

JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS

URBAN EDGE

THIS DOCUMENT IS A LEGALLY BINDING CONTRACT WHEN SIGNED. READ IT CAREFULLY. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR OBLIGATIONS UNDER THIS CONTRACT, YOU SHOULD CONSULT WITH AN ATTORNEY BEFORE SIGNING IT.

THIS JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by and between Seller and Buyer named below.

1. INTRODUCTORY PROVISIONS

1.1 Parties. The parties to this Agreement are as follows:

SELLER: URBAN EDGE, LP, a California limited partnership; and

BUYER: \_\_\_\_\_ and (Buyer's Name)

\_\_\_\_\_ (Buyer's Name)

(collectively referred to herein as "Buyer"), who will take title to the Property as:

\_\_\_\_\_ (Vesting)

THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND/OR TAX CONSEQUENCES. BUYER IS ENCOURAGED TO DISCUSS THIS SUBJECT WITH BUYER'S LEGAL AND/OR TAX ADVISOR. If the vesting of title will be different from that which is indicated above, Buyer shall notify Escrow Holder and Seller in writing not more than ten (10) calendar days after the execution of this Agreement by Buyer. Buyer is NOT permitted to assign Buyer's rights under this Agreement (see Paragraph 2.5.7 below).

1.2 Property. The real property ("Property") which is the subject of this Agreement is located in City of San Diego, County of San Diego, and is commonly known as:

4079 First Avenue
San Diego, California 92103

The Property is more particularly described as:

Unit No. \_\_\_\_\_, as shown upon the AMENDED AND SUPERSEDED CONDOMINIUM PLAN FOR URBAN EDGE, as recorded on \_\_\_\_\_, 202\_\_, as Document No. 202 - \_\_\_\_\_ in the Office of the County Recorder for San Diego County, California ("Condominium Plan"), being portions of LOT 4, BLOCK 5, AS SHOWN ON THAT CERTAIN MAP ENTITLED HILLCREST, IN THE CITY OF SAN DIEGO, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 1024, AND AMENDED ACCORDING TO MAP NO. 1069, FILED ON JUNE 21, 1907 and as supplemented by Certificate of Compliance recorded on November 5, 2019 as Document No. 2019-0507863, and all interests appurtenant to such Unit as shown on the Condominium Plan. The Condominium Plan is subject to revision by Seller during the term of the escrow for this purchase.

1.3 Escrow Holder. The escrow company ("Escrow Holder") shall be First American Title Insurance Company.

1.4 Receipt for Deposit. Received from Buyer the sum of \$ \_\_\_\_\_ ("Purchase Deposit") payable to Escrow Holder. Such sum may be deposited immediately by Seller on account of the Total Purchase Price as set forth in Addendum "A" attached hereto for the Property.

2. PURCHASE AND SALE PROVISIONS

2.1 Agreement to Buy and Sell. Seller agrees to sell and Buyer agrees to purchase the Property on the terms and conditions set forth in this Agreement. The purchase of the Property shall be accomplished by Buyer by means of:

Check one:

[ ] FINANCING REQUIRED: Buyer will apply, qualify for and obtain financing sufficient to close escrow in the sum indicated on Addendum "A" ("New Loan Amount"); or

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

- FINANCING NOT REQUIRED:** Buyer will provide all cash to close escrow without obtaining a loan.

2.1.1 **Possible Limited Loan Contingency (Applicable Only to Seller Approved Lender).** Buyer's obligations under this Agreement are **not** contingent on qualifying for a new loan to purchase the Property unless: (i) the alternative of FINANCING REQUIRED above has been selected, and (ii) Buyer utilizes the Seller Approved Lender to make Buyer's new loan. If FINANCING REQUIRED has been selected and Buyer utilizes the Seller Approved Lender to make Buyer's new loan, Buyer's obligation to close escrow is subject to the Property and Buyer qualifying for Buyer's new loan in the sum indicated on **Addendum "A"** at the terms and the interest rate prevailing as of the date of loan approval. Buyer's obligations under this Agreement are **not** contingent on Buyer qualifying for or obtaining a new loan from any lender other than the Seller Approved Lender. Buyer shall immediately notify Seller in writing should Buyer make a loan application with an institutional lender of Buyer's sole choosing ("**Outside Lender**") which is not a Seller Approved Lender.

2.1.2 **No Contingency of Sale of Another Property.** Unless Buyer and Seller have entered into a Contingency Sale, **Addendum "K"**, Buyer understands and agrees that Buyer's obligations under this Agreement shall not be contingent on the sale of another property and Buyer shall be in default under this Agreement if Buyer fails to close escrow for that reason and Seller may terminate this Agreement and cancel the escrow in accordance with **Paragraph 2.8.1** below.

Buyer and Seller further acknowledge that the Property is located within a "**common interest development**" as defined in CALIFORNIA CIVIL CODE Section 4100, and the purchase of the Property by Buyer shall be subject to the terms and provisions of **Addendum "B"** attached hereto.

2.2 **Addenda.** The Addenda noted below are a part of this Agreement and are incorporated into this Agreement:

- Addendum "A" – Purchase Price / Closing Cost Addendum
- Addendum "B" – Common Interest Development
- Addendum "C" – General Provisions
- Addendum "D" – General Information Report
- Addendum "E" – Disclosure Regarding Mold
- Addendum "F" – Options
- Addendum "G" – Functionality Standards and Non-Adversarial Procedures for Statutory Construction Claims
- Addendum "H" – Arbitration of Disputes
- Addendum "I" – Universal Design Checklist Disclosure
- Addendum "J" – Fit and Finish Warranty
- Addendum "K" – Contingency Sale
- Addendum "L" – FHA/VA Financing Addendum

2.3 **Purchase Price.** The Total Purchase Price stated on **Addendum "A"** and Buyer's closing costs, prepaid expenses and impounds, estimates of which are indicated on **Addendum "A"**, shall be deposited by Buyer into escrow not later than three (3) business days prior to the "**Closing Date**", as defined in **Paragraph 3.2.1** below; provided, however, the New Loan Amount shall be deposited into escrow in immediately available funds no later than twenty-four (24) hours prior to close of escrow.

2.4 **Title.** Buyer will receive at:  Seller's expense  Buyer's expense [**"x" appropriate box**] a preliminary title report covering the Property from a title company licensed to do business in the State of California ("**Title Company**") prior to the close of escrow. At the close of escrow, title to the Property shall be conveyed to Buyer free of liens and encumbrances other than the following: (A) current real property taxes, special taxes and any assessments levied by any Community Facilities District, Community Services District, Lighting and Landscape District and/or other special district or taxing authority; (B) the **AMENDED AND RESTATED DECLARATION OF RESTRICTIONS FOR URBAN EDGE** that will encumber the Community ("**Declaration**"); (C) all other covenants, conditions, restrictions, easements, rights and rights of way of record, apparent and in the deed to file, if any, or apparent; (D) the purchase money deed of trust in favor of Buyer's lender; (E) all other matters approved in writing or caused by Buyer; and (F) any other matters which do not materially impair the use of the Property for purposes allowed under the Declaration. The Property shall be conveyed subject to any reservations in favor of Seller or others as reflected in the recorded records or grant deed conveying property, of all oil, minerals, natural gas and other hydrocarbons, geothermal steam and water rights. At the close of escrow, Buyer will receive an owner's standard form ALTA Residential policy of title insurance ("**Title Policy**") issued by the Title Company, showing title vested in Buyer as provided above. The Title Policy shall be in the amount of the Total Purchase Price for the Property. The premium for the Title Policy and any endorsements shall be paid as provided in **Paragraph 3.3** below.

2.5 **Buyer's Duties.**

2.5.1 **Diligently Pursue Loan.** If Buyer has indicated in **Paragraph 2.1** above that financing is required, Buyer shall use best efforts to qualify for and obtain institutional financing as follows:

(a) Within three (3) business days after execution of this Agreement by Buyer, Buyer shall provide Seller with the name and address of an institutional lender approved by Seller ("**Seller Approved Lender**"), and if Buyer so elects, with the name and address of the Outside Lender. The Seller Approved Lender is not an affiliate of Seller;

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

(b) Within five (5) business days after execution of this Agreement by Seller, Buyer shall submit a completed loan application (together with all other information and fees required by such lender) to the Seller Approved Lender, and if Buyer so elects, a completed loan application (together with all other information and fees required by the Outside Lender). As an alternative, Seller may, at its sole discretion, allow Buyer to provide Seller with a written loan prequalification letter satisfactory to Seller from the Outside Lender acceptable to Seller;

(c) Buyer shall take all steps necessary for the prompt processing of the loan application prior to the Closing Date with the Seller Approved Lender or the Outside Lender (if applicable), including, without limitation, fully responding to any request by the Seller Approved Lender or the Outside Lender (if applicable), for documents or more information within three (3) business days after receipt of such request; and

(d) Buyer shall deliver to Seller the following regarding Buyer's loan:

(i) *If The Estimated Closing Date Is Within 60 Days.* If the Estimated Closing Date is sixty (60) or fewer calendar days after the date Buyer has executed this Agreement, Buyer shall deliver to Seller evidence satisfactory to Seller that Buyer has obtained final loan approval for the New Loan Amount from the Seller Approved Lender or the Outside Lender (if applicable) subject only to appraisal of the Property within forty-five (45) calendar days prior to the Estimated Closing Date.

(ii) *If The Estimated Closing Date Is More Than 60 Days.* If the Estimated Closing Date is more than sixty (60) calendar days after the date Buyer has executed this Agreement, Buyer shall deliver to Seller: (i) evidence satisfactory to Seller that Buyer has obtained credit approval within fifteen (15) calendar days after the date Buyer has executed this Agreement from the Seller Approved Lender or the Outside Lender (if applicable), and (ii) final unconditional loan approval for the New Loan Amount from the Seller Approved Lender or the Outside Lender (if applicable) within forty-five (45) calendar days prior to the Estimated Closing Date.

In the event Buyer fails to use his or her best efforts to qualify for and obtain financing as described above or takes any voluntary act to prevent loan approval, Buyer shall be in default hereunder, and Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 2.8.1(a)** below. No act or omission by Seller shall be deemed a waiver of its right to later terminate this Agreement for Buyer's failure to diligently pursue or obtain financing within the time periods described in this Paragraph.

Seller may terminate this Agreement and cancel escrow if at any time Seller determines that Buyer will be unable to obtain financing in a timely manner. No reasonableness standard shall apply to such determination by Seller (that is Seller's determination shall be in Seller's sole discretion) within the thirty (30) calendar day period after Buyer signs this Agreement. Any such cancellation during such initial thirty (30) day period will be in accordance with **Paragraph 2.8.1(b)**. Any such cancellation thereafter shall be in accordance with **Paragraph 2.8.1(a)** unless Buyer's obligations are subject to a loan contingency pursuant to **Paragraph 2.1.1**, in which event, any such cancellation shall be pursuant to **Paragraph 2.8.1(b)**. As an alternative to exercising its remedies to terminate this Agreement should any of these requirements not be met by Buyer in a timely manner, Seller may, in its sole discretion, require Buyer's deposit and liquidated damages be increased in an amount decided by Seller.

By initialing below, Buyer gives Seller or Seller's designated agent permission to obtain a credit report on Buyer. Additionally, Buyer hereby authorizes Seller to disclose to Buyer's lender information about Buyer known to Seller and to obtain information from Buyer's lender regarding Buyer's loan, and further authorizes Buyer's lender to disclose to Seller all information about Buyer known to such lender. Such information may include exchanging copies of completed applications and other documents given by Buyer. Buyer shall execute such further forms of written authorization for Seller to obtain information regarding Buyer's loan with Buyer's lender as such lender may reasonably request.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**2.5.2 Verification of Buyer's Funds.** Prior to Seller's acceptance of this Agreement, Buyer must supply Seller with all information requested by Seller to verify the availability to Buyer of the cash funds necessary to complete the purchase of the Property. Furthermore, Buyer shall supply Seller with further information or updated information to verify the availability to Buyer of the cash funds necessary to complete the purchase of the Property within three (3) business days after Seller requests the further or updated information. If Buyer fails to supply Seller with any requested information within three (3) business days as required herein, Buyer shall be in default hereunder and Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 2.8.1(a)** below.

**2.5.3 Diligence After Loan Approval.** After approval of Buyer's loan application by Buyer's lender, Buyer shall diligently comply with each of the requirements of Buyer's lender necessary to close escrow by the Estimated Closing Date or Buyer shall be in default hereunder and Seller may terminate this Agreement and cancel escrow in accordance with **Paragraph 2.8.1(a)** below.

**2.5.4 Payment of Purchase Price.** Buyer shall deposit into escrow, in immediately available funds (*i.e.*, wired funds or a cashier's check drawn on a California banking institution), all amounts which are to be paid to Seller, Escrow Holder or third parties, other than the New Loan Amount, not later than three (3) business days prior to the Closing Date. Buyer shall cause the New Loan Amount to be deposited in immediately available funds into escrow not later than twenty-four (24) hours prior to the Closing Date.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

2.5.5 **Flooring, Color and Upgrade Selections; Option Selections.** Unless already chosen and/or installed by Seller as of the date of this Agreement, Buyer shall make any flooring, color and upgrade or option selections from the choices provided by Seller within fourteen (14) days after acceptance of this Agreement or within such other time frames specified by Seller. **Deposits in an amount to be determined by Seller are required at the time selections are made and all selections shall be final.** If the unavailability of Buyer's selections will prevent installation of the selections in the Property by Seller prior to the Estimated Closing Date, Buyer shall, within three (3) business days after Seller's written request, provide Seller with alternate selections from the list provided by Seller. Buyer also understands that although Buyer may desire to obtain financing for the cost of any selections through Buyer's loan, if any, Buyer's lender may or may not allow Buyer to finance the entire cost of such items. If for any reason Buyer's lender does not allow Buyer to fully finance such costs, Buyer agrees to deposit the entire unfinanced portion of such costs into escrow not later than thirty (30) calendar days prior to the Closing Date. If Buyer does not make selections within the foregoing time frames, Seller shall have the right to make said selections for Buyer or to declare Buyer in default hereunder.

2.5.6 **Right of Entry.** Buyer shall permit Seller to enter onto the Property upon reasonable notice during normal business hours after the close of escrow if any corrective or additional work is required by any governmental agency or is specified on Buyer's and Seller's joint inspection corrective list described in **Paragraph 2.6.2** below.

2.5.7 **No Assignment; No Early Re-Marketing By Buyer.** This Agreement and the escrow established under this Agreement may not be assigned or otherwise transferred, voluntarily or by operation of law, by Buyer without the prior written consent of Seller and any attempt to do so shall be void and of no effect. In that regard:

(a) **Buyer agrees to not list the Property for sale or otherwise attempt to re-market the Property unless and until escrow closes; and**

(b) **The escrow must close showing title to the Property vested in Buyer.**

2.5.8 **Buyer's Duty to Cooperate.** Buyer understands and acknowledges that upon Seller's acceptance of this Agreement, Seller will incur carrying and other costs attributable to Seller's holding the Property off the market, which costs will increase if Buyer fails to perform all actions necessary to close escrow. Accordingly, Buyer agrees to cooperate with Seller and shall use best efforts and diligently take any action necessary to timely close escrow, including, without limitation, promptly cooperating in good faith with Buyer's lender, Escrow Holder and the Title Company, and promptly providing all information requested by Seller, Buyer's lender, Escrow Holder or the Title Company. Buyer acknowledges that Buyer's failure to so cooperate shall constitute a default hereunder.

2.5.9 **Insurance.** If required, Buyer shall procure, prior to close of escrow, such insurance for the Property as Buyer's lender may require as a condition to extending credit to Buyer. Buyer shall, at least ten (10) calendar days prior to the Estimated Closing Date, provide the name, address and phone number of Buyer's insurance agent to Escrow Holder. In the event Seller determines, in its sole discretion, that Buyer is not procuring such insurance in a timely manner, Seller may procure any such insurance at any time prior to the Closing Date as the agent of Buyer, and Buyer hereby authorizes Seller to obtain such insurance. Buyer shall reimburse Seller for the actual cost of any such insurance purchased by Seller. In the event Seller finds it necessary to procure such insurance, Buyer shall indemnify and hold Seller harmless against any and all losses arising from the selection of such insurance policies.

2.5.10 **Soils/Geology.** A soils and geological report for this subdivision is on file with the County or City in which the Property is located, and upon request, a copy will be made available in the sales office for Buyer's review. Buyer agrees not to alter any drainage characteristics or drainage devices on the Property.

## 2.6 **Seller's Duties.**

2.6.1 **Construction.** Provided Buyer shall have satisfied all contingencies and fulfilled all obligations required of Buyer under this Agreement, Seller shall complete the Property within two (2) years after the date Seller executes this Agreement. Notwithstanding the foregoing, if Seller is delayed at any time in completing the Property for any reason beyond the reasonable control of Seller, then the time for completion of construction shall be extended for the period of delay.

2.6.2 **Buyer Orientation and Inspection.** Buyer, and not more than two persons who Buyer may wish to invite, and Seller or Seller's representative shall meet for an orientation and inspection of the Property prior to the Closing Date. Buyer shall make himself or herself available within forty-eight (48) hours after Seller's request to meet. Failure of Buyer to meet with Seller after Seller's request shall not delay the close of escrow. Any corrective work agreed to be performed by Seller as a result of such inspection as described on the list shall not delay the close of escrow. Seller will complete corrective work listed on the list of corrective work and agreed to by Seller within a reasonable period after close of escrow. Seller will utilize industry standards in deciding whether to agree to corrective work.

2.6.3 **Delivery of Grant Deed.** Seller shall deliver to Escrow Holder on or before the Closing Date a duly executed Grant Deed in recordable form sufficient to convey good title to the Property to Buyer, subject to the matters referenced in **Paragraph 2.4** above.

2.7 **Buyer's Acknowledgment of Understanding.** Buyer acknowledges his or her understanding of each of the following matters:

2.7.1 **Buyer Has Freely Chosen Lender.** Buyer understands that although Buyer may be required by Seller to submit a loan application to an institutional lender designated by Seller (which is not an affiliate of Seller) to assist Seller in determining Buyer's qualifications for the New Loan Amount, Buyer acknowledges and confirms that Seller has not

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

required Buyer to obtain Buyer's loan from any particular lender, and that Buyer has chosen a lender of Buyer's own choice. Buyer acknowledges that Seller makes no representations or warranties with regard to any lender, including, without limitation, the ability of any lender to provide Buyer's financing. Buyer further represents that Seller has not coerced Buyer to seek any particular loan or agree to any particular loan terms.

2.7.2 **Financing; No Promise Regarding Loan Availability and Interest Rates.** Buyer acknowledges that a variety of competitive financing programs are available to Buyer, such programs are offered by several institutional lenders or loan brokers and that Seller is not affiliated with these lenders or brokers. Buyer understands that the interest rate and loan fees for the loan applied for will be determined at the time of loan approval and may be higher or lower than at the date of the sale. Buyer acknowledges that Seller has given Buyer no assurances that Buyer will qualify for financing of the Property. Buyer also acknowledges that the interest rate and loan fees referenced on the loan application are for illustrative purposes only and do not constitute a binding commitment.

2.7.3 **No Interest on Deposit.** Buyer acknowledges Buyer's understanding that purchase money deposits for the Property will not bear interest.

