a 5 or more interest TIC because of the costs of operation, potential problems and liabilities due to the increased number of co-owners involved, and in the case of a group loan on the property, the size of that joint debt.
14. **RENT CONTROL AND VACANCY CONTROL:** The legal rights and interests of TIC owners are impacted by many and far-reaching tenant rights laws, which provide, among other things, that eviction may be for only specific allowable just causes. The right to occupy a dwelling unit already occupied by a tenant, or to convert a building with a history of evictions to condominiums may be severely restricted. The laws are actively enforced by the San Francisco Rent Board and by local tenant groups and attorneys. New laws affecting property rights are routinely proposed and enacted. Most tend to favor tenant rights over those of property owners. Each new or proposed law can affect the value, marketability or desirability of a TIC interest.
15. **ADVICE FROM QUALIFIED REAL ESTATE ATTORNEYS:** Brokers/Agents are not qualified to provide legal advice, or to evaluate the legal effect of a TIC agreement, or any other agreement, deed, deed of trust, or other document regarding a TIC. The legal sufficiency of any such agreements or documents, or an owner's contractual rights, duties, liabilities and obligations must be determined by legal counsel. Before signing any agreements, **Buyers are urged to consult with a qualified real estate attorney who is knowledgeable regarding California and San Francisco real property law including, but not limited to, Rent Control and Tenancies-In-Common.**

THE UNDERSIGNED ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE ABOVE.

☐ Seller/ ☐ Buyer _____ Date _____ Seller/Buyer _____ Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.



NOTE: If the TIC interest described below is being sold for the first time as part of a newly-formed TIC project with 5 or more units, the contract form and language must be approved in advance by the California Department of Real Estate (DRE). Buyer should verify with a qualified real estate attorney if the DRE has approved the proposed contract form, including this Addendum.

The following terms and conditions are hereby incorporated in and made a part of the San Francisco Purchase Agreement or ☐ Counter Offer No. _____, or ☐ other _____ dated 07/31/2025 between Buyer 1, Buyer 2 ("Buyer") and _____ ("Seller") for the TIC interest, which consists of a _____% undivided interest as a TIC owner in 345 Center St #21 (fill in address of entire building, not address of specific apartment).

1. **BUYER'S OCCUPANCY RIGHTS:** Subject to Buyer entering into a TIC Agreement that defines all exclusive use rights to purchase an undivided interest in an existing (or ☐ [if checked] a newly created) TIC:
 - A. Buyer shall have the exclusive right to occupy Unit _____.
 - B. Buyer shall have the exclusive right to use the following areas (check all below that apply):
 - (i) ☐ Parking space(s) identified as _____.
 - (ii) ☐ Storage space(s) identified as _____.
 - (iii) ☐ Deck(s) identified as _____.
 - (iv) ☐ Yard and/or patio identified as _____.
 - (v) ☐ Other exclusive use common area(s) identified as _____.
2. **BUYER ACKNOWLEDGMENTS:** Buyer: (1) acknowledges that Buyer has received, read and understood the attached TIC Advisory; (2) represents that Buyer is not relying on any representations now, in the past or in the future, by Seller or any Brokers/Agents involved in this transaction with respect to the rights, use and restrictions associated with the purchase of the TIC interest, but upon Buyer's independent investigation; (3) agrees to consult with a qualified real estate attorney who is knowledgeable and experienced in all applicable laws, including but not limited to, TIC purchases, the California Subdivided Lands Act, residential landlord-tenant law (State and local), and other local laws regarding any questions Buyer may have in any way related to TICs, TIC interests, TIC agreements and all disclosed matters, prior to removing the conditions established by this Addendum; and, (4) agrees to consult with a Certified Public Accountant ("CPA") with respect to any and all financial or tax questions or issues relative to ownership, financing, management, sale or other disposition of the TIC interest, prior to removing the conditions established by this Addendum.
3. **TENANCY-IN-COMMON AGREEMENT:** Buyer is cautioned not to proceed without a TIC Agreement in place. Buyer shall sign the TIC Agreement, and any Amendments to it, prior to the Close of Escrow ("COE").
 - A. Seller, within **7 or** _____ days after Acceptance, shall deliver to Buyer a copy of the TIC Agreement, with all amendments, if any, and any other document requiring Buyer's signature prior to transfer of title. ☐ (If checked) Buyer has already received the TIC Agreement. ☐ (If checked) Buyer will retain a qualified real estate attorney to create the TIC Agreement.
 - B. This Contract is (or ☐ is not) contingent upon Buyer's approval of the TIC Agreement with all amendments, if any, fully signed by all of the TIC co-owners and the other documents delivered pursuant to Paragraph 3A. This contingency shall be removed within **15 or** _____ days after Acceptance.
 - C. If the TIC Agreement requires the other TIC co-owners written consent to the sale of Seller's interest, Seller shall have **15 or** _____ days after Acceptance to deliver such consent to Buyer. If Seller is not able to do so, either Buyer or Seller may terminate this Agreement at that time.
4. **FINANCIAL AND OPERATIONAL DISCLOSURES:** Seller will provide to Buyer within **5 or** _____ days after Acceptance a completed TIC Financial Disclosure Statement and the most recent 12 months meeting minutes and e-mails related to management of the TIC. This Agreement is contingent upon Buyer's approval of the disclosures within **5 or** _____ days after receipt. If Buyer fails to approve said documents, either Buyer or Seller may terminate this Contract.
5. **FINANCING (check all below that apply):** Buyer will finance the amount specified in the Contract as follows:
 - A. ☐ **Fractional TIC Loan:** Buyer will obtain individual financing using a "fractional TIC loan," a loan secured only by Buyer's percentage interest in the Property.



