

**California Terms and Conditions Addendum to
Residential Purchase Agreement and Joint Escrow Instructions**

This California Terms and Conditions Addendum to Residential Purchase Agreement and Joint Escrow Instructions (“T&C Addendum”) is attached to and made a part of the Residential Purchase Agreement and Joint Escrow Instructions of even date herewith (and any exhibits, schedules, attachments or other addenda, the “Agreement”) between Seller and Buyer for the Property located at _____.

Capitalized terms used, but not defined in this T&C Addendum, shall have the meanings set forth in the Agreement. The Agreement shall have no force or effect unless and until this T&C Addendum is executed by the parties and made a part of the Agreement. This T&C Addendum shall expressly modify the Agreement. In the event of any inconsistencies between the Agreement and this T&C Addendum, the terms and conditions of this T&C Addendum shall prevail.

1. **Ancillary Documents and Disclosures.** Any ancillary documents or disclosures to be provided by Seller to Buyer in connection with the Agreement shall be provided on the then-most current RPI form or a custom Seller created form as applicable. Buyer hereby waives the right to receive any such document or disclosure on a California Association of Realtors form. Any requirements for Seller to complete a C.A.R. form in the Agreement are stricken in their entirety.

2. **Title and Escrow Company.** Buyer hereby selects _____ Westcor Land Title _____ to serve as the title company and its agent _____ Prominent Escrow Services _____ to serve as Escrow Holder.

3. **Contingencies and Timelines.**

(a) Buyer shall deliver the Deposit to Escrow Holder within 3 business days after Acceptance.

(b) Within 3 business days after Acceptance, Buyer shall deliver to Seller written verification of Buyer’s down payment and closing costs.

(c) The Appraisal Contingency shall expire 14 calendar days following the date of Acceptance.

(d) Within 3 business days after Acceptance, Buyer shall submit the completed loan application to a lender of Buyer’s choice and furnish a preapproval letter to Seller.

(e) The Loan Contingency shall expire 21 calendar days following the date of Acceptance.

(f) If a cash purchase, Buyer shall provide Seller with written evidence from a bona fide financial institution of sufficient cash available to complete the purchase within 3 business days of Acceptance.

(g) Seller has 7 days after Acceptance to deliver to Buyer all documents set forth in Section 14(A) of the Agreement.

(h) Buyer has 10 days after Acceptance to perform the tasks and obligations set forth in Section 14(B) of the Agreement, which includes access to the Property to perform inspections and investigations.

(i) Each party shall have 3 business days to respond to an NBP or NSP.

4. **Allocation of Costs**

(a) Seller shall pay for a natural hazard zone disclosure report prepared by SnapNHD.

- (b) Each party shall be responsible for their own escrow fees and costs.
- (c) Seller shall pay for the owner's title insurance policy.
- (d) Seller shall pay for any real property transfer tax or fee.
- (e) Seller shall pay for any HOA transfer fee.
- (f) Buyer shall pay for any private transfer fee.

5. **Notice of Your Supplemental Property Tax Bill:** California property tax law requires the Assessor to revalue real property at the time the ownership of the Property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes (if applicable). The Supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office

6. **Prorations.** All apportionments and/or prorations for ad valorem property taxes, community association fees, solid waste and governmental fees and utility bills for services that cannot be terminated as of the Close of Escrow will be prorated at closing based upon actual figures to the extent available, or, if not available, based upon the most current information available on the basis of the actual days within the applicable period. If any of the apportionments and/or prorations cannot be calculated accurately based on actual figures on the Close of Escrow date, then they will be calculated based on Seller's good faith estimates thereof and will not be re-prorated. Buyer shall be responsible for all prorated fees for the Close of Escrow date.

7. **Locks and Access.** Buyer acknowledges that although Seller has changed the door locks of the Property after acquiring it from the preceding owner, Seller has never occupied the Property and therefore may not possess all garage door openers or other methods of access. Buyer is on notice to obtain new garage door opener remotes and secure such other points of access upon taking possession of the Property and will not hold Seller liable for Buyer's failure to do so.

