

California Offer Checklist

We appreciate your client's interest in an Opendoor home. We're committed to providing you with an exceptional, straightforward experience.

How to submit an offer:

■ Submit your offer at opendoor.com/makeoffer

- Please use the most current Residential Purchase Agreement form.
- To ensure all interested buyers have a fair opportunity, the seller responds next-day to offers received before 8pm and day-after-next to offers received after 8pm.
- PDF is easiest to review and helps ensure an on-time response.
- Please note the seller's suggested title company, which can help ensure a smooth close.

■ Include buyer-executed Opendoor addendum

- Among other things, this ensures that expirations occur on a weekday, and addresses Opendoor's security system.

■ Include buyer-executed Affiliated Business Disclosure

- Opendoor provides a disclosure about its affiliated businesses. Your client is never required to use the services of these affiliates. We encourage them to shop around for services that best fit their needs.
- The seller is unable to accept offers without a buyer-executed Affiliated Business Arrangement Disclosure.

■ Include buyer's pre-qualification letter

- Please ensure the letter reflects credit and income verification, and notes any conditions.
- Cash buyers should instead submit proof of funds; a bank account screenshot is fine.

■ Other applicable addenda or documentation

- If the home was built before 1978, we will provide a Lead Based Paint Addendum – please include a fully executed copy in this case.
- If the offer is contingent upon the sale of a home that is in-contract, provide that contract and the status of the sale as well as the required Contingency For Sale of Buyer's Property form.
- The seller is unable to accept offers contingent upon the sale of a not-yet-in-contract home. However, Opendoor makes cash offers on eligible homes! Let us know if you and your buyer would like an Opendoor offer on their current home.

SELLER'S DISCLOSURE

Download the Seller's Disclosure directly from the MLS listing or request one from homes@opendoor.com and receive ASAP—usually within 24 hours.

REPAIRS

Like a traditional seller, Opendoor will consider repair requests during the due diligence period of a contract.

OFFER CONSIDERATION

Information included in offers that is of a personal nature will not be considered by Opendoor. For example, please do not include in an offer any cover letters, personal notes, informational narratives, documents, pictures, notes, videos or anything else intended to give Opendoor an idea of the buyer's personal background or their motivation for making an offer. This list is not exhaustive, but intended to give an example of the types of documents and media that will not be considered by Opendoor.

ABOUT OPENDOOR BROKERAGE Inc.

Opendoor Brokerage Inc. is the brokerage that represents the seller in this transaction, similar to a homebuilder with a brokerage that lists their homes. Opendoor Brokerage Inc. and Opendoor are separate but affiliated entities.

Opendoor Addendum

This **ADDENDUM** ("Addendum") modifies the **PURCHASE AND SALE CONTRACT** (the "Contract") dated _____ between Seller and Buyer (collectively, the "Parties") with respect to the real property commonly known as 12071 Calle De Leon, Unit 36, El Cajon, CA 92019 (hereinafter, "Property"). Capitalized terms used but not defined in this Addendum have the meaning given to them in the Contract. In the event of any conflict with the terms in the Contract, the terms of this Addendum shall control to the full extent permitted by law.

1. REPRESENTATION

Seller is represented by Opendoor Brokerage LLC ("Opendoor Brokerage"), a subsidiary of Opendoor Labs Inc. and an affiliate of Seller, in this transaction. Buyer understands and agrees that Opendoor Brokerage has NO BROKERAGE RELATIONSHIP with the Buyer.

Some of the employees of Seller or its affiliates, including Seller's authorized signer, may be licensed real estate agents, brokers, or salespeople in the State where the Property is located.

If Buyer changes representation after the execution of this Addendum, it may impact the promotions for which Buyer is eligible. Promotion terms and conditions are located at opendoor.com/terms.

2. SECURITY SYSTEM AND LOCK

The Parties agree that the security system and electronic door lock do not convey. The electronic lock will be replaced with a standard door lock before close.

3. AFFILIATED BUSINESS DISCLOSURE

Buyer agrees to review and sign the Affiliated Business Arrangement Disclosure provided by Seller.

4. EXPIRATIONS

For any expiration date or deadline in the Contract that ends on a Saturday, Sunday, or state or national holiday, the date will be automatically extended to 5:00 p.m. the next business day.

5. EXTENSIONS

The Parties agree that time is of the essence and expressly waive any provisions in the Contract that grant either party the right to unilaterally change any previously agreed upon date. All extensions shall be by mutual written agreement between the Parties.

6. ASSIGNABILITY

The Contract may not be assigned by Buyer unless (a) the transfer of Buyer's interest in the Contract is to an entity in which Buyer holds a legal interest, such as a partnership, trust, limited liability company, or corporation or (b) Seller provides prior written consent. Any such assignment will not release Buyer of its obligations to Seller.

7. BREACH AND REMEDY

If Buyer is in breach of the Contract, Seller's only remedy is to cancel the Contract and receive the earnest money, thereby releasing both Parties from the Contract.

If Seller is in breach of the Contract, Buyer's only remedy is to cancel the Contract and receive the earnest money, thereby releasing both Parties from the Contract.



8. DISBURSEMENTS

The Parties agree to release Escrow Agent from any and all claims related to disbursements authorized by the foregoing sections of this Addendum.

Megan Meyer 10/31/2022

Seller Signature Date

authorized signer on behalf of Opendoor Property J LLC

Buyer Signature Date

Buyer Signature Date



AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

To: Property: 12071 Calle De Leon, Unit 36, El Cajon, CA 92019
From: Opendoor Labs Inc. Date:

This is to give you notice that Opendoor Labs Inc. ("Opendoor") has a business relationship with Opendoor Home Loans LLC, Digital Opendoor Insurance Services LLC d/b/a Opendoor Insurance ("Opendoor Insurance"), Opendoor Brokerage LLC, Opendoor Brokerage Inc., OD Homes Brokerage Inc., Open Exchange Brokerage LLC, Open Exchange Brokerage Inc., OS National LLC, OS National Alabama LLC, OSN Texas LLC, OSN Escrow Inc., North American Title Company ("NATC"), Tremont Realty LLC d/b/a Opendoor Connect, and Title Resources Guaranty Company (collectively, the "Affiliates"). Specifically, Opendoor wholly owns or is the ultimate owner of Opendoor Home Loans LLC, Opendoor Insurance, Opendoor Brokerage LLC, Opendoor Brokerage Inc., OD Homes Brokerage Inc., Open Exchange Brokerage LLC, Open Exchange Brokerage Inc., Opendoor Connect, OS National LLC, OS National Alabama LLC, OSN Texas LLC and OSN Escrow Inc., and partly owns Title Resources Guaranty Company. Additionally, a member of Opendoor's board of directors is also a member of Lennar Corporation's board of directors, and Lennar Corporation has an indirect ownership interest in NATC's parent company. Because of these relationships, this referral may provide Opendoor a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the Affiliates as a condition for the purchase, sale, or refinance of the subject property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

Opendoor Home Loans LLC

Discount Points Fee

Charge or Range of Charges

0 - 4% of the loan amount

Opendoor Brokerage LLC

Real Estate Commission

Charge or Range of Charges

0 - 6% of purchase price

Opendoor Brokerage Inc.

Real Estate Commission

Charge or Range of Charges

0 - 6% of purchase price

OD Homes Brokerage Inc.

Origination Fee

Charge or Range of Charges

\$0

Digital Opendoor Insurance Services LLC

Homeowners Insurance Policy Premium

Charge or Range of Charges

\$200 - \$29,000*

OS National LLC

Owner Title Policy Premium

Charge or Range of Charges

\$0 - \$4,000

Lender Title Policy Premium

\$0 - \$2,500

Other Endorsements

\$0 - \$1,000 per endorsement

Escrow/Closing Services

\$0 - \$1,400

Loan Closing Services

\$0 - \$350

OSN Texas LLC

Owner Title Policy Premium
Lender Title Policy Premium
Other Endorsements
Escrow/Closing Services

Charge or Range of Charges

\$0 - \$5,000
\$0 - \$5,000
\$0 - \$500 per endorsement
\$0 - \$1,400

OS National Alabama LLC

Owner Title Policy Premium
Lender Title Policy Premium
Other Endorsements
Escrow Closing Services

Charge or Range of Charges

\$0 - \$5,000
\$0 - \$2,000
\$0 - \$500 per endorsement
\$0 - \$1,000

North American Title Company

Owner Title Policy Premium
Lender Title Policy Premium
Other Endorsements
Escrow/Closing Services

Charge or Range of Charges

\$0 - \$5,115
\$0 - \$5,000
\$0 - \$500 per endorsement
\$0 - \$3,100

Title Resources Guaranty Company

Owner Title Policy Premium
Lender Title Policy Premium
Other Endorsements
Title Search and/or Examination

Charge or Range of Charges

\$0 - \$4,000
\$0 - \$2,500
\$0 - \$1,000 per endorsement
\$0 - \$300

OSN Escrow Inc.

Escrow/Closing Services

Charge or Range of Charges

\$500 - \$4,000

Open Exchange Brokerage LLC

Real Estate Commission

Charge or Range of Charges

0 - 6% of purchase price

Open Exchange Brokerage Inc.

Real Estate Commission

Charge or Range of Charges

0 - 6% of purchase price

Tremont Realty LLC

Real Estate Commission

Charge or Range of Charges

0 - 6% of purchase price

*Range calculated using average replacement costs that vary by state (ranging from \$230,000 to \$360,000). Actual premium amounts are subject to property and policy specifications.

ACKNOWLEDGMENT

I/we have read this disclosure form and understand that Opendoor is referring me/us to purchase the above-described settlement service(s) and may receive a financial or other benefit as the result of this referral.

Printed Name

Printed Name

Signature

Signature

Date

Date



BUYERS HOMEOWNERS' ASSOCIATION ADVISORY

(C.A.R. Form BHAA, Revised 12/21)

California Civil Code § 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. Buyers should not remove their HOA document review contingency prior to making a thorough 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.

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 provisions governing the HOA: how it operates, and basic rights, duties, and obligations of the HOA and individual members. CC&Rs are recorded documents and after the HOA is formed, it is extremely difficult to change the CC&Rs.
- 2. Bylaws, Rules and Regulations:** Bylaws address operation of the HOA. 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:** Most HOAs 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 changes in the dues and/or additional assessments. 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 the 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.

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, buyers 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.

- 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. 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.

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

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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.
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: _____ Date: _____

Buyer: _____ Date: _____

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

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1. MARKET CONDITIONS: Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

2. BUYER CONSIDERATIONS:

A. OFFERING PRICE: AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: **(i)** If your offer is accepted, the property's value may not increase and may even decrease. **(ii)** If your offer is accepted, you may have "Buyer's remorse" that you paid too much. **(iii)** If your offer is rejected there can be no guarantee that you will find a similar property at the same price. **(iv)** If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

B. NON-CONTINGENT OFFERS: Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: **(i)** the Buyer cannot obtain a loan; **(ii)** is dissatisfied with the property's condition after an inspection; or **(iii)** if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) LOAN CONTINGENCY: If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) APPRAISAL CONTINGENCY: If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

(3) INVESTIGATION CONTINGENCY: If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your investigation contingency. This may also include the ability to insure the property, so you should investigate this early in the process. However, even if you make an offer without an investigation contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.

C. BROKER RECOMMENDATIONS. Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: **(i)** review all available Seller reports, disclosures, information and documents; **(ii)** have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and **(iii)** carefully assess your financial position and risk with your attorney, accountant or financial advisor.

D. MULTIPLE OFFERS: At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time, or it could also occur in a hot market when the Buyer is having difficulty getting an offer accepted. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. Additionally, if any offer is accepted without contingencies, and the buyer does not perform, there can be a breach. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency created for this purpose, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract. This claim may even be possible when the Buyer has all the standard contingencies remaining in the contract, as the Seller could argue that a cancellation for this reason would not fall under the good faith exercise of any of the those contingencies.

3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which not you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

Buyer _____ Date _____
Buyer _____ Date _____
Seller Megan Meyer Date 10/31/2022
Seller authorized signer on behalf of Opendoor Property J LLC Date _____

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MARKET CONDITIONS ADVISORY (MCA PAGE 2 OF 2)

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STATEWIDE BUYER AND SELLER ADVISORY
(This Form Does Not Replace Local Condition Disclosures.
Additional Advisories or Disclosures May Be Attached)
(C.A.R. Form SBSA, Revised 6/22)

BUYER RIGHTS AND DUTIES:

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
- You should conduct thorough investigations of the Property both personally and with appropriate professionals.
- If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
- You should retain your own professional even if Seller or Broker has provided you with existing reports.
- You should read all written reports given to you and discuss those reports with the persons who prepared them. It is possible that different reports provided to you contain conflicting information. If there are discrepancies between reports, disclosures or other information, you are responsible for contacting appropriate professionals to confirm the accuracy of correctness of the reports, disclosures or information.
- You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to respond to you or make any such repairs, corrections or other requested actions.
- If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement and your deposit might be at risk.
- You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.
- The terms of the Agreement and any counter offers and addenda establish your rights and responsibilities.

YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

SELLER RIGHTS AND DUTIES:

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.
- The terms of the Agreement establish your rights and responsibilities.
- You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.

BROKER RIGHTS AND DUTIES:

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing.
- If a Broker gives you reports or other documents, unless otherwise specified, it is possible that different reports provided to you contain conflicting information. Broker has not and will not verify or otherwise investigate the information contained therein.
- Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.



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A. Investigation of Physical Conditions

- EASEMENTS, ACCESS AND ENCROACHMENTS:** Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, pcb's, methane, other gases, fuel oil or chemical storage

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tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. Some municipalities may impose additional requirements regarding underground storage tanks, which may be more common in certain areas and cities throughout the State, especially where there are larger, older homes built before 1935. It is possible that these tanks, either now or in the future, may require inspections or abatement. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home." Brokers do not have expertise in this area.

3. **FORMALDEHYDE:** Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants." Brokers do not have expertise in this area.
4. **GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s). Brokers do not have expertise in this area.
5. **INSPECTIONS:** Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in these area.
6. **MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its



existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in this area.

7. **PETS AND ANIMALS:** Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine or other contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and might not be eliminated by cleaning or replacing carpets or other cleaning methods. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
8. **SEPTIC SYSTEMS:** Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level. Brokers do not have expertise in this area.
9. **SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion erosion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves or wells. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections. Brokers do not have expertise in this area.
10. **SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS:** Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others concerning square footage, lot size, Property corners or exact boundaries. Standard title insurance does not insure the boundaries of the Property. If the exact square footage or lot size or location of Property corners or boundaries is an important consideration in Buyer's decision to purchase the Property and/or how much Buyer is willing to pay for the Property, then Buyer must independently conduct Buyer's own investigation through appropriate professionals, appraisers, or licensed surveyors and rely solely on their data, recognizing that all measurements may not be consistent and that different sources may have different size assessments. Brokers do not have expertise in this area.
11. **WATER INTRUSION:** Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.
12. **WELL AND WATER SYSTEM(S):** Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain



bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

- 13. WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- 14. FIRE HARDENING, DEFENSIBLE SPACE, AND WILDFIRE DISASTERS:** California is subject to wildfires which have resulted in damage and destruction of many properties located in the state. Several recent state laws have mandated disclosures by sellers when selling properties in certain identified zones, such as "high" or "very high" fire severity zones. Additionally, state law mandates that sellers provide buyers with statements of compliance with local mandates if adopted by local agencies. The Property may be located in a high or very high fire severity zone. This may impact the availability of insurance and the ability to build or rebuild structures on the Property. Additionally, there may be requirements that certain fire prevention steps may be mandated. Information on fire hardening, including current building standards and information on minimum annual vegetation management standards to protect homes from wildfires, can be obtained on the internet website <http://www.readyforwildfire.org>. Cal Fire has made available a "Fire Hazard Severity Zone Viewer" where you can input the Property address to determine which fire hazard zone, if any, that the Property is located in. The viewer is available at <https://egis.fire.ca.gov/FHSZ/>. Below is a partial list of potential resources provided as a starting point for Buyer/Lessee investigations and not as an endorsement or guarantee that any federal, state, county, city or other resource will provide complete advice.
- A. California Department of Insurance ("Wildfire Resource") <http://insurance.ca.gov/01-consumers/140-catastrophes/WildfireResources.cfm>; 1-800-927-4357
 - B. Governor's Office of Emergency Services "Cal OES" California Wildfires Statewide Recovery Resources <http://wildfirerecovery.org/>
 - C. California Department of Forestry and Fire "Cal Fire" <http://fire.ca.gov/> and <https://www.readyforwildfire.org/>
 - D. California Department of Transportation <https://calsta.ca.gov/>
 - E. California Attorney General <https://oag.ca.gov/consumers/pricegougingduringdisasters#8C1>

Brokers do not have expertise in this area.

B. Property Use and Ownership

- 1. ACCESSORY DWELLING UNITS:** Accessory Dwelling Units (ADUs) are known by many names: granny flats, in-law units, backyard cottages, secondary units and more. California has passed laws to promote the development of ADUs. Additional information about ADUs can be found at <http://hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use and rentability of the Property, its development and size. Brokers do not have expertise in this area.
- 2. BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Certain governmental agencies may require periodic inspections to occur in the future. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- 3. BUYER INTENDED FUTURE USE OF, AND MODIFICATIONS TO, THE PROPERTY:** Buyer and Seller are advised that Seller's existing use of the property may not be consistent with Buyer's intended use or any future use that Buyer makes of the property, whether or not Buyer has any current plans to change the use. Buyer is advised to check with appropriate government agencies or third party professionals to verify what legal requirements are needed to accommodate any change in use. In addition, neither Seller nor Broker make any representations as to what modifications Buyer can make to the Property after close of escrow as well as any cost factors associated with any such modifications. Buyer is advised to check with his own licensed contractor and other such professionals as well as with the appropriate government agencies to determine what modifications Buyer will be allowed to make after close of escrow. Brokers do not have expertise in this area.



4. **CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.
5. **FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
6. **HEATING VENTILATING AND AIR CONDITIONING SYSTEMS:** Changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC): (i) Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <https://www.energy.ca.gov/programs-and-topics/programs/home-energy-rating-system-hers-program>. Home warranty policies may not cover such inspections or repairs, (ii) the phase out of the use of HCFC-22 (R-22 Freon) will have an impact on repairs and replacement of existing air conditioning units and heat pumps. The production and import of HCFC-22 ended January 1, 2020. Existing systems may continue to be used and HCFC-22 recovered and reclaimed or that was produced prior to 2020 can help meet the needs of existing systems, however, costs may rise. More information is available from the Environmental Protection Agency at https://www.epa.gov/sites/production/files/2018-08/documents/residential_air_conditioning_and_the_phaseout_of_hcfc-22_what_you_need_to_know.pdf and <http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>, and (iii) New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at http://www.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
7. **HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions or requirements regarding Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.
8. **INSURANCE, TITLE INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or ESD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner's Association Insurance and the type of insurance coverage that Buyer may purchase. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.
9. **LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease



the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

10. MARIJUANA, CANNABIS, AND METHAMPHETAMINE LABS: Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California law also allows recreational use of marijuana for adults, as well as limited rights for individuals to grow and cultivate marijuana, and rights of others, subject to a licensing process, to grow, cultivate and distribute marijuana for recreational use. California's medical and recreational marijuana laws are in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property, additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" <https://oag.ca.gov/system/files/attachments/press-docs/MEDICINAL%20CANNABIS%20Guidelines.pdf> and the U.S. Department of Justice memo regarding marijuana prosecutions at <https://www.justice.gov/opa/press-release/file/1022196/download>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.

11. OWNER'S TITLE INSURANCE: The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that Buyers be provided with the following notice: "IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

Additionally, even the CFPB on its "ask CFPB" "What is owner's title insurance?" page advises "You may want to buy an owner's title insurance policy, which can help protect your financial interest in the home." Moreover, not obtaining an owner's policy may increase the cost of the lender's policy (required by most lenders), possibly require the separate purchase of a preliminary title report, and may have an impact on the sale of the Property in the future.

Buyers who decide to opt out of obtaining an owner's title insurance policy are acting against the advice of Brokers as well as the advice provided in the California Civil Code § 1057.6 and by the CFPB. Brokers do not have expertise in this area.

12. RENT AND EVICTION CONTROL LAWS AND ORDINANCES: Buyer and Seller are advised that California and some cities and counties impose or may impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property, the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.

13. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS: Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing or retrofitting low-flow toilets and showerheads, gas shut-off valves, fireplaces, and tempered glass. Further, there may be potential health impacts from air pollution caused from burning wood. Exposure to particulate matter from the smoke may cause short-term and long-term health effects. Buyers should consult with licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance. Brokers do not have expertise in this area.

14. SHORT TERM RENTALS AND RESTRICTIONS: Buyer and Seller are advised that some cities, counties and Homeowner Associations (HOAs) do impose or may impose restrictions that limit or prohibit the right of the owner or occupant to rent-out the Property for short periods of time (usually 30 Days or less). In short term rentals, as well as all rentals, Buyer and



Seller are advised to seek assistance to ensure compliance with all fair housing laws and regulations. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.

- 15. VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- 16. SWIMMING POOL, SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms, pool covers, exit alarms 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. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements. State law requires that new pools and spas be equipped with at least two of seven specified drowning prevention safety features. Home inspectors have a statutory obligation to perform a non-invasive physical examination of the pool area to identify which safety features are present. Brokers do not have expertise in this area.
- 17. WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.
- 18. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in § 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. If there is a question as to whether an existing bond or assessment will be prorated as of the close of escrow, or whether Seller will pay off the bond or assessment at close of escrow, Buyers are advised to discuss the matter with the appropriate entity and address the responsibility for payment in negotiations for the purchase agreement or amendment prior to removing contingencies. Some cities and other localities have begun, or have the intention to begin, the process of requiring the replacement of utility poles by requiring that utility lines be buried underground. These projects can result in special tax assessments and set-up costs that are imposed on individual property owners. Brokers do not have expertise in this area.

C. Off-Site and Neighborhood Conditions

- 1. GOLF COURSE DISCLOSURES:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls – Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting – The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use – A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system – Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts – Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences – It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. (vii) View obstruction – Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. (viii) Water restrictions – As some municipalities face water shortages, the continued availability of water to the golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter. Brokers do not have expertise in this area.
- 2. NEIGHBORHOOD, AREA, PERSONAL FACTORS, BUYER INTENDED USE, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS:** Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection,

other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer and FAA requirements for recreational and non-recreational use of Unmanned Aircraft Systems (UAS) (drones) (see UAS frequently asked questions <http://www.faa.gov/uas/faqs/>). California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at www.cahighspeedrail.ca.gov/. The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions. Brokers do not have expertise in this area.

3. **NEIGHBORHOOD NOISE SOURCES:** Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.
4. **SCHOOLS:** Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.
5. **UNDERGROUND PIPELINES AND UTILITIES:** Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's inspection contingency period. Brokers do not have expertise in this area.
6. **WILDLIFE:** California is the home to many species of wildlife. The location of homes in California continues to expand into areas that are the natural habitat of wildlife and the Property may be in such an area. Wildlife may become a nuisance especially if the availability of their natural sources of food or water is limited. Buyer should investigate the need to implement mitigation measures at the Property including but not limited to the use of animal-resistant garbage containers, and other appropriate measures depending on the species and habitat involved. Brokers do not have expertise in this area.
7. **SEA LEVEL RISE/COASTAL PROPERTIES:** Sea level rise has the potential to affect coastal residents, recreation, and development. Coastal communities may or may not have addressed the potential impact. The following is a non-exclusive list of issues that may be impacted by sea level rise: (i) Shoreline, beach and bluff erosion, and flooding; (ii) The effectiveness of seawalls and bulkheads, whether built with or without permits; (iii) Seaward construction, development or improvement to existing structures; (iv) The enactment of geological hazard abatement districts and assessments; and (v) The location of the "mean high tide line" which is used to delineate shoreline boundaries for some coastal properties.

Below is a non-exhaustive list of potential resources provided as a starting point for Buyer investigations into sea level rise, and not as an endorsement or guarantee that any federal, state, county, city or other resource will provide complete advice.

- A. California Coastal Commission contact information: <https://www.coastal.ca.gov/contact/#/>
- B. State Lands Commission contact information: <https://www.slc.ca.gov/contact-us/>
- C. National Oceanic and Atmospheric Administration (sea level rise page): <https://coast.noaa.gov/slr/>
- D. California Coastal Commission (sea level rise page): <https://www.coastal.ca.gov/climate/slr/>
- E. Federal Emergency Management Agency (FEMA): <https://www.fema.gov/flood-maps>; <https://msc.fema.gov>

If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

D. Legal Requirements (Federal, State and Local)

1. **DEATH ON THE PROPERTY:** California Civil Code § 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when § 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing. Brokers do not have expertise in this area.
2. **EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code §§ 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones. Brokers do not have expertise in this area.
3. **EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at <http://www.epa.gov/lead> for more information. Buyer and Seller are advised to consult an appropriate professional. Brokers do not have expertise in this area.
4. **FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code § 4136 and California Government Code §§ 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Buyer is advised that there is a potential for fires even outside designated zones. Brokers do not have expertise in this area.
5. **FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code § 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the Buyer acquires the property as Buyer's residence and the price does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code § 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.
6. **FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code § 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.
7. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to § 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://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 Brokers, in any, are required to check this website. If Buyer wants further information, Buyer should obtain information directly from this website.) Brokers do not have expertise in this area.



8. **NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL; ACCURATE SALES PRICE REPORTING:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following notice to the Buyer:

"California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. Even 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 Tax Collector's Office."

Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. A change (preliminary change) of ownership form is generally required to be filed by the Buyer with the local taxing agency. The form identifies the sales price of the Property. An assessor may value the Property at its fair market value regardless of the sales price declared by the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.

9. **ZONE MAPS MAY CHANGE:** Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA. Brokers do not have expertise in this area.