2.7.4 **Agency Confirmation.** Buyer acknowledges that the real estate agent identified on the last page of this Agreement is the agent of Seller exclusively. Buyer understands and agrees that all sales agents and representatives utilized by Seller are and shall be agents and representatives of Seller exclusively and Buyer shall neither engage nor regard any of Seller's agents or representatives as an agent or representative of Buyer.

2.7.5 **DISCLAIMER OF WARRANTIES. EXCEPT FOR ANY SEPARATE FIT AND FINISH WARRANTY THAT MAY BE PROVIDED BY SELLER TO BUYER, SELLER DOES NOT PROVIDE ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY OF CONSTRUCTION OR OTHERWISE, AND TO THE FULLEST EXTENT PERMITTED BY LAW.**

Buyer has read and understands **Paragraph 2.7**, and by placing his initials below agrees to be bound thereby.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

2.8 **Termination.**

2.8.1 **Termination by Seller.**

(a) **Upon Buyer's Default.** If Buyer fails to complete the purchase of the Property by reason of any default of Buyer under this Agreement (including, without limitation, Buyer's failure to use best efforts to obtain financing as more particularly described in **Paragraph 2.5.1** above), Seller may terminate this Agreement and cancel the escrow by giving written notice of such termination ("**Termination Notice**") to Escrow Holder and Buyer pursuant to **Paragraph 2.8.5** below. Upon the giving of such Termination Notice, Seller shall deposit into escrow all of Buyer's deposits held by Seller pursuant to CALIFORNIA BUSINESS AND PROFESSIONS CODE Section 11013.2(c) or Section 11013.4(b). Thereafter, Seller, Buyer and Escrow Holder shall proceed as provided in **Paragraph 2.8.5** below.

(b) **Upon Failure of Condition.** **PROVIDED BUYER IS NOT IN DEFAULT UNDER THIS AGREEMENT, IN THE EVENT THE CLOSE OF ESCROW HAS NOT OCCURRED BY THE CLOSING DATE DUE TO A FAILURE OF A CONDITION TO THE CLOSE OF ESCROW (INCLUDING BUYER'S INABILITY TO OBTAIN FINANCING FROM THE SELLER APPROVED LENDER IF SUCH FINANCING CONTINGENCY IS MARKED APPLICABLE IN PARAGRAPH 2.1 ABOVE) OR ANY OTHER REASON BEYOND SELLER'S REASONABLE CONTROL, SELLER MAY TERMINATE THIS AGREEMENT AND CANCEL THE ESCROW BY GIVING A TERMINATION NOTICE TO ESCROW HOLDER AND BUYER BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED OR BY PERSONAL SERVICE.** If Seller elects to so terminate this Agreement, all of Buyer's deposits shall be refunded to Buyer within fifteen (15) calendar days of such notice without deduction, escrow shall be canceled at Seller's expense, the parties shall sign escrow cancellation instructions and the parties shall have no further rights or obligations with respect to the Property under this Agreement.

2.8.2 **Termination by Buyer.** Buyer shall have the right to terminate this Agreement and cancel the escrow by giving written notice to Seller and to Escrow Holder by registered or certified mail, return receipt requested if Escrow fails to close, through no fault of Buyer, within twelve (12) months after the date Seller executes this Agreement.

The period set forth in this Paragraph 2.8.2 shall be extended for any periods mutually agreed upon by Buyer and Seller. If Buyer elects to terminate this Agreement, Buyer's deposits shall be refunded in full to Buyer within fifteen (15) calendar days of such notice, escrow shall be canceled at Seller's expense, and the parties shall have no further rights or obligations with respect to the Property under this Agreement.

2.8.3 **Arbitration of Pre-Closing Disputes.** The following provisions of this **Paragraph 2.8.3** apply to defaults or alleged defaults which might be asserted prior to close of escrow.

ANY DISPUTE BETWEEN BUYER AND SELLER WHICH IS ASSERTED BEFORE CLOSE OF ESCROW SHALL BE SUBMITTED TO AND RESOLVED BY BINDING ARBITRATION BY NEUTRAL AND IMPARTIAL PERSONS,

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

APPOINTED AND CONDUCTED BY THE AMERICAN ARBITRATION ASSOCIATION PURSUANT TO ITS COMMERCIAL RULES. THE ARBITRATORS SHALL BE APPOINTED NO LATER THAN SIXTY (60) CALENDAR DAYS AFTER AMERICAN ARBITRATION ASSOCIATION'S RECEIPT OF A WRITTEN REQUEST BY A PARTY TO ARBITRATE A CLAIM OR DISPUTE. IN SELECTING THE ARBITRATOR, THE PROVISIONS OF SECTION 1297.121 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE SHALL APPLY. AN ARBITRATOR MAY BE CHALLENGED FOR ANY OF THE GROUNDS LISTED THEREIN OR IN SECTION 1297.124 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF THE ARBITRATION, OTHER THAN PUNITIVE DAMAGES, WHICH THE PARTIES HEREBY WAIVE. THE FEE TO INITIATE ARBITRATION SHALL BE ADVANCED BY SELLER; PROVIDED, HOWEVER, THE COST OF ARBITRATION SHALL ULTIMATELY BE BORNE AS DETERMINED BY THE ARBITRATOR. THE VENUE OF THE ARBITRATION SHALL BE THE COUNTY IN WHICH THE PROPERTY IS LOCATED UNLESS THE PARTIES AGREE TO SOME OTHER LOCATION.

IT IS SPECIFICALLY AGREED THAT THE STATUS OF THIS AGREEMENT AND WHETHER BUYER'S RIGHT TO PURCHASE THE PROPERTY HAS TERMINATED MAY BE DETERMINED BY AN ARBITRATION ACTION WHICH IS SEPARATE FROM AND PRIOR TO ARBITRATION REGARDING LIQUIDATED DAMAGES.

2.8.4 **NOTICE:** BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY CLAIM OR DISPUTE ARISING BEFORE CLOSE OF ESCROW DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHT YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THIS ARBITRATION OF PRE-CLOSING DISPUTES PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING, AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "**ARBITRATION OF PRE-CLOSING DISPUTES**" PROVISION TO NEUTRAL ARBITRATION.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

2.8.5 **LIQUIDATED DAMAGES.** IN THE EVENT BUYER DEFAULTS UNDER ANY TERM OR PROVISION OF THIS AGREEMENT, BUYER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER, THAT BUYER DESIRES TO LIMIT THE DAMAGES FOR WHICH BUYER MAY BE LIABLE AS THE RESULT OF A DEFAULT BY BUYER, AND THAT BUYER AND SELLER BOTH DESIRE TO AVOID THE COSTS AND DELAYS OF LEGAL PROCEEDINGS. THEREFORE, IN THE EVENT OF A DEFAULT BY BUYER PRIOR TO THE CLOSE OF ESCROW, SELLER, AS ITS SOLE AND EXCLUSIVE REMEDY, SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT, CANCEL THE ESCROW AND RETAIN, AS LIQUIDATED DAMAGES, AN AMOUNT EQUAL TO BUYER'S DEPOSITS, WHICH AMOUNT SHALL BE DEEMED TO BE A REASONABLE ESTIMATE OF SELLER'S DAMAGES PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671 THROUGH 1678. NOTWITHSTANDING THE FOREGOING, IF THE AMOUNT OF BUYER'S DEPOSITS EXCEED THREE PERCENT (3%) OF THE TOTAL PURCHASE PRICE OF THE PROPERTY, SELLER, AT ITS SOLE DISCRETION, SHALL BE ENTITLED TO EITHER: (1) RETAIN AS LIQUIDATED DAMAGES AN AMOUNT NOT EXCEEDING THREE PERCENT (3%) OF THE TOTAL PURCHASE PRICE AND ESCROW HOLDER SHALL RETURN TO BUYER THE BALANCE OF BUYER'S DEPOSITS; OR (2) DEMAND TO RETAIN AS LIQUIDATED DAMAGES AN AMOUNT IN EXCESS OF THREE PERCENT (3%) OF THE TOTAL PURCHASE PRICE. IF AT THE TIME THIS AGREEMENT IS ENTERED INTO BUYER INTENDS TO OCCUPY THE PROPERTY AS HIS OR HER RESIDENCE, THEN THE APPLICABLE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1675 SHALL APPLY TO THIS LIQUIDATED DAMAGES PROVISION. ESCROW SHALL BE CANCELED AND LIQUIDATED DAMAGES SHALL BE REMITTED TO SELLER BY ESCROW HOLDER IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:

(a) **SELLER'S TERMINATION NOTICE.** SELLER SHALL GIVE WRITTEN NOTICE ("TERMINATION NOTICE") TO ESCROW HOLDER AND TO BUYER BY REGISTERED OR CERTIFIED MAIL OF SELLER'S DETERMINATION THAT BUYER IS IN DEFAULT UNDER THIS AGREEMENT, AND THAT SELLER IS EXERCISING ITS RIGHT TO TERMINATE THIS AGREEMENT. SELLER'S NOTICE SHALL INSTRUCT ESCROW HOLDER TO CANCEL THE ESCROW AND REMIT TO SELLER AS LIQUIDATED DAMAGES ALL OR A PORTION OF BUYER'S DEPOSITS AS PROVIDED ABOVE, UNLESS BUYER GIVES APPROPRIATE WRITTEN NOTICE TO ESCROW HOLDER PURSUANT TO PARAGRAPH 2.8.5(b) BELOW WITHIN TWENTY (20) CALENDAR DAYS OBJECTING TO SELLER'S DETERMINATION.

(b) **BUYER'S OBJECTION NOTICE.** BUYER SHALL HAVE A PERIOD OF TWENTY (20) CALENDAR DAYS FROM THE DATE OF RECEIPT OF SELLER'S TERMINATION NOTICE IN WHICH TO GIVE WRITTEN NOTICE ("OBJECTION NOTICE") TO ESCROW HOLDER THAT BUYER DOES NOT WAIVE THE RIGHT TO A DETERMINATION OF DEFAULT BY A COURT OR ARBITRATOR, AND/OR THAT LIQUIDATED DAMAGES NOT BE REMITTED TO SELLER. BUYER'S OBJECTION NOTICE MUST ALSO INCLUDE BUYER'S STATEMENTS WHICH CLARIFY: (i) IF BUYER IS DISPUTING THAT BUYER HAS DEFAULTED, (ii) IF BUYER IS DISPUTING WHETHER SELLER HAS THE RIGHT TO CANCEL THIS PURCHASE AGREEMENT, (iii) IF BUYER IS CLAIMING THE RIGHT TO

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

PURCHASE THE PROPERTY, AND/OR (iv) IF BUYER IS CLAIMING A REFUND OF SOME OR ALL OF THE LIQUIDATED DAMAGES AMOUNT AND IF SO THE AMOUNT OF REFUND WHICH BUYER IS CLAIMING. SHOULD BUYER'S OBJECTION NOTICE NOT EXPRESSLY CLAIM THE RIGHT TO PURCHASE THE PROPERTY, THE OBJECTION NOTICE SHALL CONSTITUTE BUYER'S RENUNCIATION OF ANY INTEREST IN ACQUIRING THE PROPERTY AND A RELEASE OF SELLER FROM ANY OBLIGATION TO SELL THE PROPERTY TO BUYER.

(c) **ESCROW HOLDER'S OBLIGATIONS IF TIMELY OBJECTION NOTICE IS RECEIVED.** IF ESCROW HOLDER RECEIVES AN EFFECTIVE OBJECTION NOTICE FROM BUYER WITHIN THE TWENTY (20) CALENDAR DAY PERIOD, ESCROW HOLDER SHALL IMMEDIATELY NOTIFY SELLER OF BUYER'S CONFLICTING NOTICE, THE CONTROVERSY(IES) CREATED BY THE CONFLICTING NOTICES BY SELLER AND BUYER, AND THE DISPOSITION OF BUYER'S DEPOSITS SHALL, UPON WRITTEN DEMAND OF ONE PARTY SERVED ON THE OTHER PARTY SHALL BE SUBMITTED TO AND RESOLVED BY BINDING ARBITRATION PURSUANT TO THE PARAGRAPH ABOVE ENTITLED "ARBITRATION OF PRE-CLOSING DISPUTES". ANY CLAIM REGARDING BUYER'S RIGHT TO PURCHASE THE PROPERTY SHALL ALSO BE SUBMITTED TO AND RESOLVED BY BINDING ARBITRATION PURSUANT TO THE PARAGRAPH ABOVE ENTITLED "ARBITRATION OF PRE-CLOSING DISPUTES". SELLER AND BUYER SHALL EACH HAVE THE RIGHT TO REQUIRE THAT A SEPARATE AND PROMPTLY HELD ARBITRATION BE CONDUCTED TO DETERMINE IF BUYER'S RIGHT TO PURCHASE THE PROPERTY HAS TERMINATED OR IF BUYER HAS ANY INTEREST IN THE PROPERTY.

(d) **ESCROW HOLDER'S OBLIGATIONS IF TIMELY OBJECTION NOTICE IS NOT RECEIVED.** IF ESCROW HOLDER DOES NOT RECEIVE AN EFFECTIVE OBJECTION NOTICE FROM BUYER WITHIN SAID TWENTY (20) CALENDAR DAY PERIOD, THEN AT THE EXPIRATION OF SUCH PERIOD, BUYER SHALL BE DEEMED TO ACKNOWLEDGE AND AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES DEMANDED BY SELLER IS REASONABLE UNDER THE CIRCUMSTANCES, AND ESCROW HOLDER SHALL (i) REMIT TO SELLER THE AMOUNT OF LIQUIDATED DAMAGES DEMANDED BY SELLER; (ii) REMIT THE BALANCE OF BUYER'S DEPOSITS, IF ANY, TO BUYER; AND (iii) CANCEL THE ESCROW AND BUYER SHALL CONCLUSIVELY BE DEEMED TO HAVE RENOUNCED ANY CLAIM TO OR INTEREST IN THE PROPERTY.

(e) **INDEMNITY.** SELLER AGREES TO INDEMNIFY AND HOLD HARMLESS ESCROW HOLDER FROM ANY CLAIM BY BUYER ARISING OUT OF ANY DISTRIBUTION MADE BY ESCROW HOLDER IN ACCORDANCE WITH THE PROVISIONS OF THIS PARAGRAPH 2.8.5 AS THE RESULT OF BUYER'S FAILURE TO GIVE AN EFFECTIVE OBJECTION NOTICE OR OTHER WAIVER BY BUYER OF THE RIGHT TO A DETERMINATION OF DEFAULT BY A COURT OR ARBITRATOR.

(f) **DEPOSITS.** FOR PURPOSES OF THIS PARAGRAPH 2.8.5, "BUYER'S DEPOSITS" SHALL MEAN AND REFER TO BUYER'S PURCHASE DEPOSIT AND TO ALL OTHER MONEYS DEPOSITED BY BUYER WITH SELLER OR ESCROW HOLDER IN CONNECTION WITH THE PURCHASE OF THE PROPERTY.

(g) **IF LIQUIDATED DAMAGES EXCEED 3%.** IF THE AMOUNT OF THE LIQUIDATED DAMAGES EXCEED THREE PERCENT (3%) OF THE PURCHASE PRICE, THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1675(d) SHALL APPLY.

(h) **PURCHASE PRICE.** THE TERM "PURCHASE PRICE" AS USED IN THIS AGREEMENT, INCLUDES THE ORIGINAL PURCHASE PRICE AND THE PRICES OF ANY UPGRADED OR OPTIONAL ITEMS.

BUYER AND SELLER EACH ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THIS PARAGRAPH 2.8.5 AND, BY PLACING THEIR INITIALS BELOW, AGREE TO BE BOUND THEREBY:

BUYER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: \_\_\_\_\_  
SELLER'S INITIALS: \_\_\_\_\_ SELLER'S INITIALS: \_\_\_\_\_

2.9 **Delivery of Possession.** Except as provided in this Agreement, possession of the Property shall be delivered to Buyer upon confirmation by Seller that the Grant Deed by which the Property has been conveyed to Buyer has been recorded in the Office of the County Recorder of the county in which the Property is located ("**Official Records**").

2.10 **Destruction of the Property Prior to Close of Escrow.** If the Property is destroyed or materially damaged (other than by Buyer's act or omission) prior to the close of escrow, and has not been rebuilt prior to the maximum escrow period stated in **Paragraph 2.8.2** above, then, on demand by Seller or Buyer, all of Buyer's deposits shall be returned to Buyer within fifteen (15) calendar days after the date of such demand, without deduction except for disbursements made or payable therefrom to third parties in accordance with **Paragraph 3.4** below, and the parties shall have no further rights or obligations under this Agreement.

2.11 **Entry into Construction Areas and Indemnification.** Buyer acknowledges and agrees that if Buyer enters onto the Property or other construction areas Buyer hereby agrees as follows: (i) Buyer assumes all risks of any and all injuries (including death) to any person and/or damage to any property arising from or in any way related to Buyer's entry onto the Property or other construction area; (ii) Buyer waives any and all claims of any kind or nature against Seller, Seller's subsidiaries and related entities, and all of their employees, officers, directors, shareholders, contractors, subcontractors, vendors, agents, representatives, consultants, and their respective successors and assigns (collectively, the "**Releasees**"); (iii) Buyer agrees to indemnify, defend and hold the Releasees free and harmless from and against any and all claims, injuries, losses, damages, costs, expenses and any other liability whatsoever (including attorneys' fees) arising from or in

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

any way related to Buyer's entry onto the Property or other construction areas; and (iv) Buyer acknowledges that Seller strongly discourages Buyer from taking children onto the Property or other construction areas; however, if Buyer elects to take children into the construction areas, Buyer agrees to indemnify, defend and hold the Releasees free and harmless from and against any and all claims, injuries, losses, damages, costs, expenses and any other liability whatsoever (including attorneys' fees) arising from or in any way related to any injury (including death) to such child. Before entering any construction area, Buyer must first register with the appropriate sales agent and sign such entry permit forms as Seller may require.

### 3. ESCROW PROVISIONS

3.1 **Opening of Escrow.** Seller and Buyer agree to use Escrow Holder as the escrow agent for the purchase and sale of the Property. Escrow shall be deemed opened with Escrow Holder upon Seller's delivery to Escrow Holder of a fully executed copy of this Agreement and Buyer's deposit. This Agreement, together with Escrow Holder's standard form printed general escrow provisions attached hereto as **Addendum "C"**, shall constitute the complete escrow instructions to Escrow Holder. In the event of a conflict between Escrow Holder's standard form printed general escrow provisions and this Agreement, this Agreement shall control.

#### 3.2 Close of Escrow.

##### 3.2.1 Closing Date

[CHECK IF APPLICABLE - THE PROPERTY IS READY FOR OCCUPANCY AT TIME OF SALE].