- B. ☐ **Assumption of a Group Loan:** Buyer will assume a portion of an existing group loan. The dollar amount of the loan that Buyer will assume is \$ _____ or (if checked) ☐ Buyer's share of that existing loan obligation is _____ percent of the outstanding loan balance. Obtaining approval of the lender of the group loan is or (if checked) ☐ is not a contingency of this Agreement. Buyer shall pay any lender fees required for lender approval. If lender approval is not obtained within **15 or _____ days** after Acceptance, either Buyer or Seller may terminate the Agreement.
- C. ☐ **Participation in a New Group Loan:** Buyer will participate in a new group loan under the terms of the TIC Agreement. Buyer agrees to cooperate with other TIC owners by providing all required information to a lender or loan broker. Seller or other TIC owners shall deliver to Buyer a copy of the new group loan terms within **3 or _____ days** after receipt from lender. This Agreement is contingent upon Buyer's approval of the new group loan. Buyer shall remove this contingency within **5 days** after receipt of the new group loan terms.
- D. ☐ **Meeting and Approval with Other TIC Owners for Group Loans:** Buyer and Seller agree to reasonably cooperate in scheduling and attending a meeting with existing or prospective co-owners as required by the TIC Agreement or as may be requested by Buyer. Such a meeting shall be scheduled within **3 or _____ days** of a written request to do so. If within **3 or _____ days** after such meeting, a reasonable objection, on a basis not prohibited by law, is made in writing by Buyer or by the existing co-owners relative to Buyer's participation in the TIC, either party may thereafter terminate this Contract.
- E. ☐ **Seller Release:** If within **7 or _____ days** before COE, Seller is not released from the loan(s) secured by the Property in which Seller is obligated at Acceptance, Seller may terminate this Contract.
- F. ☐ **Seller Financing:** Buyer will obtain seller financing pursuant to the terms listed in an attached Seller Financing Addendum and Disclosure.
- G. ☐ **Cash:** Buyer chooses to forego financing. The full sales price will be paid in cash. If a group loan exists on the Property, Buyer is advised to seek legal advice regarding the effect of the group loan on Buyer's interest in the Property.
6. ☐ **(If checked) SELLER CONTINGENCY FOR THE SIMULTANEOUS SALE OF OTHER TIC INTERESTS:** This Contract is contingent upon the simultaneous sale of (i) all of the other TIC interests in the Property, OR (ii) ☐ (if checked) the following TIC interests: _____
- A. If within **90 or _____ days** after Acceptance, Seller has not removed the contingency to sell the above-specified TIC interests, then either Buyer or Seller may terminate this Contract.
- B. **SALE OF ENTIRE PROPERTY** If (i) prior to Seller entering into contracts for the sale of the above-specified TIC interests and (ii) prior to the COE on any TIC interest in the Property, Seller receives an offer for the purchase of the entire Property, then Seller may accept that offer and terminate this Contract upon written notice to Buyer. In that event, Seller will release Buyer's deposit in escrow and reimburse Buyer for actual expenses incurred for written inspection reports, appraisals of the TIC interest, and attorneys' fees for document review and preparation.
- C. ☐ **(If checked)** Paragraph B above (Sale of Entire Property) is deleted.
7. **CLOSING REQUIREMENTS:**
- A. **SALE OF INDIVIDUAL TIC INTEREST:**
- (i) Seller shall deliver to Buyer all documents required by the TIC Agreement prior to transfer of title to Buyer.
- (ii) Buyer shall sign all documents necessary to transfer Seller's interest to Buyer that were delivered to Buyer as specified in Paragraph 3A.
- B. **SALE OF MULTIPLE TIC INTERESTS:**
- (i) COE shall occur simultaneously with the sale of one or more of other TIC interests, which shall be **45 or _____ days** after Seller removes the contingency for the sale of the other TIC interests identified in Paragraph 6 above.
- OR (ii) ☐ **(If checked)** COE shall occur as specified in the Agreement independently of the sale of other TIC interests and Seller shall remain a party responsible under the TIC Agreement until all other TIC interests are sold.
8. **TIC AGREEMENT COSTS:** Seller shall pay for any new TIC agreement. Amendments to an existing TIC agreement required by Buyer's lender, and/or to effect the transfer of this TIC interest, shall be paid by Buyer.
9. **ADDITIONAL TERMS:** _____

The foregoing terms and conditions are hereby agreed to and the undersigned acknowledge receipt of a copy of this Addendum.

Buyer _____ Date _____ Buyer _____ Date _____
Buyer 1 *Buyer 2*

Seller _____ Date _____ Seller _____ Date _____

BROKERS/AGENTS CAN ADVISE ON REAL ESTATE TRANSACTIONS ONLY. FOR LEGAL OR TAX ADVICE, CONSULT A QUALIFIED ATTORNEY OR CPA.