8. **Seller's Property Disclosure Statement.** Seller has never occupied the Property. To the fullest extent permitted by law, Buyer waives any right to receive a completed California Transfer Disclosure Statement and Seller Property Questionnaire. Buyer will instead accept Seller's standard form disclosure document and hereby acknowledges that the information contained in that disclosure document constitutes all material information pertaining to the Property. Buyer will have adequate opportunity to conduct independent investigations of the Property and will acquire the Property solely on the basis of and in reliance upon Buyer's own examinations and not on any information provided by Seller. Except for those inspections expressly agreed to be paid for by Seller, any such investigations, examinations or inspections of the Property shall be paid for by Buyer outside of escrow. Since Seller has never occupied the Property, Seller will provide the insurance claim history, if any, that Seller received from the preceding owner of the Property.

9. **Warranties and Disclaimer.** Upon mutual execution of the Agreement and this T&C Addendum, Seller may deliver to Buyer certain reports, summaries or disclosures prepared by or for Seller in connection with Seller's acquisition of the Property. Seller makes no representation or warranty as to the accuracy or completeness of any information contained in those reports,

summaries or disclosures, and as such, Buyer's reliance upon that information shall not create or give rise to any liability against Seller. In connection with any construction or renovation work to the Property, Seller warrants only that payment in full will be made for all labor, services and materials furnished in the ordinary course of business. Except for those express representations and warranties set forth in the Agreement, Seller makes no other representation or warranty of any kind with regard to the physical condition, zoning or suitability of the Property, or any component thereof. Buyer will have the opportunity to fully inspect the Property during the Due Diligence Period, and Buyer will rely solely on such inspections to determine the condition, zoning and suitability of the Property. Buyer will acquire the Property (including appliances) in "AS IS" and "WITH ALL FAULTS" condition. Without limiting the generality of the foregoing, Buyer releases Seller and Seller's agents, successors and assigns, subsidiaries and parent companies, employees, brokers and contractors from, and waives any and all claims, liabilities, losses, costs or expenses (including attorney's fees), whether known or unknown, which Buyer may have, arising from or relating to any conditions, including but not limited to environmental and physical conditions, affecting the Property. The foregoing release includes specifically, but is not limited to, a release of any claim for indemnification or contribution under the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601 et seq.) or any other federal, state or local statute, rules or ordinance relating to liability of property owners for environmental matters, whether arising based on events that occurred before, during or after Seller's period of ownership of the Property. Buyer acknowledges that the foregoing release was specifically negotiated between Seller and Buyer.

10. Smoke Alarm and Carbon Monoxide Detector Notice.

Dwelling units (including, without limitation, single family residences) intended for human occupancy are, upon transfer of title, required to be equipped with operable smoke alarm(s) and, as of July 1, 2011, carbon monoxide device(s) of the type and in a manner specified by the State Fire Marshall. Compliance must be certified upon Closing. California Health & Safety Code section 13113.7 and 13260, et seq. Local ordinances and building codes may add additional requirements and should be consulted as to where (i.e., what placement within sleeping areas, hallways leading to sleeping areas, within staircases, etc.) smoke detector(s) and carbon monoxide devices(s) should be located for optimal performance and for full code compliance.

Seller hereby certifies that the Property is presently in compliance, or by Closing shall have been brought into compliance, with the above-referenced requirements regarding the installation of operable smoke alarms and carbon monoxide devices.

11. Water Heater Compliance.

For purposes of reducing the serious threat of fire, explosion or electrocution resulting from water heaters that may overturn or suffer damage in an earthquake, California Health and Safety Code sections 19211 and 19212 require that all water heaters, whether new or old, be braced, anchored or strapped to resist falling or horizontal displacement due to seismic motion. **There are no exceptions to this requirement.** Compliance must be certified at the point of transfer of title.