E. Contract Related Issues and Terms

1. **SIGNING DOCUMENTS ELECTRONICALLY:** The ability to use electronic signatures to sign legal documents is a great convenience, however Buyers and Sellers should understand they are signing a legally binding agreement. Read it carefully. Although electronic signature programs make it easy to skip from one signature or initial line to another, Buyers and Sellers are cautioned to only sign if they have taken the time necessary to read each document thoroughly, understand the entire document, and agree to all of its terms. Do not just scroll through or skip to the next signature or initial line, even if you have reviewed an earlier draft of the document. If you have questions or do not understand a provision, before you sign ask your Broker, Agent or legal advisor about the contract term and sign only if you agree to be bound by it. Some signature or initial lines are optional, such as for the liquidated damages and arbitration clauses. Consider your decision before signing or initialing. See below for more information on the liquidated damages and arbitration clauses. If there are more than one buyer or seller, each must sign or initial on their own. Do not sign or initial for anyone else unless you have a power of attorney for that person or are otherwise legally authorized, in writing, to sign or initial for another. Print or electronically store a copy of the document for your own records. Brokers do not have expertise in this area.
2. **LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form DID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.
3. **MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails. Brokers do not have expertise in this area.
4. **ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration



decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

5. **ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code § 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.
6. **HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.
7. **IDENTIFICATION OF NATURAL PERSONS BEHIND SHELL COMPANIES IN ALL-CASH TRANSACTIONS:** The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) has issued Geographic Targeting Orders (GTOs) targeting alleged money laundering risk in the real estate sector. The GTOs will temporarily require U.S. title insurance companies to identify the natural persons behind shell companies used to pay "all cash" for high- end residential real estate in certain major metropolitan areas. FinCEN explained that it remains concerned that all- cash purchases (i.e., those without bank financing) may be conducted by individuals attempting to hide their assets and identity by purchasing residential properties through limited liability companies or other similar structures. Since the original issuance, the GTOs have been renewed and may continue to be renewed. The GTOs cover the following areas in California: Los Angeles, San Francisco, San Mateo, Santa Clara and San Diego Counties. The monetary thresholds for each county is \$300,000. GTOs have helped law enforcement identify possible illicit activity. FinCEN reported that a significant portion of covered transactions have dictated possible criminal activity associated with the individuals reported to be the beneficial owners behind shell company purchasers. Brokers do not have expertise in this area.
8. **NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form CND). 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. Brokers do not have expertise in this area.
9. **ONLINE OR WIRE FUNDS TRANSFERS:** Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers, verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed. See C.A.R. Form WFA for further information. Brokers do not have expertise in this area.

F. Other Factors Affecting Property

1. **COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations § 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.
2. **GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION:** Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces, Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene PEX, KITEC® and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at



<http://www.cpsc.gov/> during Buyer's inspection contingency period. Another source affiliated with the CPSC is <http://saferproducts.gov/> which allows a Buyer to search by product type or product name. Buyer may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyer satisfy themselves regarding recalled or defective products. Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. Brokers do not have expertise in this area.

3. **HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL:** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code § 4745. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.
4. **LEGAL ACTION:** Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters. Brokers do not have expertise in this area.
5. **MARKETING; INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA:** Buyer and Seller are advised that Broker may employ a "staging" company to assist in the presentation of the Property. The furnishings and decorations in the staging are generally not included in the sale unless specifically noted in the Agreement. Statements and inclusion in the MLS entry, flyers, and other marketing materials are NOT part of the Agreement. In addition, Broker may employ a service to provide a "virtual tour" or "virtual staging" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. While they are supposed to be an accurate representation of the property, the photos may be enhanced and not fully representative of the actual condition of the property. Further, neither the service provider nor Broker have total control over who will obtain access to materials placed on the internet or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual or commercial web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies, and it may or may not reflect the opinions or representations by the Broker. Broker will not investigate any such sites, blogs, social media or other internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Broker has no control over how long the information or photos concerning the Property will be available on the Internet or through social media, and Broker will not be responsible for removing any such content from the internet or MLS. Brokers do not have expertise in this area.
6. **PACE LOANS AND LIENS:** The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on a property for the amount owed plus interest. A property owner repays the entity for the improvements as a special tax assessment on the property tax bill over

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STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 13 OF 14)

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CA

a period of years. A PACE lien is similar to a property tax lien in that it has "super priority." Sellers are obligated to disclose, pursuant to the C.A.R. Residential Purchase Agreement (C.A.R. Form RPA), whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

7. **RE-KEYING:** All locks should be re-keyed immediately upon close of escrow so as to ensure the Buyer's safety and security of their persons 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. In the event of a lease back to Seller after the close of escrow, Seller is advised that the Buyer is entitled to the keys as the Owner of the Property even though the Seller stays in possession of the Property as provided in the RPA. Brokers do not have expertise in this area.
8. **SOLAR PANEL LEASES:** Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Assumption of the lease may require Buyer to provide financial information to the leasing company who may require a credit report be obtained on the Buyer. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. Buyers willingness to assume any such lease is a contingency in favor of Seller. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.
9. **RECORDING DEVICES:** Audio or video recording devices or both may be present on the Property, whether or not notice of any such devices has been posted. Seller may or may not even be aware of the capability of such devices. Brokers do not have expertise in this area.

G. Local Disclosures and Advisories

1. LOCAL ADVISORIES OR DISCLOSURES (IF CHECKED):

The following disclosures or advisories are attached:

- A. ☐ _____
- B. ☐ _____
- C. ☐ _____
- D. ☐ _____

Buyer and Seller are encouraged to read all 14 pages of this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of all 14 pages of this Advisory.

BUYER _____ Date _____

BUYER _____ Date _____

SELLER Megan Meyer authorized signer on behalf of Opendoor Property J LLC Date 10/31/2022

SELLER _____ Date _____

Real Estate Broker (Buyer's Brokerage Firm) Opendoor Brokerage Inc DRE Lic. # 02061130

By Ben Braksick DRE Lic.# 02120512 Date 10/31/2022

Address _____ City _____ State _____ Zip _____

Real Estate Broker (Seller's Brokerage Firm) _____ DRE Lic. # _____

By _____ DRE Lic.# _____ Date _____

Address _____ City _____ State _____ Zip _____

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STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 14 OF 14)

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CA



Opendoor Brokerage Inc.

1 Post Street Floor 11
San Francisco, CA 94104
austin.najera@opendoor.com

October 21st, 2019

To whom it may concern;

Opendoor Brokerage Inc. represents the seller in this transaction.

The listing brokerage consents to the buyer's broker and/or agent communicating directly with the seller during the course of this transaction.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Austin Najera', written in a cursive style.

Austin Najera

Designated Broker

Opendoor Brokerage Inc.



ADDITIONAL AGENT ACKNOWLEDGEMENT

(C.A.R. Form AAA, Revised 12/21)

This is an addendum to the Purchase Agreement, OR ☐ Residential Listing Agreement, ☐ Buyer Representation Agreement, ☐ Other _____ ("Agreement"), dated _____,

on property known as 12071 Calle De Leon, Unit 36, El Cajon, CA 92019
between _____ ("Buyer/Tenant/Broker")
and Opendoor Property J LLC ("Seller/Landlord/Broker").

1. Check **ONE** box **ONLY**. If more than one applies, use separate forms for each.

A. ☒ Multiple Associate-Licensees working with Seller/Landlord;

OR B. ☐ Multiple Associate-Licensees working with Buyer/Tenant;

2. A. The real estate licensees named below are all conducting real estate licensed activity under the same Broker:

Real Estate Broker name: _____

If applicable, Team Name: _____

B. The licensees below have entered into a separate written agreement to share responsibility and compensation for certain real estate licensed activity and have informed Broker of, or given Broker a copy of, that separate written agreement.

C. Agent Javier Gomez DRE Lic # 02071527

Agent Ben Braksick DRE Lic # 02120512

Agent Janice Cadwallader DRE Lic # 00985380

Agent _____ DRE Lic # _____

Agent _____ DRE Lic # _____

3. By signing below, all parties understand, acknowledge and agree that, wherever the name of any licensee above is indicated in the Agreement or related document, as a representative for the Buyer or Seller specified in 1A or B above, the other licensees shall also be deemed to be named. Listing Broker and Seller signatures are not necessary if this form is only used to modify a Buyer Representation Agreement. Selling Broker and Buyer signatures are not necessary if this form is only used to modify a Listing Agreement.

Buyer/Tenant _____ Date _____

Buyer/Tenant _____ Date _____

Seller/Landlord Megan Meyer authorized signer on behalf of Opendoor Property J LLC Date 10/31/2022

Seller/Landlord _____ Date _____

Seller's Brokerage Firm Opendoor Brokerage Inc DRE Lic. # 02061130

By Ben Braksick Ben Braksick DRE Lic. # 02120512 Date 10/31/2022

Buyer's Brokerage Firm _____ DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

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ADDITIONAL AGENT ACKNOWLEDGEMENT (AAA PAGE 1 OF 1)

Opendoor Brokerage Inc., 2000 Hyperion Ave Los Angeles CA 90027
Austin Najera

Phone: 4803516622 Fax: _____
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CA

I found the booklet, *The Homeowner's Guide to Environmental Hazards and Earthquake Safety* (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update:

- | | |
|--|--|
| ☐ Helpful | ☐ Clearly written |
| ☐ Too detailed | ☐ Confusing |
| ☐ Not detailed enough | |
| ☐ The booklet helped me to locate earthquake weaknesses in my home. | |
| ☐ I have strengthened my home to resist earthquakes. | |
| ☐ I plan to fix my home's earthquake weaknesses. | |
| ☐ The booklet helped me find out that my home did not have any earthquake weaknesses. | |

The year my home was built was _____.

Comments: _____

We Want To Hear From You!

California Seismic Safety Commission
1900 K Street, Suite 100
Sacramento, California 95814-4186

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update, and Home Energy Rating booklet.

Property Address: 12071 Calle De Leon, Unit 36, El Cajon, CA 92019

Date _____	Time _____	_____ (Buyer's signature)	_____ (printed name)
Date _____	Time _____	_____ (Buyer's signature)	_____ (printed name)
Date _____	_____ (Buyer's Agent's signature)	_____ (printed name)	_____ (Broker's name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement.)

ALL SIGNERS SHOULD RETAIN A COPY OF THIS PAGE FOR THEIR RECORDS

California Civil Code Section 2079.10 states that if the HERS booklet is provided to the Buyer by the Seller or Broker, then this booklet is deemed to be adequate to inform the home buyer about the existence of California Home Energy Rating Program.

Revised 09/10 Official C.A.R. * Publication 09/10

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update, and Home Energy Rating booklet.

Property Address: 12071 Calle De Leon, Unit 36, El Cajon, CA 92019

Date <u>10/31/2022</u>	Time <u>9:00 AM</u>	<u>Megan Meyer</u> (Seller's signature) authorized signer on behalf of Opendoor Property J LLC (Seller's signature)	<u>Megan Meyer</u> (printed name)
Date _____	Time _____	_____ (Listing Agent's signature)	_____ (printed name)
Date <u>10/31/2022</u>	<u>Ben Braksick</u> (Listing Agent's signature)	<u>Ben Braksick</u> (printed name)	<u>Opendoor Brokerage Inc</u> (Broker's name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement.)

ALL SIGNERS SHOULD RETAIN A COPY OF THIS PAGE FOR THEIR RECORDS

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Revised 09/10 Official C.A.R. * Publication 09/10



WATER-CONSERVING PLUMBING FIXTURES AND CARBON MONOXIDE DETECTOR NOTICE

(C.A.R. Form WCMD, 12/16)

Property Address: 12071 Calle De Leon, Unit 36, El Cajon, CA 92019

1. WATER-CONSERVING PLUMBING FIXTURES

A. INSTALLATION:

(1) Requirements: (a) Single-Family Properties. California law (Civil Code §1101.4) requires all single-family residences built on or before January 1, 1994 to be equipped with water-conserving plumbing fixtures after January 1, 2017. (b) Multifamily and Commercial Properties. Civil Code §1101.5 requires all multifamily residential and commercial properties built on or before January 1, 1994 to be equipped with water-conserving plumbing fixtures after January 1, 2019. Additionally, on and after January 1, 2014, a multifamily residential and commercial property built on or before January 1, 1994 that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval if the alteration or improvement increases floor area space by more than 10 percent, or has a cost greater than \$150,000, or for any room in a building which requires a building permit.

(2) Exceptions: These requirements do not apply to (i) registered historical sites, (ii) real property for which a licensed plumber certified that, due to the age or configuration of the property or its plumbing, installation of water-conserving plumbing fixtures is not technically feasible, or (iii) a building for which water service is permanently disconnected. Additionally, there is a one-year exemption for any building slated for demolition, and any city or county that has adopted a retrofit requirement prior to 2009 is itself exempt. (Civil Code §§1101.6, 1101.7, and 1101.9.)