Escrow shall close on or before \_\_\_\_\_, 202\_\_ ("**Closing Date**")

[CHECK IF APPLICABLE - THE PROPERTY IS NOT READY FOR OCCUPANCY AT TIME OF SALE]. Escrow shall close within three (3) business days after the date the City or County in which the Property is located allows the Property to be occupied (*i.e.*, the City or County has issued its temporary or permanent occupancy permit or certificate, when applicable, or final inspection) provided that all of the terms and conditions to this Agreement have been satisfied by Buyer and Seller. Seller estimates that date to be on or before \_\_\_\_\_, 202\_\_ ("**Estimated Closing Date**"). Buyer acknowledges that due to the variables in the development of the Community, the date on which escrow actually closes may differ substantially from the Estimated Closing Date and may be before or after the Estimated Closing Date, and Seller makes no express or implied promise that escrow will close on the Estimated Closing Date. Subject to the provisions of **Paragraphs 2.8.2 and 3.2.3**, when a Certificate of Occupancy, temporary Certificate of Occupancy, Final Inspection or other final approval of the Property has been issued by the City or County in which the Property is located and all of the terms and conditions of this Agreement have been satisfied by Buyer and Seller such that escrow is or will be ready to close within three (3) business days, Seller or Escrow Holder shall notify Buyer of such pending close of escrow ("**Closing Date**"). No later than two (2) business days after such notification by Seller or Escrow Holder, Buyer shall execute all documents (including, but not limited to, Buyer's lender's loan documents) and deposit same in escrow, together with all funds and any other information necessary to timely close the escrow as provided herein, or Buyer shall be in default of this Agreement and Seller may terminate this Agreement and cancel the escrow in accordance with **Paragraph 2.8.1(a)** above.

3.2.2 **Delay in Closing - Possible Extension.** If Buyer fails to close escrow on the Closing Date, through no fault of Seller, and if Seller notifies Buyer in writing that Seller agrees to extend the date for close of escrow, Buyer shall pay to Seller at close of escrow and through escrow (in addition to and not in lieu of all other amounts due from Buyer under this Agreement) consideration for an extension of time for the close of escrow. The amount of such additional consideration shall be in an amount equal to \$250.00 per day for each day from and including the Closing Date, to, but excluding, the day escrow closes. Any such consideration for extension for the close of escrow shall be deemed separately earned for the extension so agreed to by Seller and shall not be deemed additional purchase price. This provision shall not apply to a VA Buyer. Nothing stated in this paragraph shall require Seller to agree to any such extension.

3.2.3 **Conditions to Close of Escrow.** Upon the performance of each of their respective obligations stated in this Agreement which are to be performed prior to the close of escrow, and in addition to all other conditions stated in this Agreement, escrow shall not close until all of the following conditions are satisfied:

(a) **Title Insurance.** Receipt by Escrow Holder of written advice by Title Company that it will issue an ALTA Residential title insurance policy in favor of Buyer with liability equal to the Total Purchase Price insuring that title to the Property is vested in Buyer (as provided in **Paragraph 1.1** above), subject to the matters referenced in **Paragraph 2.4** above.

(b) **Conveyance Free and Clear of Monetary Blanket Encumbrances.** Conveyance of the Property to Buyer is free and clear of all blanket monetary encumbrances.

(c) **Mechanic's Liens.** The statutory period for the recordation of mechanic's liens against the Property has expired or Buyer's policy of title insurance includes an endorsement or other coverage insuring Buyer against unrecorded mechanic's liens.

(d) **Subordination of Deed of Trust.** Any blanket trust deeds of record prior to the Declaration have been subordinated to the Declaration.

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(e) Satisfaction of Conditions for Common Interest Development. Satisfaction of the Conditions Precedent to Close set forth in the Common Interest Development Addendum attached hereto as **Addendum "B"**.

3.2.4 **Failure to Close.** If escrow is unable to close on or before the Closing Date (or a later closing date mutually agreed upon by Seller and Buyer), or as soon as possible after the Closing Date (or mutually agreed date) not to exceed fifteen (15) calendar days ("**Outside Closing Date**"), for any reason other than a default by Buyer hereunder, then fifteen (15) calendar days after the Outside Closing Date, Seller shall order all of Buyer's deposits to be refunded to Buyer, without deduction, escrow shall be canceled at Seller's expense, and the parties shall have no further rights or obligations with respect to the Property under this Agreement. If escrow does not close due to a failure of Buyer to perform his obligations hereunder, Buyer shall be in default under this Agreement, and Seller may terminate this Agreement and cancel the escrow as provided in **Paragraph 2.8.1(a)** above.

3.3 **Closing Costs, Prepaid Expenses and Impounds.** Regardless of the estimate stated in **Addendum "A"** attached to this Agreement, Buyer agrees to deposit into escrow not later than three (3) business days prior to the Closing Date, in immediately available funds, and to pay at the close of escrow, the actual costs of the following: (a) all escrow fees and related charges of Escrow Holder, including, without limitation, Escrow Holder's document preparation fees, messenger expenses, express mail charges, bank wire charges and any other costs incurred by Escrow Holder necessary to complete this transaction; (b) a prorated portion of all real property taxes, special taxes and assessments for the applicable fiscal year; (c) a prorated portion of any owner association assessments, (d) all prepaid expenses, including, without limitation, extended coverage fire and hazard insurance, if any; (e) all fees for recording the Grant Deed conveying the Property to Buyer; (f) all charges set forth in Buyer's lender's instructions, including, without limitation, the owner's and lender's title insurance policy and all costs of any extended coverage, prepaid interest, credit report fee, appraisal fee, tax service fee, loan origination fee, processing fee, funding fee, initial mortgage insurance premium, if required, initial impounds, if required, all County recording fees for the lender's deed of trust, and notary fees; and (g) all other expenses, impounds and closing costs not expressly payable by Seller under the terms of this Agreement. The estimated total amount of such closing costs, prepaid expenses and impounds is stated in **Addendum "A"** attached to this Agreement. If the actual amount of closing costs, prepaid expenses and impounds exceed the estimate indicated in **Addendum "A"**, upon receipt of notification of the actual amount, Buyer shall immediately deposit with Escrow Holder the additional funds required. Seller shall pay, at the close of escrow, any documentary transfer tax levied by the County upon the transfer of title to the Property to Buyer.

CHECK WHICH ALTERNATIVE APPLIES:

- Buyer shall pay the premium for Buyer's Title Policy and any endorsements to the Title Policy.
- Seller shall pay the premium for Buyer's Title Policy and any endorsements to the Title Policy.
- Buyer and Seller shall each pay one-half (1/2) of the premium for Buyer's Title Policy and any endorsements to the Title Policy.

3.4 **Third Party Charges Against Deposits.** In the event of cancellation of this Agreement for any reason, other than cancellation pursuant to **Paragraph 2.8.2**, Buyer hereby authorizes Escrow Holder and/or Seller, as the case may be, to pay from Buyer's deposits under this Agreement, all charges and fees due from Buyer to the appropriate third parties who have provided the following services at the following estimated costs: (a) credit reports: \$50 each; (b) escrow services: \$400; (c) preliminary title reports: \$50; (d) appraisals: \$350; and (e) loan processing services: \$400.

3.5 **Property Tax Prorations.** All prorations or adjustments to be made herein shall be made as of the close of escrow on the basis of a thirty (30) day calendar month. Taxes will be prorated by Escrow Holder on the best figures available from the County Tax Collector and/or Seller. The parties acknowledge that the Property may not be separately assessed from other residential units within the Community and, in such event, tax figures shall be computed on the proportionate basis each residential unit bears to the total Property. The parties further acknowledge that during the period of July 1st until the annual tax bills are issued, taxes may be estimated by Seller in accordance with the most recently ascertainable tax bill or assessment and Escrow Holder is authorized to use the figures so provided by Seller without further approval and prorate accordingly, including credit to Seller, if prepaid. The Property will be subject to reassessment following the close of escrow by the County Tax Assessor, and such reassessments occurring subsequent to the close of escrow will result in a supplemental tax bill and Buyer is solely responsible for the payment of such supplemental tax bill. Neither Seller nor Escrow Holder has any obligation for the payment of such supplemental tax bill.

3.6 **No Withholding.** Section 1445 of the INTERNAL REVENUE CODE provides that a transferee of a U.S. real property interest must withhold tax if the transferor (*i.e.*, Seller) is a foreign person. Similarly, pursuant to Sections 18662 and 18668 of the CALIFORNIA REVENUE AND TAXATION CODE, a transferee of a California real property interest may be required to withhold tax if the funds from the transferee are to be disbursed to an individual, to a transferor with a last known address outside of the State of California or to the financial intermediary of the transferor. To inform Buyer that the withholding of tax is not required in connection with this transaction, Seller certifies that: (a) Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate; (b) Seller is not an individual; and (c) Seller's street address and its principal place of business are both within the State of California. Buyer and Seller acknowledge that Escrow Holder has hereby provided notice of these provisions and, in light of the representations of Seller made herein, that Escrow Holder will take no action regarding the withholding.

3.7 **General Escrow Provisions.**

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3.7.1 **Authorization to Furnish Copies.** Escrow Holder shall furnish a copy of this Agreement, any amendments hereto, closing statements and/or any other documents deposited in escrow to Seller, to Buyer, Buyer's lender and/or Buyer's attorney, upon request of Seller, of Buyer, of Buyer's lender or of Buyer's attorney, as the case may be.

3.7.2 **Conflicting Instructions; Action in Interpleader.** Should Escrow Holder before or after the close of escrow receive or become aware of any conflicting demands or claims with respect to the escrow or the rights of any of the parties hereto, Escrow Holder shall have the right to discontinue any or all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Moreover, Escrow Holder shall have the absolute right at Escrow Holder's election to file an action in interpleader or to join any arbitration and to require the parties to answer and litigate or arbitrate their several claims and rights among themselves, and Escrow Holder is authorized to deposit with the clerk of the court or the arbitrator all documents and funds held in escrow. In the event such action or arbitration is filed, the parties jointly (but not severally) agree to pay Escrow Holder's reasonable cancellation charges and costs, including reasonable attorneys' fees as fixed by the court or the arbitrator.

3.7.3 **Retention of Funds; Termination of Agency Obligations.** If for any reason funds are retained in escrow following the closing, Escrow Holder may deduct Twenty-Five Dollars (\$25) therefrom as a monthly charge for its acting as custodian thereof. If there is no action taken on the escrow within six (6) months after the close of escrow, Escrow Holder's agency obligation shall terminate at Escrow Holder's option, and all documents, moneys or other items held by Escrow Holder in escrow shall be returned to the party or parties depositing the same.

3.7.4 **Usury.** Escrow Holder is not to be concerned with any question of usury relating to any loan or encumbrance involved in the processing of the escrow, and Escrow Holder is hereby released from any responsibility or liability therefor.

3.7.5 **Indemnity for Attorneys' Fees.** In the event any legal proceedings (including arbitration) are commenced by Buyer, Seller, Escrow Holder or any other party, as against each other, or others, including Escrow Holder, claiming any right they may have as against each other or against Escrow Holder, then, in that event, the parties agree jointly (but not severally) to indemnify and hold Escrow Holder harmless against any attorneys' fees incurred by it in connection therewith, unless Escrow Holder is found or adjudged to have acted improperly or negligently. Buyer and Seller shall each bear their own attorneys' fees at their sole cost and expense.

3.7.6 **Supplemental Instructions.** Any amended, supplemental or additional instructions given in connection with the escrow pursuant to this Agreement must be in writing, signed by Buyer and Seller and delivered to Escrow Holder. Escrow Holder may refuse, without liability, to act on any such supplemental instructions delivered after the close of escrow.

#### 4. GENERAL PROVISIONS

4.1 **Severability.** In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts of this Agreement shall remain in full force and effect.

4.2 **Broker's Commission.** Seller shall be solely obligated to pay the broker's commission to \_\_\_\_\_ ("**Seller's Agent**"), who is the sole agent of Seller, which may be earned by reason of this sale. Neither Seller nor Seller's Agent shall have any obligation to pay any fees, commissions or other amounts to any other person including any other broker, sales agent or finder unless expressly set forth in writing and signed by Seller or Seller's Agent, as applicable, such person accompanies Buyer during Buyer's initial visit to the Community, signs a registration form provided by Seller and meets all other of Seller's requirements. Each party agrees to indemnify, defend and hold harmless the other from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, sales agent or finder, licensed or otherwise, under or by reason of the conduct of the indemnifying party in connection with this transaction.

4.3 **Time of the Essence.** Time is of the essence of each and every term of this Agreement.

4.4 **No Waiver.** The waiver by Seller of any term or provision of this Agreement shall not be construed as a waiver of any other term or provision of this Agreement, or of any subsequent performance required under this Agreement.

4.5 **Notices.** With the exception of Seller's or Escrow Holder's notice to Buyer of the Closing Date, or as otherwise expressly provided for in this Agreement, all notices, instructions, demands and other communications given hereunder shall be set forth in writing and shall be personally served or delivered by United States Mail, registered or certified, return receipt requested, postage prepaid or by overnight commercial courier addressed to the party's and/or Escrow Holder's designated address set forth on the signature page of this Agreement. Seller's or Escrow Holder's notice to Buyer of the Closing Date shall be set forth in writing and may be delivered by any of the foregoing means or by facsimile or electronic mail addressed to Buyer's e-mail or facsimile number set forth on the signature page of this Agreement. All written notices, instructions, demands and other communications shall be deemed delivered upon personal delivery or three (3) business days after deposit in the United States Mail, as of the first business day after sending by overnight commercial courier, or as of the day of sending by facsimile or electronic mail (with confirmation receipt). Delivery shall be to Seller's and Buyer's designated addresses, e-mails or facsimile numbers indicated on the signature page of this Agreement. If Seller or Escrow Holder has attempted to deliver a notice to Buyer and Buyer refuses to accept same, Buyer shall be deemed to have received such notice..

4.6 **Successors and Assigns.** In view of the credit qualifications and other matters uniquely personal to Buyer which have been considered by Seller and have induced Seller to enter into this Agreement, this Agreement and the rights

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of Buyer hereunder may not be assigned, sold, transferred or hypothecated by Buyer voluntarily, involuntarily or by operation of law without Buyer first having obtained Seller's written consent, which may be withheld in Seller's sole discretion. This Agreement and the rights, duties and obligations of the parties shall be binding upon and shall inure to the benefit of the successors and assigns of Seller and, subject to the preceding sentence, to the heirs, executors, administrators, successors and permitted assigns of Buyer.

4.7 **Counterparts.** This Agreement may be signed in one or more counterparts, each of which independently shall have the same effect as if it were the original, and all of which together shall constitute one and the same agreement.

4.8 **Survival.** All obligations referred to herein to be performed at a time or times after the close of escrow, all provisions hereof relating to a time after the close of escrow, and all representations and acknowledgments contained herein, shall survive the close of escrow and the delivery of Seller's Grant Deed.

4.9 **Definitions.** The term "**party**" or "**parties**" shall mean Buyer and/or Seller, as the context may require. The term "**escrow**" shall mean the escrow created under this Agreement, and "**close of escrow**", "**closing of the escrow**" and similar terminology shall refer to recordation of Seller's Grant Deed in the Official Records of the County in which the Property is located. The term "**days**" shall mean calendar days, unless otherwise indicated to mean business days. The use herein of (i) the neuter or male gender includes the masculine and the feminine as appropriate; and (ii) the singular number includes the plural as appropriate. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Agreement or any of the terms hereof. Any box checked or otherwise marked to indicate its applicability to a particular provision shall designate that such provision is incorporated into this Agreement. This Agreement shall be construed and any ambiguities contained herein shall be resolved equally as between the parties, and not against the party responsible for the preparation of this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

4.10 **No Recordation.** Neither this Agreement, nor any reference thereto, nor any short form or memorandum thereof, shall be recorded in the Official Records.

4.11 **Entire Agreement.** This Agreement contains the entire agreement between the parties and the entire escrow between Escrow Holder and the parties hereto. All prior statements and representations, if any, whether oral or written, are hereby superseded by this Agreement. The terms of this Agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. Buyer and Seller further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any arbitration or other legal proceedings, if any, involving this Agreement. No addition or modification of any terms of this Agreement shall be effective unless set forth in writing and signed by Buyer and by an authorized officer of Seller. No sales agent or representative of Seller has authority to modify the terms of this Agreement.

4.12 **Offer and Acceptance.** Buyer acknowledges that Buyer has carefully read and understands each and every provision of this Agreement. By execution of this Agreement, Buyer acknowledges his informed and voluntary consent hereto, and Buyer agrees that the provisions of this Agreement are commercially reasonable and effectuate the intent of the parties with respect to the Property. Buyer acknowledges that he has had sufficient opportunity to consult with his legal counsel with respect to this Agreement. Execution of this Agreement by Buyer and by Seller's sales agent or representative shall constitute only an offer to purchase, which shall not be binding unless accepted by Seller, as evidenced by the execution of this Agreement by a duly authorized officer of Seller, and Seller reserves the right to refuse to accept such offer for any reason whatsoever, at its sole and absolute discretion. Buyer acknowledges that Seller's sales agents and representatives are not authorized to accept this offer, and that receipt of Buyer's deposit by Seller's sales agent or representative shall not constitute an acceptance of this offer by Seller. Seller, or Seller's sales agents or representatives, may hold Buyer's deposit check uncashed until such time as Seller accepts this offer. If Seller fails or refuses to accept such offer, all funds deposited by Buyer shall be promptly refunded to Buyer.

Notwithstanding anything to the contrary, payment of the Purchase Deposit in immediately available funds is a condition precedent to Seller's acceptance of and obligations under this Agreement. If for any reason any check or other form of Purchase Deposit or any portion thereof required to be made by Buyer hereunder fails to be honored and/or paid in full by the financial institution on which the same is to be drawn, then this Agreement shall terminate automatically without any further act on the part of Seller or Buyer due to the failure of said condition precedent hereto. Seller, however, in its sole and absolute discretion and without any obligation to do so, may elect by written notice to Buyer to permit Buyer to deliver immediately available funds in the amount of the Purchase Deposit or portion thereof in substitution for said dishonored and/or unpaid Purchase Deposit, in which case, if timely delivered, this Agreement shall remain in effect.

4.13 **Acknowledgment of Receipt of Copies.** Each party signing this Agreement has read all of the terms and provisions of this Agreement and the addenda listed in **Paragraph 2.2** above, and accepts and agrees to be bound by such terms and provisions and addenda. Each party acknowledges receipt of copies of all such pages and addenda.

4.14 **Authority of Sales Personnel.** Buyer acknowledges and agrees that Seller's sales agents and representatives do not have the authority to interpret, change or modify the terms of any documents whatsoever, including, but not limited to, this Agreement, the Declaration and/or any disclosure statement executed by Seller. Additionally, no representation, promise or warranty, whether oral or in writing, made by any sales agent or representative shall be binding on Seller, unless set forth in writing and signed by an authorized officer of Seller.

4.15 **No Representations.** Buyer acknowledges and agrees that no representation or promise that is not set forth in this Agreement, the Declaration or a disclosure statement executed by Seller has been made to Buyer by any employee, sales agent or representative of Seller upon which Buyer is relying in connection with the purchase of the Property.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this Agreement and make it effective as of the Date of Seller's Acceptance indicated below ("**Effective Date**").