While the California Plumbing Code provides specific guidance as to the manner and means of securing water heaters, Seller is advised that different or additional requirements may be imposed by local ordinance. Seller is, therefore, encouraged to inquire of local code enforcement officers in regard thereto and to engage a competent plumber or other building professional to undertake any needed action and to assure compliance.

Seller hereby certifies that the Property is presently in compliance, or by Closing shall have been brought into compliance, with the above-referenced requirements regarding water heater bracing, anchoring and strapping.

12. **Water Conserving Plumbing Fixtures Notice.** California Civil Code section 1101.4 requires all single-family residences built on or before January 1, 1994 to be equipped with water-conserving plumbing fixtures, unless a statutory exception applies. Pursuant to that Code section, Seller shall disclose to Buyer whether the Property includes any noncompliant plumbing fixtures. A noncompliance plumbing fixture means any of the following: (i) a toilet manufactured to use more than 1.6 gallons of water per flush; (ii) a urinal manufactured to use more than one gallon of water per flush; (iii) a showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute; or (iv) an interior faucet that emits more than 2.2 gallons of water per minute.

13. **Close of Escrow.** Section 14(G) of the Agreement is hereby stricken in its entirety. Closing shall occur on or before the Close of Escrow date defined in the Agreement. The Close of Escrow date shall not be extended as a result of Buyer failing to comply with any provision of the Agreement. If Buyer does not complete the sale on the Close of Escrow date due to Buyer's failure to comply with any provision of the Agreement, Buyer will be in breach, subjecting the Agreement to cancellation and entitling Seller to the Deposit; provided, however, that the parties are free to negotiate and execute a written Close of Escrow extension.

14. **Seller's Default.** In the event that the sale of the Property does not close due to Seller's breach of the Agreement, Buyer's sole remedy shall be to terminate the Agreement and recover the Deposit. Buyer waives any rights to seek specific performance of the Agreement or to pursue any other monetary damages against Seller.

15. **Attorney Fees and Costs.** Section 25 of the Agreement is hereby stricken in its entirety. In any dispute between the parties relating to the Property or the Agreement, whether or not resulting in litigation or arbitration, and regardless of the type of cause of action, both Buyer and Seller agree that (i) neither party shall be entitled to recover any attorneys' fees, costs or expenses from the other even if one party is found to be the prevailing party, and (ii) each party shall be solely responsible for their own attorneys' fees, costs or expenses incurred to resolve any such dispute between the parties

16. **Assignment.** Buyer's rights and obligations under this Agreement shall not be assigned without the Seller's prior written consent, and any assignment without such consent shall be void and have no effect. Seller may freely assign its rights and obligations under this Agreement without notice to or the consent of Buyer. Subject to the restriction on the assignment of this Agreement by Buyer, this Agreement shall inure to the benefit of and be binding on the parties and their respective heirs, personal representatives, successors, and assigns.

17. **No Changes.** Any attempt to modify or change the terms of this T&C Addendum by handwriting or otherwise shall be invalid and have no force or effect unless expressly agreed to and initialed by each party hereto.

18. **Wire Fraud Warning.** Real estate buyers and sellers are frequent targets of wire fraud. Do not trust wiring instructions that are sent via email because cyber criminals commonly hack into

email accounts and send emails with fake wiring instructions. These emails may be convincing and sophisticated. Please independently confirm wiring instructions in person or via a telephone call to a trusted, known and verified phone number belonging to your closing agent or real estate agent. Do not wire money without confirming that the wiring instructions are correct.

This T&C Addendum becomes effective on the latest date that each Buyer and Seller has signed below and the Residential Purchase Agreement and Joint Escrow Instructions.

SELLER:

_____,

By:

Name: _____

Title: Authorized Signatory _____

Date: _____

BUYER:

By:

Name: _____

Title: _____

Date: _____

By:

Name: _____

Title: _____

Date: _____

[Signature Page to California Terms and Conditions Addendum]