B. Disclosure of Water-Conserving Plumbing Fixtures: Although the installation of water-conserving plumbing fixtures is not a point of sale requirement, California Civil Code §§1101.4 (single family properties beginning 2017) and 1101.5 (multifamily and commercial properties beginning 2019) require the seller to disclose to the buyer the requirements concerning water-conserving plumbing fixtures and whether the property contains any noncompliant water fixtures.

C. Noncompliant Water Fixtures: Noncompliant water fixtures are any of the following: (i) any toilet manufactured to use more than 1.6 gallons of water per flush, (ii) any urinal manufactured to use more than one gallon of water per flush, (iii) any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute, (iv) any interior faucet that emits more than 2.2 gallons of water per minute. (Civil Code §1101.3.) Buyer and Seller are each advised to consult with their own home inspector or contractor to determine if any water fixture is noncompliant.

2. CARBON MONOXIDE DETECTORS:

A. INSTALLATION:

(1). Requirements: California law (Health and Safety Code §§13260 to 13263 and 17296 to 17296.2) requires that as of July 1, 2011, all existing single-family dwellings have carbon monoxide detectors installed and that all other types of dwelling units intended for human occupancy have carbon monoxide detectors installed on or before January 1, 2013. The January 1, 2013 requirement applies to a duplex, lodging house, dormitory, hotel, condominium, time-share and apartment, among others.

(2). Exceptions: The law does not apply to a dwelling unit which does not have any of the following: a fossil fuel burning heater or appliance, a fireplace, or an attached garage. The law does not apply to dwelling units owned or leased by the State of California, the Regents of the University of California or local government agencies. Aside from these three owner types, there are **no other owner exemptions** from the installation requirement; it applies to all owners of dwellings, be they individual banks, corporations, or other entities. There is no exemption for REO properties.

B. DISCLOSURE OF CARBON MONOXIDE DETECTORS: The Health and Safety Code does not require a disclosure regarding the existence of carbon monoxide detectors in a dwelling. However, a seller of residential 1-4 property who is required to complete a Real Estate Transfer Disclosure Statement, (C.A.R. Form TDS) or a Manufactured Home and Mobile home Transfer Disclosure Statement (C.A.R. Form MHTDS) must use section II A of that form to disclose whether or not the dwelling unit has a carbon monoxide detector.

Buyer/Tenant Initials () ()

Seller/Landlord Initials (MM) ()

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WCMD 12/16 (PAGE 1 OF 2)

WATER-CONSERVING PLUMBING FIXTURES AND CARBON MONOXIDE DETECTOR NOTICE (WCMD PAGE 1 OF 2)

Property Address: 12071 Calle De Leon, Unit 36, El Cajon, CA 92019

C. COMPLIANCE WITH INSTALLATION REQUIREMENT: State building code requires at a minimum, placement of carbon monoxide detectors in applicable properties outside of each sleeping area, and on each floor in a multi-level dwelling but additional or different requirements may apply depending on local building standards and manufacturer instructions. An owner who fails to install a carbon monoxide detector when required by law and continues to fail to install the detector after being given notice by a governmental agency could be liable for a fine of up to \$200 for each violation. A transfer of a property where a seller, as an owner, has not installed carbon monoxide detectors, when required to do so by law, will not be invalidated, but the seller/owner could be subject to damages of up to \$100, plus court costs and attorney fees. Buyer and Seller are each advised to consult with their own home inspector, contractor or building department to determine the exact location for installation of carbon monoxide detectors. Buyer is advised to consult with a professional of Buyer's choosing to determine whether the property has carbon monoxide detector(s) installed as required by law, and if not to discuss with their counsel the potential consequences.

3. LOCAL REQUIREMENTS: Some localities maintain their own retrofit or point of sale requirements which may include the requirement that water-conserving plumbing fixtures and/or a carbon monoxide detector be installed prior to a transfer of property. Therefore, it is important to check the local city or county building and safety departments regarding point of sale or retrofit requirements when transferring property.

The undersigned hereby acknowledge(s) receipt of a copy of this Water-Conserving Plumbing Fixtures and Carbon Monoxide Detector Notice.

Seller/Landlord Megan Meyer Megan Meyer **Date** 10/31/2022
(Signature) (Print Name)

authorized signer on behalf of Opendoor Property J LLC

Seller/Landlord _____ **Date** _____
(Signature) (Print Name)

Buyer/Tenant _____ **Date** _____
(Signature) (Print Name)

Buyer/Tenant _____ **Date** _____
(Signature) (Print Name)

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WATER-CONSERVING PLUMBING FIXTURES AND CARBON MONOXIDE DETECTOR NOTICE (WCMD PAGE 2 OF 2)

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Opendoor



SELLER'S AFFIDAVIT OF NONFOREIGN STATUS (FIRPTA)

(Use a separate form for each Transferor)

(C.A.R. Form AS, Revised 12/21)

1. GENERAL INFORMATION REGARDING FIRPTA AND SELLER'S AFFIDAVIT OF NON-FOREIGN STATUS:

Internal Revenue Code ("IRC") § 1445 provides that a transferee (Buyer) of a U.S. real property interest must withhold tax if the transferor (Seller) is a "foreign person." In order to avoid withholding, IRC § 1445 (b) requires that the Seller (a) provides an affidavit to the Buyer with the Seller's taxpayer identification number ("TIN"), or (b) provides a proper affidavit, (such as this form) including Seller's TIN, to a "qualified substitute" who furnishes a statement to the Buyer under penalty of perjury that the qualified substitute has such affidavit in their possession. A qualified substitute may be (i) an attorney, title company, or escrow company responsible for closing the transaction, or (ii) the Buyer's agent (but not the Seller's agent).

2. SELLER'S INFORMATION:

A. **PROPERTY ADDRESS** (property being transferred): 12071 Calle De Leon, Unit 36, El Cajon, CA 92019 ("Property")

B. **TRANSFEROR'S NAME:** Opendoor Property J LLC ("Transferor")

C. **AUTHORITY TO SIGN:** If this document is signed on behalf of an Entity Transferor, THE UNDERSIGNED INDIVIDUAL DECLARES THAT HE/SHE HAS AUTHORITY TO SIGN THIS DOCUMENT ON BEHALF OF THE TRANSFEROR.

3. EXEMPTION CLAIMED: I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the federal withholding law (FIRPTA):

A. ☐ (For individual Transferors) I am not a nonresident alien for purposes of U.S. income taxation.

B. ☒ (For corporation, partnership, limited liability company, trust, and estate transferor) The transferor is not a foreign corporation, foreign partnership, foreign limited liability company, foreign trust, or foreign estate, as those terms are defined in the Internal Revenue Code and Income Tax Regulations.

4. QUALIFIED SUBSTITUTE OR DIRECT DELIVERY TO BUYER:

A. TRANSFEROR'S USE OF QUALIFIED SUBSTITUTE (TITLE OR ESCROW) TO SATISFY FIRPTA

(1) A Qualified Substitute shall be used in this transaction to satisfy the requirements under Internal Revenue Code § 1445. Seller shall provide a completed affidavit to the Qualified Substitute, who will furnish a statement (C.A.R. Form QS) to the Buyer stating, under penalty of perjury that the Qualified Substitute (i) has the Seller's affidavit; (ii) the affidavit is complete; and (iii) the Seller states in the affidavit that no withholding is required because an exemption is claimed.

(2) Qualified Substitute may require Seller to complete and provide to Qualified Substitute the information in paragraph 5. If so, that information should be completed after this form is provided to Buyer. Qualified Substitute and Seller's Broker shall NOT provide the information in paragraph 5 to Buyer.

B. ☐ **TRANSFEROR ADDITIONAL INFORMATION DIRECT TO BUYER:** If this paragraph is checked, Seller shall complete the information in 5 below and provide a completed form to Buyer.

5. SELLER INFORMATION (NOTE: DO NOT PROVIDE THE INFORMATION IN 5 BELOW TO BUYER UNLESS 4B IS CHECKED)

A. Social Security No., or Federal Employer Identification No. (TIN) _____

B. Address _____
(Use HOME address for individual transferors. Use OFFICE address for an "Entity" i.e.: corporations, partnerships, limited liability companies, trusts, and estates.)

C. Telephone Number _____

6. CALIFORNIA WITHHOLDING: Seller agrees to provide escrow with necessary information to comply with California Withholding Law, Revenue and Taxation Code, § 18662

I understand that this affidavit may be disclosed to the Internal Revenue Service by the transferee, and that any false statement I have made herein may result in a fine, imprisonment or both.

By Megan Meyer Date 10/31/2022

(Transferor's Signature) (Indicate if you are signing as the grantor of a revocable/grantor trust).

Megan Meyer

Typed or printed name

Title (If signed on behalf of Entity Transferor)

Buyer's unauthorized use of disclosure of Seller's TIN could result in civil or criminal liability.

Buyer _____ Date _____

(Buyer acknowledges receipt of a Copy of this Seller's Affidavit).

Buyer _____ Date _____

(Buyer acknowledges receipt of a Copy of this Seller's Affidavit).

IMPORTANT NOTICE: An Affidavit should be signed by each individual or entity Transferor to whom or to which it applies. Before you sign, any questions relating to the legal sufficiency of this form, or to whether it applies to you or to a particular transaction, or about the definition of any of the terms used, should be referred to a qualified California real estate attorney, certified public accountant, or other professional tax advisor, the Internal Revenue Service, or the California Franchise Tax Board.



SELLER'S AFFIDAVIT OF NONFOREIGN STATUS AND CALIFORNIA WITHHOLDING (AS PAGE 1 OF 2)

FEDERAL GUIDELINES

FOREIGN PERSONS DEFINED. The following general information is provided to assist sellers in determining whether they are "foreign persons" for purposes of the Foreign Investment in Real Property Tax Act (FIRPTA), IRC §1445. FIRPTA requires a buyer to withhold and send to the IRS 15% of the gross sales price of a United States (U.S.) real property interest if the seller is a foreign person. Certain restrictions and limitations apply. No withholding is required for a seller who is a U.S. person (that is, not a foreign person). In order for an individual to be a U.S. person, he/she must be either a U.S. citizen or a U.S. resident alien. The test must be applied separately to each seller in transactions involving more than one seller. Even if the seller is a foreign person, withholding will not be required in every circumstance.

NONRESIDENT ALIEN INDIVIDUAL. An individual whose residence is not within the U.S. and who is not a U.S. citizen is a nonresident alien. The term includes a nonresident alien fiduciary. An alien actually present in the U.S. who is not just staying temporarily (i.e., not a mere transient or sojourner), is a U.S. resident for income tax purposes. An alien is considered a U.S. resident and not subject to withholding under FIRPTA if the alien meets either the **green card test** or the **substantial presence test** for the calendar year.

GREEN CARD TEST. An alien is a U.S. resident if the individual was a lawful permanent resident of the U.S. at any time during the calendar year. This is known as the "green card test."

SUBSTANTIAL PRESENCE TEST. An alien is considered a U.S. resident if the individual meets the substantial presence test for the calendar year. Under this test, the individual must be physically present in the U.S. on at least: (1) 31 days during the current calendar year; and (2) 183 days during the current year and the two preceding years, counting all the days of physical presence in the current year but only 1/3 the number of days present in the first preceding year, and 1/6 the number of days present in the second preceding year.

DAYS OF PRESENCE IN THE U.S. TEST. Generally, a person is treated as physically present in the country at any time during the day. However, if a person regularly commutes to work in the U.S. from a residence in Canada or Mexico or is in transit between two points outside the U.S. and is physically present in the country for less than 24 hours, he/she is not treated as present in the U.S. on any day during the transit or commute. In addition, the individual is not treated as present in the U.S. on any day during which he/she is unable to leave the U.S. because of a medical condition which arose while in the U.S.

EXEMPT INDIVIDUAL. For the substantial presence test, do not count days for which a person is an exempt individual. An exempt individual is anyone in the following categories:

- 1) An individual temporarily present in the U.S. because of (a) full-time diplomatic or consular status, (b) full-time employment with an international organization or (c) an immediate family member of a person described in (a) or (b).
- 2) A teacher or trainee temporarily present in the U.S. under a "J" visa (other than as a student) who substantially complies with the requirements of the visa. An individual will not be exempt under this category for a calendar year if he/she was exempt as a teacher or trainee or as a student for any two calendar years during the preceding six calendar years.
- 3) A student temporarily present in the U.S. under an "F" or "J" visa who substantially complies with the requirements of the visa. Generally, a person will not be exempt as a student for any calendar year after the fifth calendar year for which he/she was exempt as a student, teacher or trainee. However, the individual may continue to be exempt as a student beyond the fifth year if he/she is in compliance with the terms of the student visa and does not intend to permanently reside in the U.S.

CLOSER CONNECTION TO A FOREIGN COUNTRY. Even if an individual would otherwise meet the substantial presence test, that person is not treated as meeting the test for the current calendar year if he/she:

- 1) Is present in the U.S. on fewer than 183 days during the current year, and has a tax home in a foreign country and has a closer connection to that country than to the U.S.
- 2) **SPECIAL RULES.** It is possible to be both a nonresident alien and a resident alien during the same tax year. Usually this occurs for the year a person arrives in or departs from the U.S. Other special provisions apply to individuals who were U.S. residents for at least three years, cease to be U.S. residents, and then become U.S. residents again.