**AGENT'S RECEIPT FOR BUYER'S "PURCHASE DEPOSIT"**

Date: \_\_\_\_\_, \_\_\_\_\_  
License Number: \_\_\_\_\_ (Sales Agent's Signature)

**BROKER**

License Number: \_\_\_\_\_

**BUYER'S OFFER TO PURCHASE**

**"BUYER"**

**BUYER'S PHONE NO.'S**

\_\_\_\_\_  
(Signature) Dated \_\_\_\_\_ (Home) \_\_\_\_\_ (Work) (\_\_\_\_) \_\_\_\_\_ (Ext.)  
\_\_\_\_\_  
(Signature) Dated \_\_\_\_\_ (Home) \_\_\_\_\_ (Work) (\_\_\_\_) \_\_\_\_\_ (Ext.)  
(Buyer's Fax No.) (\_\_\_\_) \_\_\_\_\_  
(E-mail) \_\_\_\_\_

**BUYER'S DESIGNATED ADDRESS**

\_\_\_\_\_  
(Street Address, No. P.O. Boxes)  
\_\_\_\_\_  
(City, State and Zip Code)

**SELLER'S ACCEPTANCE OF BUYER'S OFFER TO PURCHASE**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company,  
Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**SELLER'S DESIGNATED ADDRESS**

11754 Treadwell Drive  
Poway, CA 92064

Acceptance Date: \_\_\_\_\_, \_\_\_\_\_

**"ESCROW HOLDER"**

**FIRST AMERICAN TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
(Authorized Representative)

Date: \_\_\_\_\_, 202\_\_\_\_  
(Date Received in Escrow)

**(SPACE ABOVE FOR ESCROW HOLDER'S NAME AND ADDRESS STAMP)**

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**ADDENDUM "A"**

**PURCHASE PRICE / CLOSING COST ADDENDUM**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

**PURCHASE PRICE FOR THE PROPERTY** \$ \_\_\_\_\_  
Including related premiums and options, if any, ordered at time of purchase

**FINANCED OPTIONS & UPGRADES** \$ \_\_\_\_\_

**TOTAL PURCHASE PRICE** \$ \_\_\_\_\_

**NEW LOAN AMOUNT** ( \_\_\_\_\_ %) \$ \_\_\_\_\_

**DOWN PAYMENT** ( \_\_\_\_\_ %) \$ \_\_\_\_\_

**ESTIMATED CLOSING COSTS, PREPAID** \$ \_\_\_\_\_

**EXPENSES AND IMPOUNDS DUE AT CLOSING**  
See Paragraph 3.3

**ESTIMATED CASH DUE AT CLOSING** \$ \_\_\_\_\_

**LESS PURCHASE DEPOSIT** \$ \_\_\_\_\_

**TOTAL ESTIMATED CASH DUE AT CLOSING** \$ \_\_\_\_\_  
Does not reflect any balances due on options, upgrades, flooring, etc., that may be purchased.

**ADDITIONAL** \_\_\_\_\_  
**COMMENTS** \_\_\_\_\_

All Buyers must execute this Addendum to be binding.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company,  
Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

**"BUYER"**

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**ADDENDUM "B"**

**COMMON INTEREST DEVELOPMENT**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**ASSOCIATION PROPERTY:**

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

THIS **ADDENDUM "B" - COMMON INTEREST DEVELOPMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_\_ by and between **URBAN EDGE, LP**, a California limited partnership ("**Seller**"), and the undersigned buyer(s) ("**Buyer**"), and this Addendum modifies and supplements that certain **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS** dated \_\_\_\_\_, 202\_\_\_\_\_ by and between Seller and Buyer ("**Agreement**") regarding the purchase by Buyer of the Property described in the Agreement.

The Property is located in a "**common interest development**" (as defined in CALIFORNIA CIVIL CODE Section 4100), and is subject to the following association and "**Community Documents**":

- The Articles of Incorporation and Bylaws of Urban Edge Homeowners Association ("**Association**");
- Amended and Superseded Condominium Plan for Urban Edge ("**Condominium Plan**");
- Amended and Restated Bylaws of Urban Edge Homeowners Association ("**Bylaws**"); and
- Amended and Restated Declaration of Restrictions for Urban Edge (and, if applicable, an amendment or supplement thereto) ("**Declaration**").

1. **MEMBERSHIP IN THE ASSOCIATION.** Buyer understands and agrees that upon the recordation of the Grant Deed conveying the Property to Buyer, Buyer will automatically become a "**Member**" of the Association referenced above. Buyer shall be deemed to have agreed to and shall be entitled to exercise all of the rights (including, but not limited to, voting rights in such Association), and to perform all of the obligations (including, but not limited to, the payment of Assessments) of a Member, all as more particularly set forth in the applicable Community Documents referenced above.

2. **APPROVAL OF COMMUNITY DOCUMENTS.** Buyer acknowledges having read and approved the Conditional Subdivision Public Report (or the Amended Final Subdivision Public Report, as applicable), issued by the California Department of Real Estate ("**DRE**") for the Property. Additionally, Buyer hereby acknowledges having received from Seller or Escrow Holder a copy of each of the applicable Community Documents, a statement from the Association setting forth any delinquent assessments and related charges levied by such Association pertaining to the Property; and a current financial statement and related statements for the Association, if available.

3. **ASSOCIATION DUES.** Buyer acknowledges that by reason of Buyer's membership in the Association, commencing as of the close of escrow, Buyer is obligated to pay the Assessments levied by such Association. The current monthly installment of regular assessments levied by the Association is estimated to be \$542.19. Escrow Holder shall prorate the monthly installment of regular assessments between Buyer and Seller as of the close of escrow based upon the latest information available to Escrow Holder.

4. **CAPITAL CONTRIBUTION.** Buyer agrees at close of escrow to pay through escrow to the Association the capital contribution set forth in the Declaration (described below). These amounts are currently estimated to be an amount equal to two (2) times the amount of the then monthly regular assessment for the Property.

These amounts are subject to adjustment at the close of escrow if the amounts have been calculated based upon the amount of monthly assessments to the Association if there are changes in the amount of assessments prior to the close of escrow.

These funds represent "start-up" funds for operating the common areas and/or property owned by the Association and are not a prepayment of assessments or a part of the Purchase Price for the Property. Upon a subsequent resale of the Property by Buyer to another purchaser, Buyer will not obtain a refund of his or her Capital Contribution from the Association

5. **CONDITIONS PRECEDENT TO CLOSE.** Buyer acknowledges that the escrow for the purchase of the Property shall not close, no funds shall be released from escrow (except for third party disbursements upon default by Buyer as provided in the Agreement) and title to the Property shall not be conveyed to Buyer until all of the following conditions precedent have been satisfied:

- (a) **Amended Final Subdivision Public Report.** The DRE issues an Amended Final Subdivision Public Report.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

(b) Subordination of Lien to Declaration. Escrow Holder has received written notice from the Title Company that all monetary encumbrances of record (including, deeds of trust and mortgages) encumbering the Community are subordinate to the above-referenced Declaration.

(c) Notice of Completion or Completion Bond. A Notice of Completion, as defined in CALIFORNIA CIVIL CODE SECTION 8182, has been recorded covering all of the Association Property improvements, or Seller has posted a bond or other security in a form and amount acceptable to the DRE to assure lien-free completion of all of such Association Property improvements and Escrow Holder has received RE Form 621A signed by DRE.

(d) Mechanics' Liens. The statutory period for the recordation of mechanics' liens on the Property has expired, or Buyer will be provided, at Seller's expense, with a policy of title insurance insuring Buyer against all unrecorded mechanics' liens.

(e) Blanket Encumbrances. Any and all blanket encumbrances, as defined in CALIFORNIA BUSINESS AND PROFESSIONS CODE Section 11013 have been or are being released from the Property.

(f) Association Property. Title to the following Association Property will be conveyed by Seller to the Association free and clear of any blanket encumbrances, and the statutory period for recordation of all mechanics' lien claims has expired, or the Association will be provided, at Seller's expense, with a policy of title insurance insuring the Association against unrecorded mechanics' liens.

6. **BUYER'S RIGHT TO USE THE ASSOCIATION PROPERTY**. Buyer, by virtue of being a Member of the Association will, following the close of escrow and subject to any limitations provided in the Community Documents referenced above, have the right to use the Association Property.

7. **INSURANCE**. Escrow Holder shall order insurance on the subject property in the form and in the amounts as required by the lender and pay premium(s) for same through the escrow. It shall be Buyer's responsibility to obtain at Buyer's expense any additional insurance coverage which Buyer may want to obtain.

8. **MISCELLANEOUS**.

(a) Entire Agreement. This Addendum contains the entire agreement between the parties concerning the Property being located within a "common interest development" as defined in CALIFORNIA CIVIL CODE Section 4100. All prior discussions, negotiations and agreements, if any, whether oral or written, are hereby superseded by this Addendum. No addition or modification of this Addendum shall be effective unless set forth in writing and signed by Buyer and an authorized representative of Seller.

(b) Time. Time is of the essence of this Addendum.

(c) Capitalized Terms. Various capitalized terms used in this Addendum are defined in the Agreement and shall have the same meaning as set forth therein, unless otherwise indicated herein.

All Buyers must execute this Addendum to be binding.

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**"BUYER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company,  
Its General Partner

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_  
Date Initialed: \_\_\_\_\_  
(Agent is not authorized to sign on behalf of Seller)

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_



ADDENDUM "C"  
GENERAL PROVISIONS

COMMUNITY: URBAN EDGE

MAP NO. 1069

UNIT NO.: \_\_\_\_\_

BUYER'S NAME: \_\_\_\_\_  
(Print Buyer's Last Name)

THIS ADDENDUM "C" - GENERAL PROVISIONS are made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ by and between URBAN EDGE, LP, a California limited partnership, ("Seller"), and the undersigned buyer(s) ("Buyer"), and this Addendum modifies and supplements that certain JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS dated \_\_\_\_\_, 202\_\_ by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

The Attached "Escrow General Provisions" is incorporated by reference to this Addendum "C"

All Buyers must execute this Addendum to be binding.

IN WITNESS WHEREOF, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

"SELLER"

"BUYER"

URBAN EDGE, LP, a California limited partnership

By: Urban Edge, LLC, a California limited liability Company, Its General Partner

\_\_\_\_\_  
(Signature) Dated

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

\_\_\_\_\_  
(Signature) Dated

Seller's Acceptance Date: \_\_\_\_\_, \_\_\_\_\_

"AGENT"

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**ADDENDUM "D"**

**GENERAL INFORMATION REPORT**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

This **ADDENDUM "D - GENERAL INFORMATION REPORT ("Addendum D")** is a part of the **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement")** between the undersigned Buyer and Seller for the sale of the above referenced Unit number which is referred to as the **"Property"** in the Agreement and a **"Unit"** in the **DECLARATION OF RESTRICTIONS FOR URBAN EDGE**, as such declaration may be amended from time to time (**"Declaration"**). All terms not separately defined in this Addendum D are defined in the Declaration. **This Addendum D was prepared in January 25, 2021.**

**IMPORTANT**

**PLEASE READ CAREFULLY**

This Addendum is intended to provide you with additional information, which might affect your decision to purchase a residence at Urban Edge (the **"Community"**). Please read it carefully. Some of the information set forth below is subject to change and much of the information has been obtained from other sources (such as public records, governmental and other public agencies). We have **not** exhaustively investigated or substantiated the information provided by third party sources nor do we undertake any obligation to advise you of any such changes. Because the information is subject to change for reasons beyond our control, we cannot guarantee the accuracy or completeness of the information disclosed.

**SELLER STRONGLY RECOMMENDS THAT YOU VISIT THE COMMUNITY AND DRIVE AROUND THE GENERAL VICINITY SURROUNDING URBAN EDGE ON A NUMBER OF OCCASIONS, ON DIFFERENT DAYS AND AT DIFFERENT TIMES, TO FAMILIARIZE YOURSELF WITH THESE AREAS AND TO BE FULLY AWARE OF AND TO UNDERSTAND ANY FACTORS THAT MIGHT AFFECT YOUR DECISION TO PURCHASE A UNIT IN THE COMMUNITY. SINCE SELLER CANNOT PREDICT EVERY CIRCUMSTANCE THAT MAY BE IMPORTANT TO A BUYER, IT IS IMPERATIVE THAT EACH BUYER BE COMPLETELY SATISFIED WITH THE DECISION TO PURCHASE A RESIDENCE BASED ON PERSONAL INVESTIGATION OF MATTERS OF INDIVIDUAL CONCERN.**

As part of your purchase, you will receive various other documents. This Addendum is not intended as a substitute for your review of these documents, nor does it amend, modify or supersede these documents. In the event of an inconsistency between any of these documents and this Addendum, the documents that provide greater detail, further information or is/are the source for the information summarized in this Addendum will control.

**INTRODUCTION TO THE COMMUNITY**

The Community is located in the City of San Diego, California on 1<sup>st</sup> Avenue, near the intersection of 1<sup>st</sup> Avenue and Lewis Street. The Community consists of five (5) attached Condominiums; each Condominium consists of a Unit and a 1/5<sup>th</sup> interest in the Common Area, as defined and shown on the Condominium Plan. Each residence is located within the Unit (**"Residence"**). A Condominium is also referred to as a **"Home"** in this Addendum. Owners of Condominiums within the Community will be members of URBAN EDGE HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (**"Association"**). All Condominiums in the Community will be subject to the AMENDED AND RESTATED DECLARATION OF RESTRICTIONS FOR URBAN EDGE to be recorded in the Official Records of the San Diego County Recorder (**"Declaration"**).

As a member of the Association you will be subject to assessments and certain covenants, conditions and restrictions which are set forth in the Declaration, the Bylaws of the Association (**"Bylaws"**) and the Articles of Incorporation

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

Addendum D

of the Association ("**Articles**"). In addition, the Association has the right to promulgate architectural guidelines ("**Architectural Guidelines**") and rules and regulations ("**Community Rules**") further governing the Community and the Homes within the Community, and to review and approve, through its Board of Directors ("**Board**") certain modifications to the improvements within the Community. You should review each of these documents carefully.

1. **Membership.** Upon close of escrow of your Home, you will become a member of the Association.

(a) **Association Maintenance Areas.** The Association maintains and administers certain "**Association Property**" all as described in the Declaration. The Association is generally responsible for maintaining and administering the Association Property and for administering and enforcing the covenants, conditions and restrictions set forth in the Declaration. The powers and duties of the Association are set forth in the Declaration and the Bylaws.

(b) **Notice of Transfer.** Each Owner shall inform the Association of the name of the buyer of his or her Home upon transfer to the successive Owner and, in the event the Owner should fail or refuse to do, the Board shall have the right to record the transfer upon the books of the Association without such notice.

(c) **Assessments.** Each Owner of a Home is required to pay regular assessments as provided for in **Article IV** of the Declaration, entitled "**Covenant For Maintenance Assessments To Association.**" You should anticipate that regular assessments may increase in the future due to inflation and changing maintenance needs. Each Owner of a Home may also be required to pay special assessments and other assessments provided for in **Article IV** of the Declaration. The Association's ability to increase regular assessments and levy special assessment without the consent of the membership is subject to certain limitations as set forth in the Declaration.

(d) **Association Governance.** The Association will be governed by a Board of Directors consisting of three (3) persons. The current Board was appointed by the incorporator, as provided by **Section 7.2** of the Bylaws, who are representatives of Seller. Pursuant to **Section 7.2** of the Bylaws, the initial directors appointed by the incorporator may be removed or replaced by Seller until the first annual meeting of the Members. An election for the Board must occur at the first annual meeting of the Members, which is to be held no later than six (6) months after the Close of Escrow on the first sale of a Unit in the Community.

2. **Alternative Dispute Resolution Procedures.** The **Article** of the Declaration entitled "**Procedures to Resolve Disputes with Declarant**" sets forth procedures for resolving any disputes between Seller (and any other "**Development Party**" as defined in the Declaration) and you as an Owner (both as an Owner of a Home and as a Member of the Association) by binding arbitration. These arbitration procedures apply to you and to subsequent Owners as well as the Association.

3. **Insurance; Availability of Homeowners Insurance.** You will be required to procure and maintain property insurance with an endorsement for "replacement costs". You will also be required to obtain liability insurance for not less than \$500,000.00 for all claims arising out of a single occurrence. However, before you acquire any insurance for your Property, you should make sure that your insurance broker understands that the insurance covered by the Association's casualty/fire and liability coverage is limited and generally covers only areas owned by the Association.

4. **Right to Enter.** The Association shall have the right to enter a Unit at reasonable times with reasonable advanced notice when such entrance is required for the Association to perform its maintenance and repair responsibilities under the Declaration.

5. **Association Budget.** An initial Association budget is prepared by an independent professional and is based on information available at the time of preparation. Budgets will change from time to time due to changing maintenance requirements, increases in utility costs, geographic impacts that are not anticipated when the budgets were prepared, the demand by Buyers for different, higher, or enhanced services or standards of maintenance and/or unforeseen or unanticipated circumstances. In addition, actual maintenance costs may vary from the costs allocated in initial budget; therefore, there is no representation that the initial budget reflects actual costs of operating the Association.

6. **Architectural Committee; Architectural Control.** The Declaration sets forth provisions that require plans for all improvements on a Condominium to be approved before they may be constructed or installed. The Declaration also

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

provides for the Architectural Committee to review planned improvements. Please note that you are required to pay a review fee as set forth in the Declaration at the time you request review of your plans for improvements to your Property and additional fees may be required for multiple reviews. Seller is exempt from the Article of the Declaration entitled "Architectural Control". Buyer should read the Article of the Declaration titled "Architectural Committee" and the Architectural Guidelines, the Community Rules and follow each procedure required therein before constructing any improvements.

7. **Use Restrictions; Prohibited Improvements.** All Owners of Condominiums are subject to certain restrictions (described in the Declaration) on the occupancy, use and improvement of their Condominiums. You are strongly encouraged to carefully review the Article of the Declaration titled "**Use of Condominiums**" to fully understand the restrictions applicable to your Condominium. For example, the restrictions in the Declaration prevent you from using, occupying or improving your Condominium in a way that would impair the insurability of any Condominium. The restrictions in the Declaration, in addition to requiring approval from the Architectural Committee for any improvements to your Condominium, also prevent or limit your ability to make certain improvements to your Condominium, including improvements that would (i) impair the structural integrity of the Community (e.g. combining Units, altering foundation, modifying flooring, etc.); (ii) alter the internal plumbing or plumbing fixtures; or (iii) cause water intrusion, loss of fire protection or increased transmission of sound (e.g. modifications to doors, windows, walls, floors, etc.).

8. **Residential Use Restriction.** Each Condominium can only be used for single family purposes. No owner may lease a Condominium for transient or hotel purposes and no Residential Condominium may be leased for a term of less than six (6) months. The lease of a Residential Condominium may also be subject to other limitations described in the Section of the Declaration titled "**Residential Purposes**".

9. **Parking.** There will be a parking garage with parking spaces. The Seller, as Declarant, plans to assign at least one (1) parking space to each Owner of a Condominium ("**Parking Space**"). Please review Exhibit to the Declaration for the location of the **Parking Spaces**.

(a) **Parking Spaces are Assigned at the Close of Escrow.** Any Parking Space will only become part of a Condominium (including the Property) if the right to use a Parking Space is specifically described in the Agreement (or an amendment thereto) and in your Grant Deed. The number of the Parking Spaces over which you will have an exclusive right to use will be specified in your Grant Deed. Seller currently plans to assign at least one (1) Parking Space to each Condominium.

(b) **Parking Spaces Irrevocable; Exchanging Parking Assigned Spaces.** Assignment of a Parking Space is irrevocable unless the Owner and each Mortgagee of the Condominium agree in writing otherwise. However, Owners can exchange (i.e. re-assign) the Parking Space with another Owner, provided the exchange is in writing and the Owners notify the Association of the exchange and provide the Association with the written agreement.

(c) **Parking Restrictions.** No Owner or occupant of a Condominium shall park his or her vehicle in any area where parking is disallowed by the City. Vehicles (including cars, passengers vans and trucks) may only be parked within the Parking Space assigned to your Property pursuant to the Section of the Declaration titled "**Parking Spaces**". The Seller and the Association have the right to temporarily relocate the Parking Spaces to reasonably accommodate emergency, construction, maintenance or repair issues. The Association may adopt reasonable Community Rules regarding the parking of vehicles within the Community which are not in conflict with applicable law. In addition, the Association shall have the right, but not the obligation, to establish procedures in the Community Rules to enforce and verify adherence to the parking and garage restrictions and requirements of the Declaration in the event a violation is discovered.

(d) **Parking Spaces.** There is no representation that your particular vehicle will fit into the Parking Space assigned to you. Buyer acknowledges that such Parking Space shall be used only for parking vehicles.

10. **Maintenance.** Each Owner is required to maintain his or her Unit and any Exclusive Use Area in a neat, clean, safe and attractive condition at all times. You should refer to the Declaration, the Maintenance Manuals and any manufacturers' manuals to be provided to you for additional information concerning your maintenance responsibilities.

11. **Window Coverings.** You will be required to install window coverings that comply with the Declaration and Architectural Guidelines, within 120 days of close of escrow on your Property.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

12. **Encroachment Maintenance Agreement.** The Community is subject to that certain Encroachment Maintenance and Removal Agreement recorded on Junen30, 2017, as Document No. 2017-0298354, in the Official Records ("**Encroachment Maintenance Agreement**"). Per the Encroachment Maintenance Agreement, the City permits the Association as to the Association Property to use and maintain certain improvements located in the public right-of-way to include Sidewalk Underdrains, Pavers, Exit Door and Pair of Gates in the locations shown in the Encroachment Maintenance Agreement. The Association is required to remove, relocate or restore the encroachments located in the public right-of-way within 30 calendar days of written notice from the City. In the case of an emergency, as determined by the City, the City may request that the work be done immediately or within less than 30 days. The Owners and the Association must indemnify, defend, protect hold harmless the City, its agents, officers, and employees from and against any and all liability arising from construction, maintenance, use, repair of the encroachments. Should the City elect to exercise its right to require the Owner and Association and remove the encroachments, the Owners shall be obligated to do so as required in the Encroachment Maintenance Agreement and shall thereafter have no further rights to use of such encroachment areas. Seller shall Seller makes no representations or warranties as to whether the City will elect to exercise its right in the future.

**SURROUNDING PROPERTIES**

13. **Surrounding Uses; Generally.** The following uses exist surrounding the Community:

- North of the Community: Multi-Family Residential.
- East of the Community: Multi-Family Residential.
- South of the Community: Multi-Family Residential.
- West of the Community: Multi-Family Residential.

Seller does not control the use, development or redevelopment of the properties surrounding the Community. Neither Seller nor its agents makes any oral or written statement, representation or warranty as to future use, development or redevelopment of adjacent properties other than as noted in this Addendum. Property uses, general plans, zoning and capital improvement plans are subject to change; therefore, Buyer is encouraged to check with the appropriate planning and engineering department representatives of the City and other governmental agencies regarding proposed and pending public facilities and land uses that may impact the Community. Buyer acknowledges that it is Buyer's responsibility to perform any such investigation as Buyer deems appropriate **before** entering into this Agreement and Buyer's obligations under this Agreement are **not** contingent on any information that Buyer may discover.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

## IMPACTS FROM SURROUNDING PROPERTIES

14. **Transportation Facilities.** Buyer understands and acknowledges that traffic congestion, noise, vibrations, air pollution (e.g., automobile emissions) lights and other impacts associated with transportation facilities can be expected from Interstate 5 and surface streets in the vicinity of the Community. Other regional, local arterial road system improvements are subject to modifications, approvals, and determinations made by the applicable governmental authorities. For example, alignments may be changed, proposed extensions may be deleted or changed and roadway improvements within the vicinity of the Community. You may experience noise from construction and traffic as well as other problems associated with traffic congestion in the area of the Community. You should evaluate the impact of the foregoing road issues on your proposed use of the Property. For further current information on roadway improvements, please contact the local jurisdiction.

15. **Surrounding Developing Communities.** The Community is located within the City of San Diego ("City"). Seller makes no oral or written statements, representation or warranty as to existing or future use or development of nearby properties other than as noted in this Addendum. Should Buyer desire any further information regarding the use or development of adjacent properties, Seller urges Buyer to contact the City at (619) 236-5555.

16. **Natural Hazard Disclosure Report.** Seller plans to provide to Buyer a statement regarding certain natural hazard zones (commonly referred to as a "Natural Hazard Disclosure Statement" or "NDHS"). Buyer should carefully review the NHDS provided by Seller if provided by Seller.

## THE COMMUNITY

17. **Residential Use.** Residences within the Community are limited to use for single-family residential purposes.

18. **Noises; Sound Transmissions.** Seller has undertaken efforts designed to mitigate sound transmission. However, it is the nature of attached condominium properties that noise may be audible from one Condominium to the next. You accept the Property subject to sound impacts from adjacent Condominiums and accept responsibility for minimizing noise transmission from your Property and agree to adhere to any Community Rules of the Association which are designed to minimize noise transmission, including the limitations provided in the Sections of the Declaration titled "**Restrictions Against Attachment of Speakers, Etc. to Certain Walls**" and "**Hard Surface Floors**".

Sound attenuation from an adjacent occupancy in a manner comparable to a single-family residence is impossible to attain. There will usually be some audio awareness of your neighbors, depending upon the situation. The Condominiums are also subject to sound and noise transmission from the facilities associated with the Community and the Commercial Units, as well as surrounding and adjacent properties resulting from, among other things, walls, floor-ceiling construction, plumbing lines and systems, ventilation ducts, mechanical equipment and HVAC systems, and other equipment and that such systems can generate noise which may be audible in your Property.

32. **Roof Top Decks; Decks.** Roof Top Decks and Decks (collectively "**Decks**") are exclusive use of the Owners of Condominiums. No wood fire pits are allowed on the Decks. You may experience increased noise from the use of the Decks. In addition, improper maintenance of the Decks may result in water intrusion into the Units below. Particular care must be taken by the Owners to prevent water from spilling by not over-watering potted plants. Also, the containers for any potted plants should be on stands so there is no direct contact with the surface of the Decks.

19. **Recreation Amenities.** There are no recreational amenities planned for the Community.

20. **Miscellaneous Easements.** Buyer acknowledges that the Community and surrounding property is subject to all easements of public record, including, but not limited to, those shown on the recorded map for the Community and those of an apparent nature, including, but not limited to, easements for utilities, natural gas, water, sanitary sewer, storm water and drainage. Buyer further acknowledges that easements generally have some restricting effect on the use of property. Buyer should ask their title insurance company or the appropriate governmental entity for a map showing all easements that may affect the Property. The location of utility structures, vaults, transformers, street lights, pull boxes, fire hydrants, etc., is controlled by the utility agencies and/or the City and may be subject to change without prior notice to Buyer.

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Easements for the placement and maintenance of utilities, streets, drainage and other purposes should be shown on the title report and on the Official Records. Additional easements may be created by the Declaration or separate documents such as a maintenance easement in favor of the Association.

21. **Unit Boundaries**. Each Unit is delineated on the Condominium Plan for the Community that has been or will be recorded in the Official Records. The Condominium Plan describes the Unit boundaries for each Unit. Buyer acknowledges the opportunity to evaluate the Condominium Plan (or draft thereof prior to its recordation) to determine any irregular Unit boundary lines.

22. **Cable Television or Satellite Service**. If cable television or satellite outlets are provided in your Property, Seller makes no representation as to when or if cable television or satellite service will be available in the Community or any representation as to the quality of television reception or cable service or satellite service, or as to rates to be charged for service.

23. **Utilities Connections**. Buyer understands that it is Buyer's responsibility to transfer all utilities into Buyer's name, make payment of any deposits required, and arrange for service connections.

24. **Trash Pickup**. The Association will arrange for trash and recycling services. Owners shall remove rubbish, trash, or garbage from their Units and Decks and place them in such locations that are approved by the Board. The Board may adopt Community Rules regarding the trash drop off and pickup locations.

25. **Emergency Resources**. The Community receives its emergency services from the City. These emergency services can be accessed in an emergency by dialing "911". Buyer may wish to contact the municipal agencies to determine the locations of emergency resources. Buyer acknowledges that Seller has no responsibility for and makes no representation regarding emergency services.

26. **Notice under California Civil Code Section 2079.10a**. The following notice is given pursuant to the California Civil Code:

**NOTICE: Pursuant to Section 290.46 of the California Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](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.**

27. **Taxes and Assessments**.

(a) **Real Estate Taxes**. The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property along with the addition of special taxes and assessments applicable to Units, including, but is not limited to voter approved bonds, school assessments, hospital districts, water/sewer/flood control assessments, fixed charge vector control and landscaping/lighting assessments. The final sales price, which will be reflected by the tax rolls for tax assessment purpose will be the final sales price reflected on your closing statement. Actual taxes and assessments may vary. For more information of your property tax bill, Buyer should contact the San Diego County Tax Assessors Office at (619) 236-2424. The address of the County Assessor is: 1600 Pacific Highway, Room 162, San Diego, CA 92101. Buyer should review carefully Notices of Special Tax provided by Seller, if any.

(b) **Notice of your Supplemental Property Tax Bill**. California property tax law requires the assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound

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account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental tax bills directly to the tax collector.

If you have any questions concerning this matter, please call your local tax collector's office.

Seller makes no representations as to the timing or amount of such supplemental tax bill. Buyer is solely responsible to pay this supplemental tax bill.

(c) **Transfer Taxes.** In San Diego County, the documentary transfer tax is \$1.10 per \$1,000 of the sales price of the Units including all options and upgrades. Buyer is responsible for paying all County transfer taxes, which must be paid at close of escrow.

### THE PROPERTY

28. **Insulation.** R-value measures resistance to heat flow. The higher the R-value, the greater the insulating power. Different types of insulation having different R-values will be used in various places in the Property. The R-values and type of insulation applicable to Buyer's Unit are at least as follows:

Location	R-Value	Thickness	Insulation Type
Exterior Walls	R-19	6.25"	Batt
Interior Demising Walls Between Units	R-11	3.5"	Batt
Floor / Ceiling Between Garage & Living	R-19	6.25"	Batt
Roof	R-30	10"	Batt

The above are minimum R-values and the actual R-values may vary differ for a particular Unit depending upon where the Unit is located within the Community. If the above information has been left blank, before close of escrow Buyer will receive the information regarding the R-values and type of insulation applicable to Buyer's Unit.

29. **Carbon Monoxide Devices.** The Unit includes an operable carbon monoxide device(s) which are approved and listed by the State Fire Marshal pursuant to California HEALTH AND SAFETY CODE SECTION 13263 (also known as the CALIFORNIA CARBON MONOXIDE POISONING ACT PREVENTION ACT OF 2010). Pursuant to California law, the carbon monoxide device(s) must remain operable at all times. Buyer is responsible for the testing, repair and maintenance of the carbon monoxide devices installed in his or her Unit.

30. **Fire Sprinkler Systems; Fire Alarm.** No Owner shall impair or interfere with the proper operation of the fire sprinkler equipment installed by Seller in the Owner's Unit or the fire alarm located within the Association Property servicing the Community.

31. **Smoke Detectors.** The 1994 UNIFORM BUILDING CODE adopted in the State of California requires that all new dwelling units contain smoke detectors in all sleeping rooms and at a point centrally located in the corridor or area giving access to the sleeping rooms. These smoke detectors must be hard-wired to the building's primary source of power and must have battery backup. Smoke detectors will be appropriately installed in your Property in accordance with this Code provision. Please be aware that it is Buyer's obligation to maintain the lawful, working condition of these smoke detectors in the future and with respect to any future sale of the Property to any third party.

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32. **Drainage.** The Community has existing drainage systems to facilitate proper drainage and, excluding re-sloping of certain Decks, Seller has not renovated the existing drainage systems. Clogged drain lines may result in possible damage and inconvenience. Therefore, all drain lines must be maintained open and free-flowing at all times by Buyer. Buyer agrees not to change the established drainage of any Deck. Any decision by the Association or Owner to change the established drainage may cause severe damage from water intrusion to the Property being purchased or neighboring Units. Seller shall not be responsible for any such damage which occurs should the established drainage of the Community be altered.

33. **New Home Universal Design Checklist (AB 1400).** A document entitled "*New Home Universal Design Checklist (AB 1400)*", completed and initialed by Seller will be provided to Buyer from Seller. Buyer shall sign and return that document to Seller.

34. **Radon.** The aging process of the soil and other elements created by nature, as well as building materials developed by man, many times create unwanted and undesired gases and contaminants in the Unit, both new and used. Also, since energy conservation has become a concern, the State of California uniform building code, specifically the energy standards, has created tighter homes which trap these unwanted gases in different degrees depending on how each person lives within their Property. To date, measurements of such unwanted gases (such as radon) are reported as part of the air they occupy. In most cases, the measurements are translated to "**parts per millionth**" or "**parts per billionth**". Since the quality of air we breathe can affect our health, we recommend frequent airing of your Residence by simply opening your windows to introduce air uncontaminated with such gases.

35. **Energy Conservation.** Units in the Community meet or exceed the energy conservation standards that are a part of Title 24 of the California Administrative Code. Seller is required to design and install heating and cooling units that meet strict guidelines for Title 24. This is an energy conservation law that is designed to help reduce the overall use of energy in Buyer's Unit. Title 24 describes the amount of cooling capacity as well as the minimum efficiency ratings for each geographic location in the state. In complying with Title 24, any cooling units installed in Buyer's Unit are designed for maximum efficiency. Due to the Title 24 geographic requirements, on extremely warm days the inside room temperature of Buyer's Unit may be warmer than Buyer's thermostat selection. This is due to design restrictions imposed by Title 24, not any design or installation defect of Seller or its contractor.

Additionally, the Property is also located in a designated climate zone in which properties are subject to duct sealing and testing requirements set forth by the California Energy Commission. For more information about the California Home Energy Rating System (HERS) Program, Buyer should visit <https://www.disclosuresource.com/downloads/Homeenergyrating.aspx>.

54. **Window and Door Weatherstripping.** The Unit you are buying contains operable and fixed-pane window openings and door openings. These openings are insulated and glazed with a variety of fibrous, vinyl, rubber, and/or neoprene/petrochemical-based materials. All of these materials have a limited life and will deteriorate, wear down or wear out over time starting with the first day after installation. This deterioration and wear will cause an increase in the amount of air infiltration and cause heat or cooling losses thereby raising the cost of heating or cooling your Unit. The rate at which these materials deteriorate or wear will depend on a variety of factors which are outside of the control of Seller, such as frequency of use, cleaning or abuse. The completed window or door installation, including the sills, jambs, thresholds, glass and glazing and these insulating materials are only warranted to meet the requirements of the UBC and the State of California Title 24 for air infiltration upon the initial installation (per Section 116 17, Part 6, California Title 24). The amount of air infiltration (and therefore, heat gain or loss to the interior of the living space) will increase with use, age, lack of care, or lack of replacement by the Owner, and is hereby agreed to be outside of the control or responsibility of Seller. Buyer can minimize the increase in air infiltration by eliminating damage to the insulating materials during use, by cleaning the insulating material, or by applying conditioners to the materials to slow aging. Due to the Title 24 geographical requirements, on extremely warm days, your inside room temperature may be warmer than your thermostat selection. This is due to design restrictions imposed by Title 24 and not to any design or installation defect of Seller or its contractor.

36. **Safe Drinking Water and Toxic Act (aka Proposition 65).** The Safe Drinking Water and Toxic Act of 1986, also known as Proposition 65, lists many chemicals known to be harmful. Under the requirements of Proposition 65, all businesses (including all builders of residential homes) are required to provide a warning to the public of the dangers of potential harm by exposure to these chemicals.

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The development and construction of a home involves numerous contractors, subcontractors and trades. Numerous types of materials are incorporated into the completed home. Many building materials contain chemicals or require the use of chemicals in the manufacturing of those materials. Accordingly, it is impossible to accurately isolate all of the chemicals which may have been used in the manufacturing of materials or which might be contained in the various materials incorporated into a home.

In compliance with Proposition 65, Seller wishes to advise Buyer that the Unit Buyer is purchasing may contain one (1) or more chemicals known to the State of California to cause cancer or other reproductive harm.

Should Buyer require further information, Buyer may refer to the California Environmental Protection Agency's (Cal/EPA's) Office of Environmental Health Hazard Assessment (OEHHA), the Proposition 65 legislation, and the State of California's list of toxic chemicals. Buyer acknowledges he or she has read Seller's posted warning signs concerning exposure to chemicals known to cause cancer, birth defects or other reproductive harm.

37. **Water Quality Protection.** Toxic or hazardous chemicals or hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinners, wood preservatives, fertilizers, lawn clippings, yard waste, detergents, pet waste and other such materials and pollutants cannot be discharged into any street, gutter, storm drain or storm water conveyance systems, public or private. The use, storage and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers and other such chemical treatments must meet Federal, State and County requirements as prescribed in their respective containers. Pollution that gets into the storm drains goes directly into local waters.

38. **Seller has Not Given Legal or Tax Advice.** Buyer acknowledges that neither Seller nor any agent or employee of Seller has given Buyer any representation or advice concerning the legal consequences or tax consequences of entering into this Agreement or acquiring the Property. Buyer shall contact his or her own legal or tax consultant for any such advice, including, but not limited to whether and to what extent interest, taxes, special taxes or assessments may or may not be deductible expenses.

39. **Availability of Property.** Buyer understands that certain of Seller's other properties may have been on or off the market and may not have been shown to or otherwise made available for purchase by Buyer. Buyer acknowledges that Seller has no obligation to notify Buyer if any property becomes available.

40. **Pricing; Changes in Prices and Marketing Methods.** Each Unit in the Community differs from each other Unit as to location and relationship to other buildings, and surrounding properties. Seller has priced each Unit individually. Seller does not guarantee to preserve any view or condition that currently exists. Buyer is responsible to evaluate the location of the Property, and determine the acceptability of the individual price Seller has placed on the Property. Seller is not in control of conditions in the real estate market, and Seller may increase or decrease prices in the future, or offer financing or decorator incentives, as market conditions dictate, without regard to the price Buyer paid for the Property. Buyer also acknowledges that Seller reserves the right, at any time and without notice, to change its marketing methods, including, but not limited to, selling Units in bulk to another developer, or to sell lots by auction or by lottery.

41. **No Warranty of Future Value.** No representation or warranty is made by Seller or any agent of Seller with respect to any future value of the Property. Seller has neither offered nor agreed to any price protection or other similar commitment to Buyer regarding the value or resale value of the Property (or any other property), and Seller shall not have any obligation or liability whatsoever to Buyer in the event any price changes directly or indirectly affect the value of the Property.