NONRESIDENT ALIEN INDIVIDUALS MARRIED TO U.S. CITIZENS OR RESIDENT ALIENS may choose to be treated as resident aliens for most income tax purposes. However, these individuals are considered **nonresidents** for purposes of withholding taxes.

A FOREIGN PERSON OR PARTNERSHIP is one that does not fit the definition of a domestic corporation or partnership. A domestic corporation or partnership is one that was created or organized in the U.S., or under the laws of the U.S., or of any U.S. state or territory.

GUAM AND U.S. VIRGIN ISLANDS CORPORATIONS. A corporation created or organized in or under the laws of Guam or the U.S. Virgin Islands is not considered a foreign corporation for the purpose of withholding tax for the tax year if:

- 1) at all times during the tax year, less than 25% in value of the corporation's stock is owned, directly or indirectly, by foreign persons, and
- 2) at least 20% of the corporation's gross income is derived from sources within Guam or at least 65% of the corporation's income is effectively connected with the conduct of a trade or business in the U.S. Virgin Islands or the U.S. for the 3-year period ending with the close of the preceding tax year of the corporation, or the period the corporation has been in existence if less.

A NONRESIDENT ALIEN TRUSTEE, ADMINISTRATOR OR EXECUTOR of a trust or an estate is treated as a nonresident alien, even though all the beneficiaries of the trust or estate are citizens or residents of the U.S.





WILDFIRE DISASTER ADVISORY

(For use with properties in or around areas affected by a wildfire)
(C.A.R. Form WFDA, Revised 6/22)

1. **WILDFIRE DISASTERS:** Buyer/Lessee is aware that as a result of recent wildfire disasters there are current and unresolved health and safety concerns related to the aftermath and clean-up of the wildfire disaster areas, as well as unknown and possible future concerns related to the rebuilding of infrastructure in the affected areas of the wildfires. Unfortunately, the impact of wildfires has not been limited to the fire areas themselves. Many areas have had air quality impacted by smoke and air particulates from distant fires. Additionally, fires continue to occur in previously unaffected areas. Fires may be an issue throughout the state of California.
2. **WILDFIRE DISASTER CONCERNS AND ISSUES:** The following non-exhaustive list represents concerns and issues that may impact Buyer/Lessee decisions about purchasing or leasing property impacted by a wildfire disaster, both currently and in the future. It is not intended to be, nor can it be, a check list for all issues that might arise when purchasing or leasing property impacted by a wildfire disaster; **concerns and issues include, but are not limited to:**
 - A. Insurance related issues such as past claims, the importance of identifying the insurability of the property, and the availability and the cost of insurance as early in the process as possible;
 - B. Lot clearing costs and requirements; toxic materials analysis, debris removal requirements;
 - C. Whether the home has been fire hardened, and if so to what extent, to help reduce the risk of the structure catching fire;
 - D. Local, state and federal requirements for cleanup and building approvals;
 - E. Air quality, soil quality, and any other environmental or personal health concerns, even after the wildfire event has ended;
 - F. Timelines, costs and requirements when obtaining required permits for building and utilities installation;
 - G. Availability of and access to electricity, gas, sewer and other public or private utility services;
 - H. Water delivery/potability; septic and/or sewer design; requirements and construction costs;
 - I. Potential redesign of streets and infrastructure including possible eminent domain, land condemnation and/or acquisition;
 - J. Inconvenience and delays due to road construction and unavailability of various goods, systems, or services; and
 - K. Impact that federal, state or local disaster declarations may have on materials prices, costs and rents.
3. **BUYER/LESSEE ADVISORIES: Buyer/Lessee is advised:**
 - A. To check early in your transaction to determine if you are able to obtain insurance on the property.
 - B. To investigate to their own satisfaction any and all concerns of Buyer/Lessee about the intended use of the property.
 - C. That the area of the wildfire disaster will likely be under construction for a protracted period of time after a fire, and Buyer/Lessee may be inconvenienced by delays, traffic congestion, noise, dust, intermittent utilities availability.
 - D. That due to the extraordinary catastrophe of a wildfire, there may be changes and variations in local, state or federal laws, codes, or requirements throughout the ongoing process of planning and rebuilding in the wildfire disaster area.
 - E. That some insurers have reduced or cancelled offerings for fire insurance or increased costs that impact a Buyer/Lessee's ability to afford or qualify for loans or meet income ratios for rentals.
 - F. That if you are not able to obtain fire insurance and have removed property investigation or loan contingencies you may be in breach of the purchase or rental agreement.
4. **RESOURCES:** Below is a non-exhaustive list of potential resources provided as a starting point for Buyer/Lessee investigations and not as an endorsement or guarantee that any federal, state, county, city or other resource will provide complete advice.
 - A. California Department of Insurance "WildfireResource" <http://insurance.ca.gov/01-consumers/140-catastrophes/WildfireResources.cfm>; 1-800-927-4357
 - B. Governor's Office of Emergency Services "Cal OES"
California Wildfires Statewide Recovery Resources <https://wildfirerecovery.caloes.ca.gov/>
 - C. California Department of Forestry and Fire ("Cal Fire") <https://calfire.ca.gov/> and <https://www.readyforwildfire.org/>
 - D. California Department of Transportation <https://calsta.ca.gov/>
 - E. California Attorney General <https://oag.ca.gov/consumers/pricegougingduringdisasters#8C1>
 - F. The American Institute of Architects "Wildfire Recovery Resources" <https://aia.org/pages/165776-wildfire-recovery-resources>
 - G. Buyer/Lessee is advised to check all local municipalities (County, City, and/or Town where the property is located) for additional resources.
5. **FIRE HARDENING AND DEFENSIBLE SPACE ADVISORY:**
 - A. California law requires certain disclosures be made concerning a property's compliance with safeguards that may minimize the risk of a structure on the property catching fire (fire hardening) and that an agreement be reached concerning compliance with requirements that the area surrounding structures be maintained to minimize the risk of the spread of wildfires (defensible space). The fire hardening and defensible space laws only apply if, among other requirements, the property is located in either a **high or very high fire** hazard severity zone. If there exists a final inspection report covering fire hardening or defensible space compliance, such a report may need to be provided to the buyer. C.A.R. Form FHDS may be used to satisfy the legal requirements.
 - B. **WHERE TO LOCATE INFORMATION:** Seller has the obligation to determine if compliance with the fire hardening and defensible space requirements are applicable to Seller and the property. It may be possible to determine if a property is in a **high or very high** fire hazard severity zone by consulting with a natural hazard zone disclosure company or reviewing the company's report. This information may also be available through a local agency where this information should have been filed.



- C. Even if the Property is not in either of the zones specified above, or if the Seller is unable to determine whether the Property is in either of those zones, if the Property is in or near a mountainous area, forest-covered lands, brush covered lands, grass-covered lands or land that is covered with flammable material, a Seller may choose to make the disclosures because a Buyer might consider the information material. Reports in the Seller's possession that materially affect the value and desirability of the property shall be Delivered as provided by the agreement.
6. **BUYER/LESSEE ACKNOWLEDGEMENT:** Buyer/Lessee understands that Real Estate Agents and Real Estate Brokers have no authority or expertise for providing guidance through the process of investigating the concerns described herein. Buyer/Lessee has an affirmative duty to exercise reasonable care in protecting themselves.

Buyer/Lessee has read and understands this Advisory. By signing below, Buyer/Lessee acknowledges receipt of a copy of this Advisory.

Buyer/Lessee _____ Date _____

Buyer/Lessee _____ Date _____

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WFDA REVISED 6/22 (PAGE 2 OF 2)

WILDFIRE DISASTER ADVISORY (WFDA PAGE 2 OF 2)

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CA



REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (FOR SELLER REPRESENTATIVES)

(C.A.R. Form RCSD-S, Revised 12/21)

This form is not an assignment. It should not be used to add new parties after a contract has been formed. The purpose of this form is to identify who the principal is in the transaction and who has authority to sign documents on behalf of the principal.

☐ The disclosure in this form supersedes any Legally Authorized Signer representation or Representative Capacity Signature Disclosure made in the Agreement specified below or on separate form.

This is a disclosure to the Purchase Agreement, OR ☐ Listing Agreement, ☐ Other _____

dated _____, for the property known as 12071 Calle De Leon, Unit 36, El Cajon, CA 92019 _____ ("Agreement"),
between _____ ("Buyer", ☐ Listing Broker).

And Opendoor Property J LLC _____ ("Seller").

Buyer and Seller are referred to as the "Parties." If a trust, in the blank line above identify Seller as the trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust 3.). Full name of trust should be identified in 1A below. If power of attorney, insert principal's name as Seller.

1. A. ☐ **TRUST:** (1) The Property is held in trust pursuant to a trust document, titled (Full name of trust): _____

_____ dated _____

(2) The person(s) signing below is/are Sole/Co/Successor Trustee(s) of the Trust.

B. ☒ **ENTITY:** Seller is a ☐ Corporation, ☒ Limited Liability Company, ☐ Partnership ☐ Other: _____

which has authorized the officer(s), managing member(s), partner(s) or person(s) signing below to act on its behalf. An authorizing resolution of the applicable body of the entity described above ☐ is ☒ is not attached.

C. ☐ **POWER OF ATTORNEY:** Seller ("Principal") has authorized the person(s) signing below ("Attorney-In-Fact", "Power of Attorney" or "POA") to act on his/her behalf pursuant to a General Power of Attorney (☐ Specific Power of Attorney for the Property), dated _____. **This form is not a Power of Attorney. A Power of Attorney must have already been executed before this form is used.**

D. ☐ **ESTATE:** (1) Seller is an ☐ estate, ☐ conservatorship, or ☐ guardianship, identified by Superior Court Case name as _____, Case # _____.

(2) The person(s) signing below is/are court approved representatives (whether designated as Sole or Co-Executor, Administrator, Conservator, Guardian) of the estate, conservatorship or guardianship identified above.

2. Seller's Representative represents that the trust, entity or power of attorney for which that Party is acting already exists.

Seller:

By Megan Meyer Date: 10/31/2022

(Sign Name of Trustee, Officer, Managing Member, Partner, Attorney-in-Fact or Administrator/Executor)

(Print Representative Name) Megan Meyer Title: Authorized Signer

By _____ Date: _____

(Sign Name of Trustee, Officer, Managing Member, Partner, Attorney-in-Fact or Administrator/Executor)

(Print Representative Name) _____ Title: _____

Acknowledgement of Receipt by Other Party:

AT TIME OF SALE

Seller and _____ ("Buyer") are parties to a Purchase Agreement dated _____ for property known as 12071 Calle De Leon, Unit 36, El Cajon, CA 92019.

Buyer _____ Date _____

Buyer _____ Date _____



AT TIME OF LISTING AGREEMENTSeller and Opendoor Brokerage Inc ("Seller's Broker")

are parties to a Listing Agreement dated _____.

Real Estate Broker Opendoor Brokerage IncBy Ben Braksick Ben BraksickDate 10/31/2022

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CA

Local Area Disclosures for San Diego County



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Local Area Disclosures for San Diego County

The Local Area Disclosures for San Diego County (LAD) should be reviewed by Buyer and Seller along with the Statewide Buyer and Seller Advisory (form "SBSA" from the California Association of REALTORS® ("C.A.R."), and all other disclosures including the Real Estate Transfer Disclosure Statement ("TDS"), Seller Property Questionnaire ("SPQ"), and Seller Property Questionnaire Addendum (form "SPQA" from SDAR).

- The LAD provides information on conditions in San Diego County which may impact Buyer's decision to purchase the Property, and is an advisory to Buyer and Seller.
- The LAD does not relieve Seller or Brokers from making disclosures legally required of them.
- The LAD does not eliminate Buyer's duty to conduct a thorough physical inspection of the Property.
- Buyer is advised to investigate, and obtain additional information on, all issues of concern to Buyer and not rely solely on the information received from Seller and Brokers.
- Buyer is advised to obtain in writing all information on the condition or area of the Property received from Seller and Brokers.
- Buyer is advised to consult with qualified professional advisors, consultants and appropriate governmental authorities in evaluating all information related to the Property.
- Buyer is advised that Brokers do not verify the results of any inspections, or guarantee the performance of any inspector.
- In every instance below that advises or urges Buyer to investigate or verify information, this should be done before removing contingencies in the purchase agreement.

DISCLAIMER: The LAD is produced by the Greater San Diego Association of REALTORS® ("SDAR"), which has been doing so since 2003. The LAD is based on information obtained primarily from its members who conduct business throughout San Diego County and are familiar with commonly used local disclosures in those areas. SDAR believes the sources of information is reliable but has not verified all information. Conditions impacting the Property or area (especially those listed in "Specific Area Disclosures") may have changed since the LAD was published.

THE LAD HAS BEEN APPROVED BY SDAR. NO REPRESENTATION OR WARRANTY IS MADE AS TO THE VALIDITY OR ADEQUACY OF ANY OF ITS PROVISIONS IN ANY PARTICULAR TRANSACTION.