42. **No Guarantee of View.** Although the Property may enjoy some unique view potential, Buyer acknowledges that there are no express or implied easements for views or for the passage of light and air to the Property. Although the provisions of the Declaration may have some effect on preserving views and/or providing for the passage of light and air to individual properties, Seller does not guarantee or make any representation whatsoever concerning the view, if any, that the Property will enjoy. Buyer further acknowledges that any view which the Property may currently enjoy may be impaired or obstructed by further construction within the Community and/or on property adjoining the Community in accordance with local ordinances and regulations, by construction and/or installation of improvements (including landscaping) by adjoining owners in accordance with the Declaration, and/or by the natural growth of landscaping. Buyer further understands that the provisions of the Declaration establish certain architectural and landscaping controls applicable to the Community, and that

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each owner has the right to enforce such controls. Except for such controls, there are no rights concerning the preservation of any view.

43. **Living Area House Square Footages.** All square footages as quoted in brochures for the Community and related marketing materials are approximate numbers only, provided to Seller by our architectural consultants. Minor variations can occur from Unit to Unit. Additionally, some room variations can increase the living area square footage of Buyer's new Unit. Elevational changes often affect the total living square footage area - sometimes resulting in a decrease in square footage area.

44. **Modified Boma Standards.** The approximate square footage areas of the Property for purposes of calculating assessments is based on methods of measurement which are similar to the Building Owner Management Association (BOMA) standards of measurement which, among other standards, measure to the centerline of walls between Units or Units to interior face of glass window or exterior face of exterior wall, as applicable, without exclusion of structural, mechanical, etc. regardless of the fact the Units extend only to interior surfaces of walls. Furthermore, Seller intends to utilize these same methods of measurement in describing to buyers and Owners the approximate square footage areas of Units in the Community.

45. **No Improvements or Storage Before Close of Escrow.** Buyer acknowledges that all portions of the Property and materials located on the Property are the property of Seller or persons other than Buyer, and Buyer has no right to utilize in any way any of such materials. Buyer also acknowledges that Buyer may not make any changes of any kind to the Property during construction and prior to the close of escrow (e.g., alarm systems, intercoms, stereo wiring, floor or window covering etc.). Any changes and non-approved options found on the Property during the construction period will be removed by Seller and the cost of removal and any necessary repairs to the Property shall be paid by Buyer.

46. **No Obligation to Repair Cosmetic Conditions; Stucco.** Buyer acknowledges that Seller shall not be obligated to correct or repair the following conditions which the parties hereby define as cosmetic conditions: cracks which may appear in walkways, driveways and slabs by reason of shrinkage, soils conditions or expansion or contraction which do not affect the strength or alter the structural integrity of the concrete in any manner; variations in finishes due to the nature of wood, variations in color, grains and texture in cabinets, yellowing or fading of wood surfaces by reason of exposure to sunlight, variations in consistency of tile and grout, slight variations in paint colors per batch, and other similar cosmetic conditions.

47. **Excessive Moisture.** Buyer is aware that mildew or other forms of mold may be present and may grow in the interior of Buyer's Unit due to a variety of conditions. Buyer can reduce the possibility or severity of mildew or other forms of mold by allowing adequate circulation of air within the Unit and taking other appropriate steps, including proper maintenance. Any water spillage should be promptly removed, and appropriate steps should be taken to prevent the continuation of moisture within any portion of the Units. Suggestions for steps you can take to prevent conditions that may cause mold or mildew to develop are provided in the **Section** of the Declaration entitled "**Mold**".

48. **Hazardous Substances.** Buyer represents that Buyer shall not permit or allow any toxic or hazardous substances or materials (as defined by federal, state or local laws and regulations) to be transported, generated, stored, released, emitted, discharged, processed, recycled, removed, disposed of or handled on, to, from or under the Property or any portion of the Community in violation of any Federal, State or local law, ordinance, regulation or order. Buyer agrees to indemnify, defend with counsel approved by Seller, and hold harmless Seller and Seller's divisions, subsidiaries and related entities, and all of their employees, officers, directors, shareholders contractors, agents, representatives, professional consultants, and their respective successors and assigns, from and against all claims, orders, suits, arbitrations, demands, losses, liabilities, costs, expenses (including attorneys' fees) and penalties arising from Buyer's violation of any law, ordinance, regulation or order and from any violation of the provisions of this Paragraph.

49. **Assumption of Risk and Liability.** By acceptance of this Addendum, Buyer agrees to assume all risk and liability for injuries to persons and property that may be sustained by you, members of your family and your guests and invitees by reason of all conditions and circumstances disclosed in this Addendum.

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50. **Acknowledgment of Documents Provided by Seller to Buyer.** Buyer has received, read and understands the Conditional or Amended Final Subdivision Public Report, Declaration and Natural Hazard Disclosures Statement covering the Property.

51. **Obligation to Investigate.** Nothing contained in this Addendum is intended to be a complete disclosure of all facts which Buyer may wish to consider when buying the Property. Buyer is still obligated to conduct his or her full investigation of all facts relevant to him or her in deciding where and when to buy.

No sales representative, employee or agent of Seller has the authority to make any representation to Buyer which contradicts or is inconsistent with the information contained in this Addendum. Except as specified by Buyer in the lines below this Paragraph, Buyer acknowledges that no such representations have been made. Please indicate on the lines below all contrary statements made by a sales representative, employee or agent of Seller or any information that Buyer has gained that is contrary to the information provided in this Addendum.

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52. **Buyer Sole Remedy Regarding Disclosures.** Seller may in good faith after acceptance of this Agreement provide additional disclosures or correct disclosures regarding this sale, the Community, or nearby areas. Should any such additional or corrected disclosure be material to Buyer's decision to purchase, Buyer may, prior to close of escrow, terminate this Agreement and receive a refund of his or her deposit, provided Buyer gives Seller written notice of termination within three (3) days after delivery in person, or five (5) days after mailing, of such additional or corrected disclosure. This remedy shall be Buyer's sole remedy and Buyer waives any other claim provided Seller acted in good faith. Buyer acknowledges that in entering into this Agreement, Seller has relied on Buyer's agreement that Buyer will pursue no other claim, action, or remedy (e.g., a lawsuit for negligent misrepresentation or negligent failure to disclose) against Seller arising out of any such good faith additional or corrected disclosure. Should Buyer decide to close escrow, doing so shall evidence that Buyer did not deem the additional or corrected disclosure to be material and that Buyer has waived any claim against Seller regarding such additional or corrected disclosure.

Buyer certifies that Buyer has read and fully understands the information and disclosures contained in this Addendum D. Buyer acknowledges that the facts disclosed in this Addendum D are important and do not constitute a complete list of all facts which should be considered by Buyer. All other provisions of the Agreement shall remain in force and effect, and this Addendum D shall be incorporated into and be made a part of the Agreement.

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**IN WITNESS WHEREOF**, the parties have executed this Addendum D and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability Company, Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_  
Date Initialed: \_\_\_\_\_  
(Agent is not authorized to sign on behalf of Seller)

**"BUYER"**

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**ADDENDUM "E"**

**DISCLOSURE REGARDING MOLD**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

THIS **ADDENDUM "E" - DISCLOSURE REGARDING MOLD** is a part of the **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement")** between the undersigned Buyer and Seller for the sale of the above referenced Unit number which is referred to as the **"Property"** in the Agreement and a **"Unit"** in the **DECLARATION OF RESTRICTIONS FOR URBAN EDGE ("Declaration")**.

1. **GENERAL.** Recently, there has been considerable publicity regarding the presence of mold in the Property. Molds are microscopic organisms that are present both indoors and outdoors, and may have adverse effects on the health of occupants or structural components of the Property. It is currently believed that some types of mold are toxic to human health. Because it may be impractical or impossible to eliminate all indoor mold, indoor mold is an important topic about which Buyer should become informed. Buyer understands and acknowledges that Title 24 of the California Building Standards Administrative Code ("**Title 24**") obligates builders to follow its energy efficiency requirements in residential construction. While energy efficiency is very important, one of its consequences is that homes are more air-tight today than they were before energy efficiency requirements were enacted. Because of the resulting restricted air-flow within homes, today's homes are typically subject to increased condensation levels.

Buyer also understands and acknowledges that Buyer may experience high levels of humidity or moisture at the Property, which may encourage the growth of microorganisms, fungi, mildew, and/or mold (hereinafter referred to collectively as **"Mold"**). Although Mold exists throughout the outdoor environment and is ordinarily harmless to human beings, extensive indoor Mold may lead to infections, allergic reactions, asthmatic reactions, and/or other serious health problems (particularly for young and elderly persons, or individuals with suppressed immune systems). In particular, the presence of certain molds (e.g., *Stachybotrys chartarum*, *Aspergillus*, *Penicillium*, *Fusarium*, *Trichoderma* and *Memnoniella*), which are typically black or greenish in color or produce black pigments, may pose a significant health threat. Mold may also cause extensive damage (e.g., dry rot) to building structures and materials, personal property located within building structures, aesthetic losses, and declines in property values.

Buyer understands and acknowledges that Mold requires moisture to live and that there are a number of preventative measures that can be taken to control the growth of Mold. These measures include, but are not limited to: (i) minimizing activities which produce steam and moisture within the home; (ii) using kitchen, bathroom, and other household fans and opening bathroom and kitchen doors slightly when moisture is being generated; (iii) using an absorbent towel to wipe dry any excessive condensation observed in the home; (iv) regularly vacuuming and cleaning with solutions designed to eliminate and/or prevent Mold growth; (v) periodically inspecting, maintaining and repairing kitchen, bathroom, and other household fans designed to remove moisture from the home; (vi) periodically inspecting and keeping air conditioner, refrigerator, and dehumidifier drip pans clean and dry; and (vii) periodically inspecting for and making necessary repairs to eliminate water leaks, seepage, moisture, and Mold.

Since Mold is often found where air circulation is poor and moisture condenses on degradable materials, any home inspection should include an examination of the following appliances or areas: heating, ventilation, and air conditioning systems; attics, and crawlspaces; bathrooms, kitchens, and utility areas (especially underneath sinks and around dishwashers and washing machines); carpeting installed directly on concrete slabs; humidifiers and dehumidifiers; refrigerator drip pans; any place that musty odors, constant moisture or water stains are present; and any place that flooding, water leaks or seepage may have occurred.

Buyer understands and acknowledges that, even if all of the foregoing preventative measures are taken, it is still possible that Mold will grow in Buyer's home (i.e., the Property). In the event that Mold is discovered in Buyer's home, Buyer may wish to consult with an environmental consultant, the local health department, or some other qualified professional before taking action to remove such Mold (and comply with any notice obligations to Seller, if any, provided by law or a warranty program applicable to the Property). For more information concerning Mold, Buyer should visit the State of California's Department of Health Services (Indoor Air Quality Program) web site, [www.cal-iaq.org](http://www.cal-iaq.org), the U.S. Environmental Protection Agency's Mold web site, [www.epa.gov/mold/moldresources.html](http://www.epa.gov/mold/moldresources.html), and the U.S. Centers for Disease Control and Prevention website, [www.cdc.gov](http://www.cdc.gov) (search for the keyword "mold").

2. **ADDITIONAL INFORMATION.** Seller has provided to Buyer, and Buyer hereby acknowledges receipt of, a copy of a booklet entitled **"HOMEOWNER'S GUIDE TO EARTHQUAKE SAFETY & ENVIRONMENTAL HAZARDS,"** the 2002 edition of which was prepared by the California Environmental Protection Agency, Department of Toxic Substances Control in cooperation with the United States Environmental Protection Agency ("**EPA**") and the California Department of Real Estate. The booklet contains information on certain environmental hazards (including mold) commonly present in homes. Seller is providing the booklet to Buyer for Buyer's information only, and Seller makes no warranty as to the accuracy of the information contained in the booklet. Seller has no expertise in identifying or remediating mold or any other biological pollutant, nor has Seller any expertise in the possible effects on health or property of such pollutants.

3. **NO WARRANTY.** Because such substances are pervasive, the Property is not warranted to be free of mold or other naturally occurring biological pollutants. Mold and other biological pollutants may be present in the Property at close

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

of escrow or may later develop within the Property. Proper maintenance and repair may reduce the presence of mold and other biological pollutants in the Property.

4. **BUYER MAINTENANCE.** Buyer agrees to take all reasonable and appropriate steps to prevent conditions that may cause mold or mildew to develop in the Property, including following the recommendations contained in the publications referred to above. Buyer also agrees promptly to report to URBAN EDGE HOMEOWNERS ASSOCIATION ("**Association**") evidence of moisture accumulation or mold in portions of the Community which the Association is responsible to maintain.

Buyer certifies that Buyer has read and fully understands the information and disclosures contained in this Addendum. Buyer acknowledges that the facts disclosed in this Addendum are important and do not constitute a complete list of all facts which should be considered by Buyer. All other provisions of the Agreement shall remain in force and effect, and this Addendum shall be incorporated into and be made a part of the Agreement.

**"SELLER"**

**"BUYER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company, Its General Partner

\_\_\_\_\_  
(Signature) Dated

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

\_\_\_\_\_  
(Signature) Dated

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

ADDENDUM "F"

OPTIONS

COMMUNITY: URBAN EDGE

MAP NO. 1069

UNIT NO.: \_\_\_\_\_

BUYER'S NAME: \_\_\_\_\_  
(Print Buyer's Last Name)

THIS ADDENDUM "F" - OPTIONS is a part of the JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") between the undersigned Buyer and Seller for the sale of the above referenced Unit number which is referred to as the "Property" in the Agreement and a "Unit" in the DECLARATION OF RESTRICTIONS FOR URBAN EDGE ("Declaration").

The Agreement is supplemented as follows:

1. **OPTIONS.** Buyer may choose to "upgrade" items or features in the Property installed or to be installed by Seller's contractor. Buyer may be offered a selection of colors, surfaces, coverings and other upgrades (collectively "Options"). If Buyer elects to purchase any Options for installation in and on the Property on or before the applicable Option Selection Date, Buyer requests that Seller's plans and specifications for such home be modified by the addition of the Options. Buyer represents that the Options are to be solely and exclusively for the benefit and convenience of Buyer, and Buyer agrees to pay the total price of the Options as set forth in this Addendum. Buyer acknowledges that the home, including the Options, is not being built to the plans and specifications of Buyer.

**OPTION ITEMS:** Provide brief description of Options selected (if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. **OPTIONS SELECTION DATE.**

(a) All Options must be installed prior to the close of escrow.

(b) All homes will be built with standard specifications/products unless an Option Order is placed prior to the construction cutoff date specified for each Option item ("Option Selection Date"). The Option selection process is considered an opportunity that is based on the stage of construction for each home. Therefore, it is recommended that you make your Options selections as soon as possible to avoid any missed opportunities and to pay close attention to all Option Selection Dates as specified by Seller.

3. **OPTIONS PRICE AND PAYMENT SUMMARY.**

		<b>DUE DATE</b>
<b>TOTAL PRICE OF OPTIONS</b> .....	\$ _____	_____
<b>DEPOSIT BY BUYER (100% OF TOTAL PRICE)</b> .....	\$ _____	_____
<b>FINANCED AMOUNTS*</b> .....	\$ _____	_____
<b>CASH</b> .....	\$ _____	_____
<b>CREDIT AT CLOSE OF ESCROW</b> .....	\$ _____	_____
<b>OTHER</b> .....	\$ _____	_____
<b>CHECK NUMBER</b> .....	_____	_____

\* Subject to VA or Lender's down payment requirements and subject to **Paragraph 2.5.5** of the Agreement.

4. **PAYMENT OF OPTION DEPOSITS.** Buyer shall make the deposits described in Paragraph 3 above, in the amount(s), at the time(s) and in the manner set forth in Paragraph 3. Escrow Holder is instructed to debit Seller and credit Buyer with any deposits that were paid to Seller outside of escrow.

5. **LIQUIDATED DAMAGES.** BUYER ACKNOWLEDGES THAT ANY OPTION IS AN INDIVIDUAL SELECTION THAT MAY NOT HAVE THE SAME VALUE OR ANY VALUE TO ANOTHER PURCHASER. ACCORDINGLY, DEPOSITS PAID FOR THE FLOORING OPTION ITEM ARE NON-REFUNDABLE, SHALL BE

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_



IMMEDIATELY RELEASED TO SELLER AND SHALL CONSTITUTE ADDITIONAL LIQUIDATED DAMAGES PURSUANT TO THIS PARAGRAPH 5 AND PARAGRAPH 2.8.5 OF THE AGREEMENT.

BY PLACING THEIR INITIALS HERE:

BUYER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: \_\_\_\_\_

SELLER'S INITIALS: \_\_\_\_\_

BUYER AND SELLER AGREE THAT THE DEPOSITS PAID BY BUYER FOR THE OPTIONS CONSTITUTE ADDITIONAL LIQUIDATED DAMAGES AND THAT THE LIQUIDATED DAMAGES PROVISION SET FORTH IN PARAGRAPH 2.8.5 OF THE AGREEMENT APPLIES TO ALL SUCH DEPOSITS, TOGETHER WITH ALL OTHER DEPOSITS PAID PURSUANT TO THE AGREEMENT. ALL PROVISIONS OF PARAGRAPH 2.8.5 OF THE AGREEMENT APPLY TO THE ADDITIONAL DEPOSIT(S) MADE PURSUANT TO THIS ADDENDUM.

6. **CANCELLATION BY SELLER.** Buyer understands and agrees that if the amounts shown in Paragraph 3 have not been paid by Buyer by the specified dates for the same, Seller shall have the right to cancel the Option ordered without further notice to Buyer. Such cancellation by Seller shall not modify or alter the obligations of the parties with respect to the balance of the Agreement.

7. **CANCELLATION BY BUYER.** Should Buyer after the applicable Option Selection Date cancel an Option ordered, Buyer is aware that the price of the Option and the deposit therefore constitute an additional purchase price and an additional deposit under the Agreement and that subject to Paragraph 5 above, no deposit paid will be returned to Buyer nor will the additional purchase price of the Option be reduced or eliminated regardless of whether the Option has been installed.

8. **BUYER REPRESENTATIONS AND ACKNOWLEDGEMENTS.** Buyer represents and acknowledges that: (i) neither Seller nor any agent or sales representative of Seller has guaranteed or represented to Buyer that Buyer's Lender will finance any portion of the cost of the Options purchased by Buyer; (ii) neither Seller nor any agent or sales representative of Seller has guaranteed or represented to Buyer that the increase in the Total Purchase Price for the Property as a result of the additional cost of the Option purchased by Buyer will be equal to or greater than Buyer's lender's appraised value of the Property; (iii) Buyer is responsible for payment of the cost of the Options Buyer has agreed to purchase, regardless of whether Buyer's Lender will finance all or any portion of that cost; and (iv) if the Total Purchase Price exceeds Buyer's lender's appraised value of the Property, Buyer must deposit into escrow, in cash, the amount by which the Total Purchase Price exceeds Buyer's Lender's appraised value of the Property within five (5) business days after notification by Seller to do so.

9. **ADDITIONAL ESCROW INSTRUCTIONS.** This Addendum also constitutes additional escrow instructions to Escrow Holder for the sale of the Property to Buyer.

Buyer acknowledges that he, she or they have read the provisions of this Addendum and that the provisions are understood as well as reasonable.