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A. General Disclosures

The best source for regional information is San Diego County's regional agency, the San Diego Association of Governments (SANDAG). www.sandag.org.

1. Attractions, Amusement Parks and Casinos

Buyer and Seller are advised that various public attractions and amusement parks may impact the traffic in the area near the Property or create noise which may concern some Buyers. Buyer is advised to investigate the impacts from such attractions, including the San Diego Zoo and Safari Park, SeaWorld, SDCCU Stadium, Petco Park, Legoland, North Island Credit Union Amphitheater, Aquatica Waterpark, Mission Bay, various casinos and resorts throughout the county and other public event venues.

2. Regional Planning

The Regional Comprehensive Plan serves as the long-term planning framework for the San Diego region. It provides the broad context in which local and regional decisions are made. For more information visit www.sandag.org/index.asp?projectid=1&fuseaction=projects.detail.

The City of San Diego General Plan provides a comprehensive policy framework for how the City should grow and develop. There are also over 50 smaller community plans which provide additional detailed land use designations and site-specific policy recommendations. For more information visit www.sandiego.gov/planning/genplan.

Other city general or comprehensive plans may exist. Buyer is urged to contact the applicable city for more information.

3. Construction and Soils Defects—Prior, Pending or Threatened Litigation

Buyer and Seller are advised that many subdivisions and condominiums in San Diego County have been subject to litigation for construction and soil defects arising out of the original construction of homes. The status of any legal action and the repairs to remedy the defect may impact the value and use of the Property. It is important to verify the status of any threatened, pending or resolved legal action, including what repairs were made, for the residence and subdivision. For further information, contact the Homeowners Association, if one exists, or the original home builder.

4. Fireplaces

Buyer and Seller are advised that some areas of San Diego County, including areas in Santee, Tierrasanta,

Scripps Ranch, Rancho Peñasquitos and Rancho Bernardo, may have Rampart General fireplaces in some homes. Rampart General fireplaces were pre-cast concrete fireplaces, brought to the site and erected instead of built at the site through masonry work. These fireplaces have been known to crack, and repairs are limited and difficult. Many San Diego County fireplace inspectors, chimney sweeps and contractors will not attempt to repair the Rampart General fireplaces. Repairs may be costly, if available, and replacement may be necessary.

5. High Winds

Buyer and Seller are advised that if the Property is located in an area subject to high winds, the Property may experience damage from blowing dust, sand, debris, and such winds can dislodge roof tiles and shingles, and cause trees to fall. From time to time, all areas of the county are subject to high winds which can cause damage. Buyer is advised to prepare for such events by securing their property and keeping trees trimmed.

6. Homeowners' Associations

Buyer and Seller are advised that the Property may be subject to mandatory membership in one or more Homeowners' Associations (HOAs). HOAs may impose restrictions on the use and development of the Property according to the HOA's Conditions, Covenants and Restrictions (CC&Rs) and Bylaws. If there are multiple HOAs, they may each charge separate dues.

7. Prisons and Jails

Buyer and Seller are advised that there are prisons, jails and detention centers located in the County of San Diego which may influence Buyer's decision to purchase. Buyer is advised to investigate the impact, if any, of such facilities.

8. Proposition 65

Buyer and Seller are advised that the California Safe Drinking Water and Toxic Enforcement Act of 1986, also known as Proposition 65, which became effective on January 1, 1988, concerns potential health danger from hazardous chemicals. Proposition 65 requires all businesses (including all builders of residential homes) to provide a warning to the public of the danger of potential harm by exposure to these chemicals.

9. Historic Review/Historic Districts

Buyer and Seller are advised that many municipalities in San Diego County have historic resource ordinances which can impact a property owner's ability

to modify or demolish a property. In the City of San Diego, for example, a building not located in an exempt area that is at least 45 years old may be subject to historic review before demolition or exterior modification is permitted. The City of San Diego also has a number of Historic Districts that may impact whether a property may be modified. Buyer should contact the planning department of the city (or the county) to determine what impact a historic ordinance may have on the Property. For properties located in unincorporated areas, contact the County Department of Planning and Land use, Historic Site Board, (858) 694-3656, or visit www.sandiego.gov/development-services/historical/board. For more information on historic districts, visit www.sohosandiego.org/resources/historicdistricts.htm.

10. Golf Course Closures

Buyer and Seller are advised that if the Property is located adjacent to or near a golf course, the possible closure and potential redevelopment thereof may affect the value or desirability of the Property. Multiple golf courses in San Diego County have closed recently and more may follow suit. If Buyer wants further information on a certain golf course, Buyer is advised to contact the appropriate local authority, such as an affiliated HOA or golf course manager. Brokers do not have expertise in this area.

11. Rental Restrictions

a. Short-Term Rental Restrictions

Buyer and Seller are advised that multiple cities within San Diego County are restricting the short-term rental of residential properties. Further regulation and the outcome of related legal and regulatory challenges thereto may affect the value, use, or desirability of the Property. Buyer is advised to investigate these issues with the appropriate government authority or third-party professionals. Brokers do not have expertise in this area.

b. Rent Control and Just-Cause Eviction Law

California's Tenant Protection Act of 2019 (effective Jan. 1, 2020) imposes statewide rent control measures and grounds for just-cause tenancy termination. For more information, visit www.caanet.org/kblab-1482-chiu-rent-caps-just-cause-eviction/.

12. Parking Restrictions

Certain town and cities in San Diego county restrict on-street parking in residential as well as in commercial areas. Buyer is advised to investigate these issues with the appropriate local authority. Brokers do not have expertise in this area.

13. Trolley and Trains

Buyer and Seller are advised that trolleys and trains

run throughout San Diego County which may create noise and impact traffic. New or expanded tracks may also be proposed. For further information regarding train routes, development and possible expansions, visit www.gonctd.com for maps and updates. Trolley and train information can be accessed at www.511sd.com. Refer to Section C.7 below for additional information.

14. Water Retrofit

Buyer and Seller are advised that various cities, including Del Mar and San Diego, may require installation of low-flow water devices in sinks, shower heads and toilets upon transfer of a property. Compliance with these local regulations may be required in addition to those imposed under California Civ. Code section 1101.4 and 1101.5. It is generally Seller's responsibility to comply with these requirements, unless exemptions apply. Any necessary waiver or certificate showing compliance should be obtained from the applicable city authority before closing escrow on the property.

15. Homeless and Illegal Encampments

Buyer and Seller are advised that there are numerous illegal encampments of homeless people in San Diego County, including in urban and undeveloped areas, canyons, and parks. Local law enforcement authorities have not been able to eradicate such encampments. Homeless persons also live in their vehicles on or off public streets. Buyer is advised to investigate the presence and impact of such activity on the Property.

16. Soil and Geologic Conditions

See paragraphs 4 and 9 of the California Association of REALTORS® Statewide Buyer and Seller Advisory (SBSA).

17. Gas Pipelines

Buyer and Seller are advised of the existence of underground "transmission" pipelines used to transport natural gas, crude petroleum, and refined petroleum liquids such as gasoline, jet fuel, and ethanol in San Diego County. In addition, smaller "distribution" pipelines that operate at lower pressures also exist in San Diego County. Each home that uses natural gas is connected to an underground gas distribution pipeline. Pipeline proximity has become a concern to some homeowners following a number of pipeline disasters in the U.S. While buried pipelines can present a risk of explosion, fire, and other health hazards, proximity to a pipeline does not of itself indicate a safety risk. Information on the location of transmission pipelines can be obtained from Natural Hazard Disclosure (NHD) providers. At this time, not all NHD providers report this information. Information on the location of hazardous liquid and natural gas transmission pipe-

lines can also be obtained from the National Pipeline Mapping System at

<http://www.npms.phmsa.dot.gov>.

San Diego Gas & Electric provides gas pipeline information which can be accessed at

<http://www.sdge.com/safety/gas-safety/pipeline-map>.

18. Property Photographs and Data Online

Buyer and Seller acknowledge and understand that the Property was likely listed in the Multiple Listing Services and advertised for sale on the internet. As such, persons listing or entering onto the Property may have photos and/or videos of the Property. Once images of the Property are taken or put on the internet or otherwise, neither the Broker nor the Seller has control over the use of the images, how long they are available to the public via the internet, or who views such images after the sale of the Property.

19. View Restrictions

Buyer and Seller are advised that Coastal and other areas may be subject to governmental development of height restrictions to preserve views. Buyer is advised to contact appropriate government authorities on such restrictions.

20. Electrical Blackouts to Prevent Fires

Buyer and Seller are advised that San Diego County experiences wild fires due to high winds and dry conditions. See SBSA, Paragraph 15. In recent years, utility companies have been forced to shut off electricity to certain areas to prevent fires allegedly caused by downed power lines. This may cause disruption to the use of electricity to the Property during these times. Buyer is advised to investigate the Property for these potential impacts.

B. Environmental Disclosures

1. Animals and Insects

Buyer and Seller are advised that the Property, and surrounding areas, may be inhabited by various species of animals and pests, from insects and bees, rodents and bugs to large animals such as mountain lions, bobcats, coyotes, bears, snakes and reptiles, which may pose hazards. Areas may also be subject to domestic and farm animals, including non-native and endangered species which may pose a hazard to, or affect the potential development of a property.

2. Coastal Cliffs and Beach Areas

Buyer and Seller are advised that building structures located near or on the edge of coastal cliffs and beach areas may be prone to erosion and resulting damage. The stability of the soils and other geological characteristics may impact the Property and the ability to build on the Property.

3. Electrical and Magnetic Fields (EMFs)

Buyer and Seller are advised that Electric and Magnetic Fields (EMFs) are found wherever there is electricity, including underground power lines. Brokers are not qualified to explain potential risks associated with EMFs, if any. It is generally believed that public concern with EMFs may affect the value of a property in close proximity to high-voltage power lines. For further information, visit www.sdge.com/emf.

4. Flood Hazards

Buyer and Seller are advised that flooding can occur throughout the county during storms and heavy rains, resulting in property damage, slippage of embankments, and leaks to structures. Areas particularly affected by the storms are river valleys, including Mission

Valley, San Dieguito River Valley, San Luis Rey River Valley and various coastal areas. A property's history of flooding and its propensity to flood may impact its value and use, and availability and cost of flood insurance. For more information, see the SBSA form, and visit the FEMA website: <https://www.fema.gov/floodplain-management> and County website:

https://www.sandiegocounty.gov/content/sdcldpw/flood/flood_fema_insurance.html.

5. Landfills

Buyer and Seller are advised that within San Diego County there are several active landfills, including the Borrego Landfill, Las Pulgas Landfill, Miramar Landfill, Otay Landfill, San Onofre Landfill and Sycamore Landfill located in Santee. There may be other known or undiscovered, inactive landfills located within San Diego County. For more information about these and other possible landfills visit www.sandiego.gov/environmental-services.com.

6. Defective Drywall

Buyer and Seller are advised that some homes built between 2001 and 2009 may contain imported defective drywall known in the press as "Chinese drywall." Some residents of properties with this drywall have reported problems, including a strong sulfur smell, like rotten eggs; health issues, like irritated and itchy eyes and skin, difficulty breathing; a persistent cough and headaches; and premature corrosion or deterioration of certain metal components in their homes, like air conditioner coils and wiring behind electrical outlets and inside electrical panel boxes. Eliminating problems associated with the drywall may require its removal from the home. For more information, visit the Consumer

Product Safety Commission website at www.cpsc.gov.

7. Hazardous Materials

Buyer and Seller are advised that the Property may contain hazardous materials, including asbestos, lead, radon, and formaldehyde. Various hazardous materials, such as paint, solvents, cleaning supplies or insecticides, may remain on the Property after close of escrow and may require special handling, removal and disposal. Information on these and other hazards is contained in the Homeowner's Guide to Environmental Hazards.

8. Lead Hazard Inspection

Buyer and Seller are advised that the Centers for Disease Control and Prevention (CDC) has identified lead poisoning as the number-one preventable environmental hazard facing children. The primary source of poisoning is found in deteriorated lead-based paint and associated dust in residential units built before 1978, the year lead was banned from residential paint. For residences built before 1978, Buyer is to receive the Federal Lead-Based Paint Pamphlet and disclosure by seller of any known lead-based paint. Review this information carefully and consider hiring a certified lead-based paint inspector to assess potential lead hazards. For further information, contact the California Department of Public Health certified inspector/assessor at www.cdph.ca.gov or www.epa.gov/lead.

9. Methane Gas

Buyer and Seller are advised that methane gas has been found in many areas of San Diego County. Methane is a colorless and odorless gas that exists naturally. When found in high concentrations, if not properly mitigated in accordance with county and city standards, methane can cause breathing problems and can burn or explode.