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**"BUYER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company, Its General Partner

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Dated

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Dated

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

ADDENDUM "G"

FUNCTIONALITY STANDARDS AND NON-ADVERSARIAL PROCEDURES FOR STATUTORY CONSTRUCTION CLAIMS

COMMUNITY: URBAN EDGE

MAP NO. 1069

UNIT NO.: \_\_\_\_\_

BUYER'S NAME: \_\_\_\_\_ (Print Buyer's Last Name)

THIS ADDENDUM "G" - FUNCTIONALITY STANDARDS AND NON-ADVERSARIAL PROCEDURES FOR STATUTORY CONSTRUCTION CLAIMS is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_ by and between URBAN EDGE, LP, a California limited partnership ("Seller"), and the undersigned buyer(s) ("Buyer"), and this Addendum modifies and supplements that certain JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS dated \_\_\_\_\_, 202\_\_\_\_, by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

For purposes of this Addendum, the definition of "Seller" shall also include any entity which has an ownership affiliation with Seller, including any contractor with which Seller has an ownership affiliation. Consequently, in the event any affiliated contractor was utilized in construction of any of the improvements to the Property the provisions of this Addendum shall apply to such contractor and the delivery of all SB800 related notices, documentation, and materials described below shall be deemed given or delivered on behalf of such contractor.

1. RESIDENTIAL CONSTRUCTION LEGISLATION. CALIFORNIA CIVIL CODE Section 895 et seq. (also known as "SB800"), as it may be amended from time to time ("Statute"), is residential construction legislation establishing construction standards and providing mechanisms for resolution of claims. Such claims are referred to in this Addendum as "Statutory Construction Claims." The following is a summary of some of the pertinent provisions of the Statute:

- The Statute provides a series of standards describing how a home and its components should function ("Standards"). These Standards are divided into categories such as water intrusion, structural and soils-related issues, fire protection issues, plumbing and sewer, electrical and several other areas of construction. Components must meet the Standards for periods which vary from one to ten years, as set forth in the Statute.
A builder may be excused from its obligations under the Statute if a buyer fails to properly maintain the home, fails to promptly notify the builder of damage, if damage to a component is caused by a third party or act of nature, or under certain other circumstances specified in Section 945.5 of the Statute.
If a claim arises under the Statute, a buyer must follow the "non-adversarial procedures" set forth in Sections 910 through 938 of the Statute if the builder has elected to utilize the Statute's procedures. These procedures define certain actions that are required from both a buyer and the builder and the time frames for completing those actions.

Seller has provided to Buyer as an Exhibit to this Addendum, and Buyer acknowledges receipt of, a copy of Title 7 of Part 2 of Division 2 of the CALIFORNIA CIVIL CODE, which includes the Statute. YOU SHOULD READ THE STATUTE CAREFULLY AND SEEK LEGAL ADVICE IF YOU HAVE ANY QUESTIONS REGARDING ITS IMPACT ON THE PROPERTY YOU ARE PURCHASING.

BUYER'S INITIALS: \_\_\_\_\_

BUYER'S INITIALS: \_\_\_\_\_

SELLER'S INITIALS: \_\_\_\_\_

2. FIT AND FINISH WARRANTY. In connection with your purchase of the Property, Seller will provide you with a fit and finish warranty ("Fit and Finish Warranty"), which warrants the fit and finish of certain components of your home for one year from the close of escrow, subject to certain exclusions that include, but are not limited to, the failure to properly maintain the components and damage caused by third parties. Claims for repairs under the Fit and Finish Warranty are not subject to the non-adversarial procedures of the Statute. Such claims should be made to Seller's customer service representative.

3. DISCLAIMER OF WARRANTIES. EXCEPT FOR ANY SEPARATE FIT AND FINISH WARRANTY THAT MAY BE PROVIDED BY SELLER TO BUYER, SELLER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY OF CONSTRUCTION OR OTHERWISE, AND TO THE FULLEST EXTENT PERMITTED BY LAW.

4. MANUFACTURERS' WARRANTIES. Effective at close of escrow, Seller assigns to Buyer all manufacturers' warranties for appliances, fixtures and other equipment installed in the Property, including without limitation those described in the Receipt of Documents and Information. Buyer acknowledges that certain actions may void such manufacturers' warranties (e.g., adding tinting to dual-glazed windows).

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

5. **NOTICE OF CLAIMS.** The Statute sets forth requirements and procedures for claims under the Statute regarding the Property in CALIFORNIA CIVIL CODE Sections 910 through 938, inclusive. If Buyer or any successor to Buyer's interest in the Property claims that the construction of the residence on the Property violates any of the Standards, Buyer shall provide notice to Seller as follows: *Please provide information.*

**Urban Edge, LP. a California limited partnership  
11754 Treadwell Drive  
Poway, CA 92064  
Attn: Michelle Sterling  
(619) 890-7146**

This contact information is subject to change. The name and address of Seller's agent under CALIFORNIA CIVIL CODE Section 912(e) is also available at the office of the California Secretary of State. To ensure that notice is delivered to Seller at its correct address, Buyer is advised to confirm the current name and address of Seller's agent with the Secretary of State before delivering notice. This information can be provided by written request to:

California Secretary of State  
Special Filings Unit  
P.O. Box 942870  
Sacramento, California 94277-2780  
or by telephone at (916) 653-3984

By initialing below, Buyer acknowledges and agrees that Seller has provided Buyer with the name and address of the contact person for notice of any claimed violations of the Standards.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

6. **STATUTORY NON-ADVERSARIAL PROCEDURES.** By initialing below, Buyer acknowledges that Seller has elected to use certain procedures referred to as the "**non-adversarial procedures**" for the resolution of construction defect claims regarding the Property, as set forth in the Statute at Sections 910 through 938, inclusive. Seller has recorded or will record a notice of these procedures on the Property prior to the close of escrow. The recordation of such notice may be accomplished by including language in the declaration of restrictions for the Community. Buyer has had the opportunity to read the non-adversarial procedures in the Statute and acknowledges that the procedures set forth therein impact Buyer's legal rights with respect to the Property. According to the terms of the Statute, the non-adversarial procedures will not apply with respect to a given claim if the builder (i) elects not to use the non-adversarial procedures, or (ii) does not comply with the requirements set forth therein. Because of the short time limits prescribed by the Statute's non-adversarial procedures, those procedures may only apply to the simplest situations. **Buyer also understands that these non-adversarial procedures apply with respect to any Association Property within the Community owned or managed by others, including the Association to which Buyer is a member, and apply to representative claims brought by the Association on behalf of Buyer.**

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

7. **RECEIPT OF PURCHASE DOCUMENTS.** Buyer acknowledges that it has received or may in the future receive certain documents in conjunction with Buyer's purchase of the Property, including, but not limited to, those referenced in the Receipt of Documents and Information. Buyer shall maintain a full and complete copy of all documents. Buyer agrees to provide any subsequent purchaser of the Property from Buyer a complete copy of all documents as required by the Statute. Buyer should instruct subsequent purchasers of the Property to provide a complete copy of all documents to their subsequent purchasers.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

8. **MAINTENANCE RESPONSIBILITIES.** Seller shall, at or before close of escrow, provide Buyer a homeowner manual that contains maintenance information outlining Seller's and/or manufacturers' recommended homeowner maintenance obligations and schedules ("**Maintenance Manual**"). A copy of the Maintenance Manual shall also be made available for Buyer's review at Seller's sales office at any time before the close of escrow.

By initialing below, Buyer agrees to follow the recommendations set forth in the Maintenance Manual, as the same may be updated from time to time. Buyer further agrees to provide a copy of the Maintenance Manual to any subsequent purchasers of the Property.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company, Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_  
Date Initialed: \_\_\_\_\_  
(Agent is not authorized to sign on behalf of Seller)

**"BUYER"**

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

EXHIBIT TO ADDENDUM G

<b>TITLE</b>		<b>7</b>
<b>REQUIREMENTS FOR ACTIONS FOR CONSTRUCTION DEFECTS</b>		
<b>INDEX</b>		
<b>Chapter</b>	<b>Title</b>	
Chapter 1	Definitions	
Chapter 2	Actionable Defects	
Chapter 3	Obligations	
Chapter 4	Prelitigation Procedures	
Chapter 5	Procedure	

**TITLE 7 — CHAPTER 1: DEFINITIONS**

**CHAPTER 1. DEFINITIONS**

**§ 895, Definitions**

- (a) "Structure" means any residential dwelling, other building, or improvement located upon a lot or within a common area.
- (b) "Designed moisture barrier" means an installed moisture barrier specified in the plans and specifications, contract documents, or manufacturer's recommendations.
- (c) "Actual moisture barrier" means any component or material, actually installed, that serves to any degree as a barrier against moisture, whether or not intended as a barrier against moisture.
- (d) "Unintended water" means water that passes beyond, around, or through a component or the material that is designed to prevent that passage.
- (e) "Close of escrow" means the date of the close of escrow between the builder and the original homeowner. With respect to claims by an association, as defined in Section 4080, "close of escrow" means the date of substantial completion, as defined in Section 337.15 of the Code of Civil Procedure, or the date the builder relinquishes control over the association's ability to decide whether to initiate a claim under this title, whichever is later.
- (f) "Claimant" or "homeowner" includes the individual owners of single-family homes, individual unit owners of attached dwellings and, in the case of a common interest development, any association as defined in Section 4080.

**§ 896, Building standards for original construction intended to be sold as an individual dwelling unit:**

In any action seeking recovery of damages arising out of, or related to deficiencies in, the residential construction, design, specifications, surveying, planning, supervision, testing, or observation of construction, a builder, and to the extent set forth in Chapter 4 (commencing with Section 910), a general contractor, subcontractor, material supplier, individual product manufacturer, or design professional, shall, except as specifically set forth in this title, be liable for, and the claimant's claims or causes of action shall be limited to violation of, the following standards, except as specifically set forth in this title. This title applies to original construction intended to

be sold as an individual dwelling unit. As to condominium conversions, this title does not apply to or does not supersede any other statutory or common law.

(a) With respect to water issues:

- (1) A door shall not allow unintended water to pass beyond, around, or through the door or its designed or actual moisture barriers, if any.
- (2) Windows, patio doors, deck doors, and their systems shall not allow water to pass beyond, around, or through the window, patio door, or deck door or its designed or actual moisture barriers, including, without limitation, internal barriers within the systems themselves. For purposes of this paragraph, "systems" include, without limitation, windows, window assemblies, framing, substrate, flashings, and trim, if any.
- (3) Windows, patio doors, deck doors, and their systems shall not allow excessive condensation to enter the structure and cause damage to another component. For purposes of this paragraph, "systems" include, without limitation, windows, window assemblies, framing, substrate, flashings, and trim, if any.
- (4) Roofs, roofing systems, chimney caps, and ventilation components shall not allow water to enter the structure or to pass beyond, around, or through the designed or actual moisture barriers, including, without limitation, internal barriers located within the systems themselves. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, and sheathing, if any.
- (5) Decks, deck systems, balconies, balcony systems, exterior stairs, and stair systems shall not allow water to pass into the adjacent structure. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashing, and sheathing, if any.
- (6) Decks, deck systems, balconies, balcony systems, exterior stairs, and stair systems shall not allow unintended water to pass within the systems themselves and cause damage to the systems. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashing, and sheathing, if any.
- (7) Foundation systems and slabs shall not allow water or vapor to enter into the structure so as to cause damage to another building component.
- (8) Foundation systems and slabs shall not allow water or vapor to enter into the structure so as to limit the

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installation of the type of flooring materials typically used for the particular application.

(9) Hardscape, including paths and patios, irrigation systems, landscaping systems, and drainage systems, that are installed as part of the original construction, shall not be installed in such a way as to cause water or soil erosion to enter into or come in contact with the structure so as to cause damage to another building component.

(10) Stucco, exterior siding, exterior walls, including, without limitation, exterior framing, and other exterior wall finishes and fixtures and the systems of those components and fixtures, including, but not limited to, pot shelves, horizontal surfaces, columns, and plant-ons, shall be installed in such a way so as not to allow unintended water to pass into the structure or to pass beyond, around, or through the designed or actual moisture barriers of the system, including any internal barriers located within the system itself. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashings, trim, wall assemblies, and internal wall cavities, if any.

(11) Stucco, exterior siding, and exterior walls shall not allow excessive condensation to enter the structure and cause damage to another component. For purposes of this paragraph, "systems" include, without limitation, framing, substrate, flashings, trim, wall assemblies, and internal wall cavities, if any.

(12) Retaining and site walls and their associated drainage systems shall not allow unintended water to pass beyond, around, or through its designed or actual moisture barriers including, without limitation, any internal barriers, so as to cause damage. This standard does not apply to those portions of any wall or drainage system that are designed to have water flow beyond, around, or through them.

(13) Retaining walls and site walls, and their associated drainage systems, shall only allow water to flow beyond, around, or through the areas designated by design.

(14) The lines and components of the plumbing system, sewer system, and utility systems shall not leak.

(15) Plumbing lines, sewer lines, and utility lines shall not corrode so as to impede the useful life of the systems.

(16) Sewer systems shall be installed in such a way as to allow the designated amount of sewage to flow through the system.

(17) Showers, baths, and related waterproofing systems shall not leak water into the interior of walls, flooring systems, or the interior of other components.

(18) The waterproofing system behind or under ceramic tile and tile countertops shall not allow water into the interior of walls, flooring systems, or other components so as to cause damage. Ceramic tile systems shall be designed and installed so as to deflect intended water to the waterproofing system.

(b) With respect to structural issues:

(1) Foundations, load bearing components, and slabs, shall not contain significant cracks or significant vertical displacement.

(2) Foundations, load bearing components, and slabs shall not cause the structure, in whole or in part, to be structurally unsafe.

(3) Foundations, load bearing components, and slabs, and underlying soils shall be constructed so as to

materially comply with the design criteria set by applicable government building codes, regulations, and ordinances for chemical deterioration or corrosion resistance in effect at the time of original construction.

(4) A structure shall be constructed so as to materially comply with the design criteria for earthquake and wind load resistance, as set forth in the applicable government building codes, regulations, and ordinances in effect at the time of original construction.

(c) With respect to soil issues:

(1) Soils and engineered retaining walls shall not cause, in whole or in part, damage to the structure built upon the soil or engineered retaining wall.

(2) Soils and engineered retaining walls shall not cause, in whole or in part, the structure to be structurally unsafe.

(3) Soils shall not cause, in whole or in part, the land upon which no structure is built to become unusable for the purpose represented at the time of original sale by the builder or for the purpose for which that land is commonly used.

(d) With respect to fire protection issues:

(1) A structure shall be constructed so as to materially comply with the design criteria of the applicable government building codes, regulations, and ordinances for fire protection of the occupants in effect at the time of the original construction.

(2) Fireplaces, chimneys, chimney structures, and chimney termination caps shall be constructed and installed in such a way so as not to cause an unreasonable risk of fire outside the fireplace enclosure or chimney.

(3) Electrical and mechanical systems shall be constructed and installed in such a way so as not to cause an unreasonable risk of fire.

(e) With respect to plumbing and sewer issues:

Plumbing and sewer systems shall be installed to operate properly and shall not materially impair the use of the structure by its inhabitants. However, no action may be brought for a violation of this subdivision more than four years after close of escrow.

(f) With respect to electrical system issues:

Electrical systems shall operate properly and shall not materially impair the use of the structure by its inhabitants. However, no action shall be brought pursuant to this subdivision more than four years from close of escrow.

(g) With respect to issues regarding other areas of construction:

(1) Exterior pathways, driveways, hardscape, sidewalls, sidewalks, and patios installed by the original builder shall not contain cracks that display significant vertical displacement or that are excessive. However, no action shall be brought upon a violation of this paragraph more than four years from close of escrow.

(2) Stucco, exterior siding, and other exterior wall finishes and fixtures, including, but not limited to, pot shelves, horizontal surfaces, columns, and plant-ons, shall not contain significant cracks or separations.

(3)(A) To the extent not otherwise covered by these standards, manufactured products, including, but not limited to, windows, doors, roofs, plumbing products and

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

fixtures, fireplaces, electrical fixtures, HVAC units, countertops, cabinets, paint, and appliances shall be installed so as not to interfere with the products' useful life, if any.

(B) For purposes of this paragraph, "useful life" means a representation of how long a product is warranted or represented, through its limited warranty or any written representations, to last by its manufacturer, including recommended or required maintenance. If there is no representation by a manufacturer, a builder shall install manufactured products so as not to interfere with the product's utility.

(C) For purposes of this paragraph, "manufactured product" means a product that is completely manufactured offsite.

(D) If no useful life representation is made, or if the representation is less than one year, the period shall be no less than one year. If a manufactured product is damaged as a result of a violation of these standards, damage to the product is a recoverable element of damages. This subparagraph does not limit recovery if there has been damage to another building component caused by a manufactured product during the manufactured product's useful life.

(E) This title does not apply in any action seeking recovery solely for a defect in a manufactured product located within or adjacent to a structure.

(4) Heating shall be installed so as to be capable of maintaining a room temperature of 70 degrees Fahrenheit at a point three feet above the floor in any living space if the heating was installed pursuant to a building permit application submitted prior to January 1, 2008, or capable of maintaining a room temperature of 68 degrees Fahrenheit at a point three feet above the floor and two feet from exterior walls in all habitable rooms at the design temperature if the heating was installed pursuant to a building permit application submitted on or before January 1, 2008.

(5) Living space air-conditioning, if any, shall be provided in a manner consistent with the size and efficiency design criteria specified in Title 24 of the California Code of Regulations or its successor.

(6) Attached structures shall be constructed to comply with interunit noise transmission standards set by the applicable government building codes, ordinances, or regulations in effect at the time of the original construction. If there is no applicable code, ordinance, or regulation, this paragraph does not apply. However, no action shall be brought pursuant to this paragraph more than one year from the original occupancy of the adjacent unit.

(7) Irrigation systems and drainage shall operate properly so as not to damage landscaping or other external improvements. However, no action shall be brought pursuant to this paragraph more than one year from close of escrow.

(8) Untreated wood posts shall not be installed in contact with soil so as to cause unreasonable decay to the wood based upon the finish grade at the time of original construction. However, no action shall be brought pursuant to this paragraph more than two years from close of escrow.

(9) Untreated steel fences and adjacent components shall be installed so as to prevent unreasonable corrosion. However, no action shall be brought pursuant to this paragraph more than four years from close of escrow.

(10) Paint and stains shall be applied in such a manner so as not to cause deterioration of the building surfaces for the length of time specified by the paint or stain manufacturers' representations, if any. However, no action shall be brought pursuant to this paragraph more than five years from close of escrow.

(11) Roofing materials shall be installed so as to avoid materials falling from the roof.

(12) The landscaping systems shall be installed in such a manner so as to survive for not less than one year. However, no action shall be brought pursuant to this paragraph more than two years from close of escrow.

(13) Ceramic tile and tile backing shall be installed in such a manner that the tile does not detach.

(14) Dryer ducts shall be installed and terminated pursuant to manufacturer installation requirements. However, no action shall be brought pursuant to this paragraph more than two years from close of escrow.

(15) Structures shall be constructed in such a manner so as not to impair the occupants' safety because they contain public health hazards as determined by a duly authorized public health official, health agency, or governmental entity having jurisdiction. This paragraph does not limit recovery for any damages caused by a violation of any other paragraph of this section on the grounds that the damages do not constitute a health hazard.

**§ 897. Function or component of a structure; scope of standards within chapter**

The standards set forth in this chapter are intended to address every function or component of a structure. To the extent that a function or component of a structure is not addressed by these standards, it shall be actionable if it causes damage.