10. Nuclear Energy/Material

a. San Onofre Nuclear Generation Station

Buyer and Seller are advised that this inactive nuclear power facility located on the San Diego coast, near the Orange County line, contains two nuclear power generators and stored radioactive waste. For further information, including an Emergency Plan and Evacuation Zone Map, please view the following websites:
U.S. Government Nuclear Regulatory Commission: www.nrc.gov
Southern California Edison: www.sce.com and type "San Onofre" in the search line.
Beyond Nuclear Institute: www.beyondnuclear.org
Union of Concerned Scientists: www.ucsusa.org
Nuclear Information & Resource Service: www.nirs.org

b. Naval & Military Bases

Buyer and Seller are advised that various military bases including North Island Naval Air Station, Naval Amphibious Base, Pt. Loma Submarine Base and 32nd Street Naval Station contain naval vessels which may carry nuclear weapons and/or may be nuclear powered. For further information, visit www.militarybases.com.

11. Trees, Crops and Vegetation—Economic Significance

Buyer and Seller are advised that if any trees or crops located on the Property are of economic significance to Buyer, Buyer should obtain from a qualified professional a grove report, verifying tree or plant count and the costs to maintain the trees or crops. Commercial and private agriculture areas are also subject to land and air insecticide spraying which may impact surrounding areas.

12. Private Waste Disposal Systems

Buyer and Seller are advised that if the Property is serviced by a private waste disposal or septic system, its condition, its capacity and future expansion potential will affect the value and use of the Property. Changes in the use or condition of the system may also require that the Property be connected to the municipal sewer system, at the owner's expense. For more information, contact the local municipal water and sewer department.

13. Toxic Mold Advisory

Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms may cause health problems in certain individuals. Not all hazardous organisms are detectable by visual inspection by Brokers or even by a professional home inspector. If concerned, Buyer should retain the services of an environmental expert to conduct appropriate tests of the property. For more information on toxic mold and other health hazards, visit California Dept. of Public Health (CDPH): www.cdph.ca.gov U.S. Environmental Protection Agency (EPA): www.epa.gov/mold

14. General Environmental Concerns

Buyer and Seller are advised that environmental concerns may affect the development and use of a Property including local restrictions on uses, contamination of grounds and wells, proximity to a county dump, requirement of an Environmental Impact Report prior to building, preservation of endangered plants and animals, preservation of Native American artifacts, percolation tests for septic systems and utility pumps.

15. Desalination Plants

Buyer and Seller are advised that a desalination plant located in Carlsbad provides a portion of water to the county. Additional desalination plants may be constructed in the future. Buyer is advised to investigate the impact of such facility on the Property.

16. Water Availability

Buyer and Seller are advised that periodic droughts may impact the availability and cost of water. Use of water may be restricted during periods of drought. Quality of water varies by area. Various areas in the County are serviced by well water. Buyer is advised to contact the local water district for more information.

C. Traffic, Roads and Transportation

Buyer is advised to investigate road conditions and traffic in the areas Buyer intends to travel. For highway conditions call 1-800-427-7623. The CalTrans website, www.dot.ca.gov, as well as SANDAG's website, www.keepsandiegomoving.com, include information on traffic, road closures and upcoming projects. Its local San Diego telephone number is (619) 688-6699. These traffic and road disclosures are not an exhaustive list. If concerned, Buyer should investigate further.

1. Major Freeways — Traffic

Buyer and Seller are advised that Interstates 5 (I-5), 15 (I-15) and 805 (I-805) and State Routes 125 and 163 are major San Diego County north-south freeways. Highways 52, 56, 76, 78 and 94 and Interstate 8 (I-8) are major San Diego County east-west freeways. Due to increased traffic volume and timing, these freeways and their interconnecting roads may regularly experience traffic resulting in delays. For current traffic information, visit <https://traffic.511sd.com>

2. Mass Transit

Buyer and Seller are advised that construction is underway on a Mid-Coast Trolley Blue Line to run adjacent to I-5 between Old Town and Voight Drive, then to a new transit center at Westfield UTC. Completion of this project is set for Fall 2021. For further information, contact the Metropolitan Transit Development Board at (619) 231-1466 or visit www.sandiego.gov/planning/programs and look for the "Transportation Planning" link.

3. Buses

For information on bus routes and/or potential bus routes, contact:

- For San Diego, go to www.sdmts.com.
- For North County, call the North San Diego County Transit District (NCTD) at (760) 966-6500, or visit www.gonctd.com.

D. Air Traffic and Airport Disclosures

Buyer is advised to investigate the area in which the Property is located before purchasing for potential impacts from aircraft noise, flyovers or airports. These disclosures are not an exhaustive list of airport or air fields that may affect county residents:

1. Aircraft Noise—General

Buyer and Seller are advised that some areas are subject to noise emitted by military and/or civilian aircraft including helicopters. Properties near a commercial airport or military facility, may be impacted by the Property. If a Property is in the vicinity of the following civilian airports or military air fields, further information may be obtained by contacting the appropriate airport management:

(a) Agua Caliente Airport, (b) Borrego Valley Airport, (c) Brown Field, (d) Fallbrook Airpark, (e) Gillespie Field, (f) Jacumba, (g) Marine Corps Air Station Miramar, (h) Marine Corps Base Camp Pendleton, (i) McClellan-Palomar, (j) Montgomery Field, (k) Naval Air Station North Island, (l) Naval Outlying Field Imperial Beach, (m) Oceanside, (n) Ocotillo, (o) Ramona, (p) San Diego International, or private airports. Buyer and Seller are further advised that flight paths may be temporarily or permanently altered without notice to affected residents.

2. Aircraft Noise—MCAS Miramar, Camp Pendleton

- Buyer and Seller are advised that a Property may be located in an area subject to aircraft noise

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or over flights of aircraft, including helicopters transitioning to and from Marine Corps Air Station (MCAS) Miramar. Helicopters regularly fly over the coast and I-15 corridor to reach Camp Pendleton. Currently, there are no restrictions on the hours of operation for MCAS Miramar, and if necessary can operate 24 hours a day, seven days a week.

- b. Buyer and Seller are advised that impacts generated by the use of aircraft at MCAS Miramar can affect the use and enjoyment of the Property. Further information may be obtained by reviewing the Final Environmental Impact Statement for Realignment of MCAS Miramar, available at many San Diego area public libraries, and contacting the Commanding General, Community Plans and Liaisons, MCAS Miramar, P.O. Box 452000, San Diego, CA 92145; (858) 577-6603.
- c. Buyer and Seller are advised that if the Property is located within a 25-mile radius of the U.S. Marine Corps Air Station or Camp Pendleton, military operations may have an impact on the Property.

3. Proposed Airport Sites & Runway Expansion

Buyer and Seller are advised that various areas in San Diego County have been proposed, or are being considered, as sites for a future international airport, including expanding Lindberg Field. Additionally, the runway at Carlsbad's McClellan-Palomar will likely be extended to accommodate larger jets, possibly causing additional noise and increased traffic. For further information contact the San Diego County Regional

Airport Authority at www.san.org or visit SANDAG at www.sandag.org.

4. Air Installation Compatible Use Zone (AICUZ) Program

The goal of the Department of Defense's (DOD) Air Installations Compatible Use Zone (AICUZ) Program is to protect the health, safety, and welfare of those living on and near a military airfield while preserving the operational capability of the airfield. AICUZ seeks to identify areas near airfields that might be impacted by noise or aircraft mishaps. If you are considering a property purchase in Coronado, Imperial Beach, Point Loma or areas surrounding MCAS Miramar, the studies may be of interest to you.

- a. The San Diego Airport Land Use Commission has issued a draft (May 2017) of their latest Airport Land Use Compatibility Plan (ALUCP) for North Island/Imperial Beach based on the Navy AICUZ study released in 2011. This ALUCP may mandate the City of Coronado to change the zoning, specific use, and permitting process for parcels located in the zones identified in the AICUZ and ALUCP. Prospective purchasers are advised to read both reports, and should contact the Coronado and Imperial Beach Planning Departments for additional information.
- b. The USMC AICUZ study for Marine Corps Air Station (MCAS) Miramar is more dated, but is available at the MCAS Miramar website: www.miramar.usmc.mil. Portions of Sorrento Valley, Carmel Valley and University City are included in what the Marine Corps refer to as Accident Potential Zones.

E. Specific Area Disclosures

These disclosures cover various communities and are not exhaustive. Buyer should not assume that any community not listed is free of concerns. Buyer is advised to investigate the area to learn what specific conditions may exist. Because services to the Property are affected by whether the Property is in an incorporated city or unincorporated area of the county, Buyer should verify the Property status.

1. COASTAL

a. California Coastal Commission

Buyer and Seller are advised that development or construction on properties within the coastal zone may be subject to the jurisdiction and regulations of the California Coastal Commission, or local regulations

approved by the Coastal Commission. The coastal zone extends a great distance inland in various areas of San Diego County, depending upon the location of coastal habitat, sloughs, and other waterways affected by ocean tides. The development of beachfront property may also be impacted by the determination of "mean high tide lines" in relation to the boundary lines for beachfront property. For further information, contact the California Coastal Commission at (619) 767-2370 or www.coastal.ca.gov.

b. Camp Pendleton

Buyer and Seller are advised that a live-fire artillery range exists at the Marine Corps Base, Camp

Pendleton. Periodic training exercises occur at Camp Pendleton which includes the detonation of military ordnance. During training exercises, noise from the artillery and ordnance can be heard in some areas of North San Diego County. For further information, contact Camp Pendleton at (760) 725-4111 or visit www.pendleton.marines.mil. For noise inquiries, contact Range Operations Division Office at (760) 725-0358 during the hours of 7:30 a.m. to 4:30 p.m., Monday through Friday. After normal business hours (and weekends), contact the Command Duty Officer at (760) 725-5061.

c. Coronado Island (City of Coronado)

Buyer and Seller are advised that:

- i. **Naval Base Coronado.** This command comprises North Island Naval Station, Naval Amphibious Base Coronado, Outlying Landing Field Imperial Beach, and a number of othersmall facilities. Military ordnance, possibly including nuclear weapons, may be stored at these facilities. Nuclear powered warships moor at NAS North Island. For more information about Naval Base Coronado, visit its website: www.cnmc.navy.mil/regions/cnsw/installations/navbase_coronado.html
- ii. **Coastal Campus Expansion - Coronado Cays.** The Navy is currently developing 170 acres on the south end of Coronado for a training and administrative center.
- iii. **Traffic.** Traffic to and from Naval Base Coronado can be heavy. Streets particularly affected are: First, Third, Fourth, Orange, Alameda, Ocean, Pomona, and Silver Strand Boulevard. For more information, visit www.cnmc.navy.mil/coronado/index.htm.
- iv. **Development.** City of Coronado development and zoning standards have changed in recent years. Buyer should verify with the City of Coronado any proposed changes to existing structures and/or zoning constraints on new construction. Many structures no longer comply with the current zoning code.
- v. **Historic Demolition Ordinance.** The City of Coronado has implemented an ordinance which may limit a Buyer's ability to modify or demolish older homes. Homes older than 75 years are automatically subject to City review before any significant changes are allowed. Buyer is urged to consult with the City if demolition or modifications are contemplated.
- vi. **Coronado Shores Condominiums.** Of the 10 Coronado Shores buildings, the following five

buildings are without fire sprinklers: 1720, 1730, 1760, 1770 and 1830 Avienda del Mundo. The same buildings have tested positive for asbestos. 1830 Avenida Del Mundo has leased rooftop space for wireless communication carriers. Buyers are urged to contact individual building managers for building specific information.

- vii. **Hotel Del Coronado.** The City of Coronado has approved a master plan for expansion of the Hotel Del Coronado. Details can be found at www.coronado.ca.us.

d. Coastal - Sea Level Rise

Buyer and Seller are advised that Coastal communities in the county are working with the California Coastal Commission to address issues related to climate change and sea level rise, including potential changes in flood maps, flood risks and insurance. For more information on how this may impact properties adjacent to the ocean, including any mitigation plans, contact the local jurisdiction handling this issue. Also, visit: <https://www.coastal.ca.gov/climate/slr/>.

e. Coastal View Restriction

Buyer and Seller are advised that Coastal properties in San Diego County may be subject to governmental development or height restrictions to preserve views. Buyer is also advised to contact the appropriate government authority on such restrictions.

2. NORTH COUNTY INLAND

a. Fallbrook (Unincorporated)

Buyer and Seller are advised that:

- i. **Naval Weapons Station.** The Naval Weapons Station stores explosives munitions, including napalm, and is located along the westerly boundary of Fallbrook. For further information, contact (760) 731-3609, or www.cnmc.navy.mil. (See also Sections D.2 and E.1.b, above.)
- ii. **Public Utility District.** If the utility account of a previous owner of a Property within the Fallbrook Public Utility District is closed, delinquent or remains unpaid, the amount due will be transferred to the new owner of the Property after normal collection procedures are exhausted. As a result, and to prevent conflict, the District will accept payment of closing bills through escrow. For further information, obtain the status of a Property's account by calling the District's Customer Service number at (760) 728-1125. Additional information is at www.fpud.com.

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iii. Rosemary's Mountain Quarry. Rosemary's Mountain Quarry is an active rock quarry located near the San Luis Rey River. Properties in the vicinities of the rock quarries may experience occasional explosion and equipment noise, increased industrial traffic and dust from the quarry operations.

iv. New Development. Construction is underway on a master planned community known as Horse Creek Ridge located east of the I-15 and Highway 76 junction. When completed the residential segment of the development will include 500+ single family residence and 230 condominiums. For more information, visit www.livehcr.com.

b. Bonsall (Unincorporated)

Buyer and Seller are advised that a mushroom farm is located in Bonsall between Old River Road and Gopher Canyon Road. Under certain atmospheric conditions, odors can emanate from the mushroom farm and may affect properties in the area.

c. Escondido (City of Escondido)

Buyer and Seller are advised that:

i. Agricultural Activity and Odors. Areas of Escondido may contain farms, chicken ranches, horse ranches and dairies. As a result, there may be odors and noise from these activities that affect a property.

ii. Chatham Barrel Yard. The Chatham Brothers Barrel Yard, once used as a solvent recycling facility and oil drum storage area, is located near the intersection of Gamble Lane and Bernardo Avenue. Designated a hazardous waste site, it is subject to an ongoing State cleanup project. In 1987 the County of San Diego established an area around the site within which proposed residential projects required special review. Residential construction has been approved within that area. For further information, contact the Project Manager, California Environmental Protection Agency, Department of Toxic Substances Control at (800) 728-6942, or visit www.dtsc.ca.gov/database and request a search on Document ID 37490029,

d. Ramona (Unincorporated)

Buyer and Seller are advised that:

i. Noise, Barona Raceway and Off-Road Vehicles. Potential noise exists from farms, ranches, factories, animals, civilian/military aircraft, heavy equipment, off-road vehicles, motorcycles, schools, and related activities. Marine helicopters and other aircraft from MCAS Miramar may travel over this area. See Section

D.2 above. The Ramona Airport has a variety of aircraft that use the facility, including the California Department of Forestry.

ii. Odors, Fumes and Dust. Potential odors and fumes exist from county waste facilities, farms, ranches and residences, herbicides, pesticides, chemical fertilizers, and soil amendments.

iii. Environmental Concerns. Ramona strictly enforces the rules regarding the use of private waste disposal or septic systems. See B.12 above.

iv. Sewage. The Ramona Municipal Water District operates the water, sewer, and all related systems in the Ramona area. An expansion and upgrading of the sewer system may be necessary in the future and may affect the ability to connect to the sewer. Some unimproved lots in the San Diego Country Estates and Ramona may not have the ability to hook up to the public sewer system or may be subject to special fees or assessments. There may be additional fees in the future. For further information, contact the Water District to verify sewer availability for a Property. A Property that is not hooked up to the sewer will need to have a septic system to construct a home. Not all properties can support a septic system. For more information, visit www.rmwd.org or call (760) 789-1330.

v. Unavailability of Natural Gas. Natural gas is not yet readily available in Ramona and, therefore, propane is used. Propane tanks are available for purchase or lease from vendors.

vi. Explosive Ordnance. Areas in and immediately around the Ramona Airport have been used in the past (1942 through 1946) by the military for bombing practice. Some live, unexploded military ordnance has been found and other ordnance may exist.

e. Rancho Bernardo (City of San Diego)

Buyer and Seller are advised that:

i. Groundwater Seepage. There are areas in Rancho Bernardo where groundwater emerges, even in summertime, including certain areas of the Seven Oaks subdivision.

ii. Methane Gas. See Section B.8 above.

iii. **Soils.** Rancho Bernardo is known to have significant areas of expansive soils. Any area that has had substantial grading may have locations where fill has been inadequately or improperly compacted. There is a potential for subsidence and resultant structural or cosmetic problems in such locations. See paragraph 3 of the Statewide Buyer and Seller Advisory.

iv. **Poway Unified School District.**
See next paragraph.

f. Poway Unified School District

Buyer and Seller are advised that owners of properties in the Poway Unified School District, except those in Mello-Roos assessment districts, are annually assessed \$55 per \$100,000 of the assessed property value for school bonds approved by the district's voters in November 2002 (Proposition U). For further information, visit the school district's website at www.powayusd.com.

g. Rancho Santa Fe / Del Rayo (Unincorporated)

Buyer and Seller are advised that the Rancho Santa Fe area is known to have significant areas of expansive soils. Any areas (such as the greater Fairbanks Ranch area) that have had substantial grading may have locations where fill has been inadequately or improperly compacted. There is a potential for subsidence and resultant structural or cosmetic problems in such locations. See Section B.5. A soils report dated January 13, 1992, prepared by MV Engineering, Inc., concluded that a soils problem exists with the retaining wall behind 5867, 5859, 5851 and 5843 Saratoga Corte (lots 36-39, inclusive), in the Del Rayo Downs development.

h. Fairbanks Ranch (Unincorporated)

Buyer and Seller are advised that:

- i. **There are easement areas throughout Fairbanks Ranch,** including various open space easement requirements that may be applicable to the Property. For further information, review a preliminary title report and contact the Fairbanks Ranch Association at (858) 756-4415 or www.fairbanksranch.org.
- ii. **There is fill soil on many lots in Fairbanks Ranch,** and soils problems on specific lots may affect a lot's suitability for development. See paragraph 3 of the Statewide Buyer and Seller Advisory.
- iii. **Fairbanks Ranch is a private community,** managed by and through its homeowners as-

sociation, and subject to applicable CC&Rs and Bylaws. See Section A.6 above.

iv. **There are common areas throughout**

Fairbanks Ranch, including tennis courts, clubhouse, equestrian center, equestrian trails, roads, greenbelts and open space. The proximity of these areas to a property may impact its value or use.

v. **The Fairbanks Ranch Equestrian Center is an amenity of the Fairbanks Ranch community.**

The Fairbanks Ranch Association's long-range plans for the Equestrian Center, and the benefits and use of the Center impact the value of the Property. For further information, contact the Fairbanks Ranch Association at (858) 756-4415.

3. EAST COUNTY

a. Santee (City of Santee)

Buyer and Seller are advised that:

- i. **The Las Colinas Women's Jail** is to be significantly enlarged in the future
- ii. **The Sycamore Landfill** facility is due to be enlarged by approximately three times its current capacity.

For information on these and other matters in Santee, visit www.cityofsanteeca.gov.

b. Fletcher Hills (City of El Cajon)

Buyer and Seller are advised that portions of the Fletcher Hills in the area of El Cajon have been designated as an ancient landslide area, and may contain unstable soils conditions. See Statewide Buyers and Sellers Advisory (SBSA), paragraph 4, "Geologic Hazards," and paragraph 9, "Soils and Geologic Conditions."

c. Tierra Del Sol/Boulevard/Campo Area

Buyer and Seller are advised that there is a proposed landfill known as the "Campo Municipal Solid Waste Landfill and Recycling" to be built near the southern end of the Campo Indian Reservation. This proposed landfill may impact the environment, including creating additional traffic. For further information on this, visit www.campo-nasn.gov/campolandfill.html.

d. Julian

Buyer and Seller are advised that water in this area, including water districts, is serviced entirely by wells. For more information, contact the local water authority.

e. Rancho Santa Teresa Estates

Water in this area, including the applicable water district, is serviced entirely by wells. For more information, contact the local water authority.

LOCAL AREA DISCLOSURES FOR SAN DIEGO COUNTY

4. SAN DIEGO (City of San Diego)

a. Tierrasanta

Buyer and Seller are advised that:

- i. **Explosive Ordnance.** The Tierrasanta community was previously the site of a World War II military training base. Some live, unexploded military ordnance has been found and is known to exist in the open space and canyon areas of Tierrasanta and may underlie other areas of the community. A comprehensive program to clean up this ordnance was started in 1990 and completed in 1994. Caution is required when traveling in the canyons and Mission Trails Park areas.
- ii. **Quarry Noise.** El Dorado Terrace, El Dorado Ridge, Sunset Ridge, El Dorado Greens, Canterbury Hills, and Monte De Oro may occasionally experience quarry explosion noise caused by V.R. Dennis Construction Company, which is planning to upgrade the existing asphalt plant on its property. For further information, contact the V.R. Dennis Construction Company.

b. Navajo/San Carlos Area

Buyer and Seller are advised that due to a high incidence of landslides over the past few years, the City of San Diego has established a geological hazard area in the Navajo community bounded by Mission Gorge Road, Golfcrest Drive, Navajo Road, Waring Road and Princess View Drive in San Diego. Development in this area may be restricted by City requirements for geologic reports and warranties against landslides.

c. Downtown San Diego

Buyer and Seller are advised that:

- i. **Traffic and Noise.** Downtown San Diego (including the Gaslamp Quarter) is subject to noise from trolley, trains, and heavy traffic at times, especially when there is a baseball game or other event at Petco Park. There are also other events such as Mardi Gras, symphony Summer Pops Concerts, marathons, and music and sports events that cause street closures and other traffic problems, and noise, including but not limited to fireworks.
- ii. **New Buildings.** Views may be altered, or obstructed by new buildings, parks, trees and other projects. From time to time, there are noise issues related to construction.
- iii. **The Homeless.** Downtown and adjacent areas experience the congregation of homeless and transients. Programs exist that service them, such as temporary housing, food distribution centers, and healthcare outreach facilities.
- iv. **Governments.** Downtown is home to admin-

istrative offices of the City of San Diego, the County of San Diego, the State of California, and the U.S. (federal) government, including the U.S. District Court, IRS, Navy, Customs, Social Service Administration, and others. Both the federal government and the County operate correctional facilities downtown. For specific information, visit the websites of the appropriate agencies.

- v. **Information.** For more information, visit the website of the agency in question. Information may also be obtained from Civic San Diego at (619) 235-2200 or visit www.civicsd.com. For Gaslamp Quarter events: www.gaslamp.org.

5. SOUTH COUNTY

a. Chula Vista

Buyer and Seller are advised that:

- i. **North Island Credit Union Amphitheater,** located in south Chula Vista east of I-805 off the Main Street/Otay Valley Road exit, creates noise from concerts and events, as well as traffic, which may impact properties in the area.
- ii. **Aquatica SeaWorld Waterpark** is located east of I-805 at the Main Street/Otay Valley Road exit.
- iii. **Tijuana International Airport** is located approximately five miles south of the U.S.-Mexico border.
- iv. **Trolley Lines.** A trolley line is proposed to run along Palomar Street in Chula Vista. The median within East Palomar Street contains a right-of-way for a proposed trolley line and station. The station is proposed to be located east of the intersection of Palomar Street and Santa Cora Avenue. For more information, refer to Section A.10.
- v. **Bayfront Development.** Both Chula Vista and National City may be subject to bay front development, including a Convention Center and resort hotel. If approved, the project is expected to be carried out in four major phases over the next two decades. For more information, visit www.portofsandiego.org/chulavistabayfront.
- vi. **Eastern Urban Center (EUC).** Chula Vista has approved a 20-year project, the Eastern Urban Center, which will create an urban epicenter in the middle of the suburban 23,000-acre Otay Ranch community in eastern Chula Vista. The EUC is currently being designed to

include over 3.4 million square feet of commercial space (office, civic and retail) and approximately 3,000 multifamily housing units. The EUC is located along the recently opened South Bay Expressway between Birch Road and Hunte Parkway. For more information, visit: www.projectdesign.com/projects-eastern-urban-center.html.

b. All Border Areas -- Impacts from Mexico

- i. South County may experience air, water, sewage, and noise pollution from activities in Mexico. For information on air pollution go to www.sdapcd.org. For water pollution, go to www.waterboards.ca.gov/sandiego/. The noise is primarily from the Tijuana airport.
- ii. Buyer should evaluate the impact to the Property that illegal crossings along the U.S.-Mexican border may have, as well as any new construction or activity along the border. For further information, visit www.usborderpatrol.com

6. DESERT

Borrego Springs

The Salton Sea, east of Borrego Springs, occasionally experiences wind conditions that cause odors to be transmitted from the Salton Sea to the Borrego Valley. For more information, visit the County of San Diego website: www.saltonseaauthority.org.



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If you are aware of any local disclosure that should be included in this booklet and is not, please contact the SDAR Risk Management Department via email at legal@sdar.com. Thank you.

SIGNATURE PAGE

The LAD does not list all conditions in San Diego County that may affect the Property. There may also be new conditions since the LAD was published, or conditions of concern to the Buyer. BUYER SHOULD INVESTIGATE AND OBTAIN ADDITIONAL INFORMATION ON ALL ISSUES OF CONCERN, AND NOT RELY SOLELY ON THE INFORMATION RECEIVED FROM SELLER AND BROKERS. SHOULD BUYER FAIL TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS.

Buyer and Seller are encouraged to read the LAD carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of the LAD (16 pages).

BUYERS

Date

Date

Buyer Signature

Buyer Signature

Buyer Printed Name

Buyer Printed Name

SELLERS

10/31/2022
Date

Date

Megan Meyer authorized signer on behalf of Opendoor Property J
Seller Signature LLC

Seller Signature

Opendoor Property J LLC
Seller Printed Name

Seller Printed Name

LOCAL AREA DISCLOSURES FOR SAN DIEGO COUNTY