**§§ 898, 899. REPEALED BY CODE AM.1873-74, C. 612, § 123**

**CHAPTER 3. OBLIGATIONS**

**§ 900. Fit and finish; limited warranty; scope**

As to fit and finish items, a builder shall provide a homebuyer with a minimum one-year express written limited warranty covering the fit and finish of the following building components. Except as otherwise provided by the standards specified in Chapter 2 (commencing with Section 896), this warranty shall cover the fit and finish of cabinets, mirrors, flooring, interior and exterior walls, countertops, paint finishes, and trim, but shall not apply to damage to those components caused by defects in other components governed by the other provisions of this title. Any fit and finish matters covered by this warranty are not subject to the provisions of this title. If a builder fails to provide the express warranty required by this section, the warranty for these items shall be for a period of one year.

**§ 901. Enhanced protection agreement; length of time; minimum standards**

A builder may, but is not required to, offer greater protection or protection for longer time periods in its express contract with the homeowner than that set forth in Chapter 2 (commencing with Section 896). A builder may not limit the application of Chapter 2 (commencing with Section 896) or lower its protection through the express contract with the homeowner. This type of express contract constitutes an "enhanced protection agreement."

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**§ 902. Enhanced protection agreement; determination of enforceability**

If a builder offers an enhanced protection agreement, the builder may choose to be subject to its own express contractual provisions in place of the provisions set forth in Chapter 2 (commencing with Section 896). If an enhanced protection agreement is in place, Chapter 2 (commencing with Section 896) no longer applies other than to set forth minimum provisions by which to judge the enforceability of the particular provisions of the enhanced protection agreement.

**§ 903. Enhanced protection agreement; time to elect agreement; standards where provisions are unenforceable**

If a builder offers an enhanced protection agreement in place of the provisions set forth in Chapter 2 (commencing with Section 896), the election to do so shall be made in writing with the homeowner no later than the close of escrow. The builder shall provide the homeowner with a complete copy of Chapter 2 (commencing with Section 896) and advise the homeowner that the builder has elected not to be subject to its provisions. If any provision of an enhanced protection agreement is later found to be unenforceable as not meeting the minimum standards of Chapter 2 (commencing with Section 896), a builder may use this chapter in lieu of those provisions found to be unenforceable.

**§ 904. Enhanced protection agreement; disputed terms; notice of claim against builder**

If a builder has elected to use an enhanced protection agreement, and a homeowner disputes that the particular provision or time periods of the enhanced protection agreement are not greater than, or equal to, the provisions of Chapter 2 (commencing with Section 896) as they apply to the particular deficiency alleged by the homeowner, the homeowner may seek to enforce the application of the standards set forth in this chapter as to those claimed deficiencies. If a homeowner seeks to enforce a particular standard in lieu of a provision of the enhanced protection agreement, the homeowner shall give the builder written notice of that intent at the time the homeowner files a notice of claim pursuant to Chapter 4 (commencing with Section 910).

**§ 905. Enhanced protection agreement; binding determination of applicable building standards; waiver; privity with nonoriginal homeowners**

If a homeowner seeks to enforce Chapter 2 (commencing with Section 896), in lieu of the enhanced protection agreement in a subsequent litigation or other legal action, the builder shall have the right to have the matter bifurcated, and to have an immediately binding determination of his or her responsive pleading within 60 days after the filing of that pleading, but in no event after the commencement of discovery, as to the application of either Chapter 2 (commencing with Section 896) or the enhanced protection agreement as to the deficiencies claimed by the homeowner. If the builder fails to seek that determination in the timeframe specified, the builder waives the right to do so and the standards set forth in this title shall apply. As to any nonoriginal homeowner, that homeowner shall be deemed in privity for purposes of an enhanced protection agreement only to the extent that the builder has recorded the enhanced protection agreement on title or provided actual notice to the nonoriginal homeowner of the enhanced protection agreement. If the enhanced protection agreement is not recorded on title or no actual notice has been provided, the standards set forth in this title apply to any nonoriginal homeowners' claims.

**§ 906. Prelitigation procedures; governing law**

A builder's election to use an enhanced protection agreement addresses only the issues set forth in Chapter 2 (commencing with Section 896) and does not constitute an election to use or not use the provisions of Chapter 4 (commencing with Section 910). The decision to use or not use Chapter 4 (commencing with Section 910) is governed by the provisions of that chapter.

**§ 907. Homeowner maintenance obligations, schedules and practices**

A homeowner is obligated to follow all reasonable maintenance obligations and schedules communicated in writing to the homeowner by the builder and product manufacturers, as well as commonly accepted maintenance practices. A failure by a homeowner to follow these obligations, schedules, and practices may subject the homeowner to the affirmative defenses contained in Section 944.

**§§ 908, 909. REPEALED BY CODE AM.1873-74, C. 612, § 123**

**CHAPTER 4. PRELITIGATION PROCEDURE**

**§ 910. Written notice of claim**

Prior to filing an action against any party alleged to have contributed to a violation of the standards set forth in Chapter 2 (commencing with Section 896), the claimant shall initiate the following prelitigation procedures:

(a) The claimant or his or her legal representative shall provide written notice via certified mail, overnight mail, or personal delivery to the builder, in the manner prescribed in this section, of the claimant's claim that the construction of his or her residence violates any of the standards set forth in Chapter 2 (commencing with Section 896). That notice shall provide the claimant's name, address, and preferred method of contact, and shall state that the claimant alleges a violation pursuant to this part against the builder, and shall describe the claim in reasonable detail sufficient to determine the nature and location, to the extent known, of the claimed violation. In the case of a group of homeowners or an association, the notice may identify the claimants solely by address or other description sufficient to apprise the builder of the locations of the subject residences. That document shall have the same force and effect as a notice of commencement of a legal proceeding.

(b) The notice requirements of this section do not preclude a homeowner from seeking redress through any applicable normal customer service procedure as set forth in any contractual, warranty, or other builder-generated document; and, if a homeowner seeks to do so, that request shall not satisfy the notice requirements of this section.

**§ 911. "Builder" defined**

(a) For purposes of this title, except as provided in subdivision (b), "builder" means any entity or individual, including, but not limited to a builder, developer, general contractor, contractor, or original seller, who, at the time of sale, was also in the business of selling residential units to the public for the property that is the subject of the homeowner's claim or was in the business of building, developing, or constructing residential units for public purchase for the property that is the subject of the homeowner's claim.

(b) For the purposes of this title, "builder" does not include any entity or individual whose involvement with a residential unit that is the subject of the homeowner's claim is limited to his or her capacity as general contractor or contractor and who is not a partner, member of,

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subsidiary of, or otherwise similarly affiliated with the builder. For purposes of this title, these nonaffiliated general contractors and nonaffiliated contractors shall be treated the same as subcontractors, material suppliers, individual product manufacturers, and design professionals.

**§ 912. Document disclosure by builder; designated agent to accept claims and act on builder's behalf; notice to homeowners and purchasers**

A builder shall do all of the following:

(a) Within 30 days of a written request by a homeowner or his or her legal representative, the builder shall provide copies of all relevant plans, specifications, mass or rough grading plans, final soils reports, Department of Real Estate public reports, and available engineering calculations, that pertain to a homeowner's residence specifically or as part of a larger development tract. The request shall be honored if it states that it is made relative to structural, fire safety, or soils provisions of this title. However, a builder is not obligated to provide a copying service, and reasonable copying costs shall be borne by the requesting party. A builder may require that the documents be copied onsite by the requesting party, except that the homeowner may, at his or her option, use his or her own copying service, which may include an offsite copy facility that is bonded and insured. If a builder can show that the builder maintained the documents, but that they later became unavailable due to loss or destruction that was not the fault of the builder, the builder may be excused from the requirements of this subdivision, in which case the builder shall act with reasonable diligence to assist the homeowner in obtaining those documents from any applicable government authority or from the source that generated the document. However, in that case, the time limits specified by this section do not apply.

(b) At the expense of the homeowner, who may opt to use an offsite copy facility that is bonded and insured, the builder shall provide to the homeowner or his or her legal representative copies of all maintenance and preventative maintenance recommendations that pertain to his or her residence within 30 days of service of a written request for those documents. Those documents shall also be provided to the homeowner in conjunction with the initial sale of the residence.

(c) At the expense of the homeowner, who may opt to use an offsite copy facility that is bonded and insured, a builder shall provide to the homeowner or his or her legal representative copies of all manufactured products maintenance, preventive maintenance, and limited warranty information within 30 days of a written request for those documents. These documents shall also be provided to the homeowner in conjunction with the initial sale of the residence.

(d) At the expense of the homeowner, who may opt to use an offsite copy facility that is bonded and insured, a builder shall provide to the homeowner or his or her legal representative copies of all of the builder's limited contractual warranties in accordance with this part in effect at the time of the original sale of the residence within 30 days of a written request for those documents. Those documents shall also be provided to the homeowner in conjunction with the initial sale of the residence.

(e) A builder shall maintain the name and address of an agent for notice pursuant to this chapter with the Secretary of State or, alternatively, elect to use a third party for that notice if the builder has notified the homeowner in writing of the third party's name and address, to whom claims and requests for information

under this section may be mailed. The name and address of the agent for notice or third party shall be included with the original sales documentation and shall be initialed and acknowledged by the purchaser and the builder's sales representative.

This subdivision applies to instances in which a builder contracts with a third party to accept claims and act on the builder's behalf. A builder shall give actual notice to the homeowner that the builder has made such an election, and shall include the name and address of the third party.

(f) A builder shall record on title a notice of the existence of these procedures and a notice that these procedures impact the legal rights of the homeowner. This information shall also be included with the original sales documentation and shall be initialed and acknowledged by the purchaser and the builder's sales representative.

(g) A builder shall provide, with the original sales documentation, a written copy of this title, which shall be initialed and acknowledged by the purchaser and the builder's sales representative.

(h) As to any documents provided in conjunction with the original sale, the builder shall instruct the original purchaser to provide those documents to any subsequent purchaser.

(i) Any builder who fails to comply with any of these requirements within the time specified is not entitled to the protection of this chapter, and the homeowner is released from the requirements of this chapter and may proceed with the filing of an action, in which case the remaining chapters of this part shall continue to apply to the action.

**§ 913. Written acknowledgement of claim; time to respond; contents**

A builder or his or her representative shall acknowledge, in writing, receipt of the notice of the claim within 14 days after receipt of the notice of the claim. If the notice of the claim is served by the claimant's legal representative, or if the builder receives a written representation letter from a homeowner's attorney, the builder shall include the attorney in all subsequent substantive communications, including, without limitation, all written communications occurring pursuant to this chapter, and all substantive and procedural communications, including all written communications, following the commencement of any subsequent complaint or other legal action, except that if the builder has retained or involved legal counsel to assist the builder in this process, all communications by the builder's counsel shall only be with the claimant's legal representative, if any.

**§ 914. Election to pursue other non-adversarial contractual procedures; affect of Title 7 upon exiting statutory or decisional law**

(a) This chapter establishes a non-adversarial procedure, including the remedies available under this chapter which, if the procedure does not resolve the dispute between the parties, may result in a subsequent action to enforce the other chapters of this title. A builder may attempt to commence non-adversarial contractual provisions other than the non-adversarial procedures and remedies set forth in this chapter, but may not, in addition to its own non-adversarial contractual provisions, require adherence to the non-adversarial procedures and remedies set forth in this chapter, regardless of whether the builder's own alternative non-adversarial contractual provisions are successful in resolving the dispute or ultimately deemed enforceable.

At the time the sales agreement is executed, the builder shall notify the homeowner whether the builder intends to engage in the non-adversarial procedure of this section or

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attempt to enforce alternative non-adversarial contractual provisions. If the builder elects to use alternative non-adversarial contractual provisions in lieu of this chapter, the election is binding, regardless of whether the builder's alternative non-adversarial contractual provisions are successful in resolving the ultimate dispute or are ultimately deemed enforceable.

(b) Nothing in this title is intended to affect existing statutory or decisional law pertaining to the applicability, viability, or enforceability of alternative dispute resolution methods, alternative remedies, or contractual arbitration, judicial reference, or similar procedures requiring a binding resolution to enforce the other chapters of this title or any other disputes between homeowners and builders. Nothing in this title is intended to affect the applicability, viability, or enforceability, if any, of contractual arbitration or judicial reference after a nonadversarial procedure or provision has been completed.

**§ 915. Application of prelitigation provisions upon certain failures to act by builder**

If a builder fails to acknowledge receipt of the notice of a claim within the time specified, elects not to go through the process set forth in this chapter, or fails to request an inspection within the time specified, or at the conclusion or cessation of an alternative nonadversarial proceeding, this chapter does not apply and the homeowner is released from the requirements of this chapter and may proceed with the filing of an action. However, the standards set forth in the other chapters of this title shall continue to apply to the action.

**§ 916. Builder election to inspect**

(a) If a builder elects to inspect the claimed unmet standards, the builder shall complete the initial inspection and testing within 14 days after acknowledgment of receipt of the notice of the claim, at a mutually convenient date and time. If the homeowner has retained legal representation, the inspection shall be scheduled with the legal representative's office at a mutually convenient date and time, unless the legal representative is unavailable during the relevant time periods. All costs of builder inspection and testing, including any damage caused by the builder inspection, shall be borne by the builder. The builder shall also provide written proof that the builder has liability insurance to cover any damages or injuries occurring during inspection and testing. The builder shall restore the property to its pretesting condition within 48 hours of the testing. The builder shall, upon request, allow the inspections to be observed and electronically recorded, video recorded, or photographed by the claimant or his or her legal representative.

(b) Nothing that occurs during a builder's or claimant's inspection or testing may be used or introduced as evidence to support a spoliation defense by any potential party in any subsequent litigation.

(c) If a builder deems a second inspection or testing reasonably necessary, and specifies the reasons therefor in writing within three days following the initial inspection, the builder may conduct a second inspection or testing. A second inspection or testing shall be completed within 40 days of the initial inspection or testing. All requirements concerning the initial inspection or testing shall also apply to the second inspection or testing.

(d) If the builder fails to inspect or test the property within the time specified, the claimant is released from the requirements of this section and may proceed with the filing of an action. However, the standards set forth in the other chapters of this title shall continue to apply to the action.

(e) If a builder intends to hold a subcontractor, design professional, individual product manufacturer, or material supplier, including an insurance carrier, warranty company, or service company, responsible for its contribution to the unmet standard, the builder shall provide notice to that person or entity sufficiently in advance to allow them to attend the initial, or if requested, second inspection of any alleged unmet standard and to participate in the repair process. The claimant and his or her legal representative, if any, shall be advised in a reasonable time prior to the inspection as to the identity of all persons or entities invited to attend. This subdivision does not apply to the builder's insurance company. Except with respect to any claims involving a repair actually conducted under this chapter, nothing in this subdivision shall be construed to relieve a subcontractor, design professional, individual product manufacturer, or material supplier of any liability under an action brought by a claimant.

**§ 917. Written offer to repair**

Within 30 days of the initial or, if requested, second inspection or testing, the builder may offer in writing to repair the violation. The offer to repair shall also compensate the homeowner for all applicable damages recoverable under Section 944, within the timeframe for the repair set forth in this chapter. Any such offer shall be accompanied by a detailed, specific, step-by-step statement identifying the particular violation that is being repaired, explaining the nature, scope, and location of the repair, and setting a reasonable completion date for the repair. The offer shall also include the names, addresses, telephone numbers, and license numbers of the contractors whom the builder intends to have perform the repair. Those contractors shall be fully insured for, and shall be responsible for, all damages or injuries that they may cause to occur during the repair, and evidence of that insurance shall be provided to the homeowner upon request. Upon written request by the homeowner or his or her legal representative, and within the timeframes set forth in this chapter, the builder shall also provide any available technical documentation, including, without limitation, plans and specifications, pertaining to the claimed violation within the particular home or development tract. The offer shall also advise the homeowner in writing of his or her right to request up to three additional contractors from which to select to do the repair pursuant to this chapter.

**§ 918. Homeowner response to repair offer**

Upon receipt of the offer to repair, the homeowner shall have 30 days to authorize the builder to proceed with the repair. The homeowner may alternatively request, at the homeowner's sole option and discretion, that the builder provide the names, addresses, telephone numbers, and license numbers for up to three alternative contractors who are not owned or financially controlled by the builder and who regularly conduct business in the county where the structure is located. If the homeowner so elects, the builder is entitled to an additional noninvasive inspection, to occur at a mutually convenient date and time within 20 days of the election, so as to permit the other proposed contractors to review the proposed site of the repair. Within 35 days after the request of the homeowner for alternative contractors, the builder shall present the homeowner with a choice of contractors. Within 20 days after that presentation, the homeowner shall authorize the builder or one of the alternative contractors to perform the repair.

**§ 919. Mediation by mutual agreement; unresolved disputes; repairs**

The offer to repair shall also be accompanied by an offer to mediate the dispute if the homeowner so chooses. The mediation shall be limited to a four-hour mediation, except as otherwise mutually agreed before a nonaffiliated

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mediator selected and paid for by the builder. At the homeowner's sole option, the homeowner may agree to split the cost of the mediator, and if he or she does so, the mediator shall be selected jointly. The mediator shall have sufficient availability such that the mediation occurs within 15 days after the request to mediate is received and occurs at a mutually convenient location within the county where the action is pending. If a builder has made an offer to repair a violation, and the mediation has failed to resolve the dispute, the homeowner shall allow the repair to be performed either by the builder, its contractor, or the selected contractor.

**§ 920. Claimant right to file action**

If the builder fails to make an offer to repair or otherwise strictly comply with this chapter within the times specified, the claimant is released from the requirements of this chapter and may proceed with the filing of an action. If the contractor performing the repair does not complete the repair in the time or manner specified, the claimant may file an action. If this occurs, the standards set forth in the other chapters of this part shall continue to apply to the action.

**§ 921. Repair work; time and date scheduled; completion date**

(a) In the event that a resolution under this chapter involves a repair by the builder, the builder shall make an appointment with the claimant, make all appropriate arrangements to effectuate a repair of the claimed unmet standards, and compensate the homeowner for all damages resulting therefrom free of charge to the claimant. The repair shall be scheduled through the claimant's legal representative, if any, unless he or she is unavailable during the relevant time periods. The repair shall be commenced on a mutually convenient date within 14 days of acceptance or, if an alternative contractor is selected by the homeowner, within 14 days of the selection, or, if a mediation occurs, within seven days of the mediation, or within five days after a permit is obtained if one is required. The builder shall act with reasonable diligence in obtaining any such permit.

(b) The builder shall ensure that work done on the repairs is done with the utmost diligence, and that the repairs are completed as soon as reasonably possible, subject to the nature of the repair or some unforeseen event not caused by the builder or the contractor performing the repair. Every effort shall be made to complete the repair within 120 days.

**§ 922. Electronic recordation, video recordation or photographs during repair work**

The builder shall, upon request, allow the repair to be observed and electronically recorded, video recorded, or photographed by the claimant or his or her legal representative. Nothing that occurs during the repair process may be used or introduced as evidence to support a spoliation defense by any potential party in any subsequent litigation.

**§ 923. Documentation relating to repair work; requests for copies**

The builder shall provide the homeowner or his or her legal representative, upon request, with copies of all correspondence, photographs, and other materials pertaining or relating in any manner to the repairs.

**§ 924. Partial repair of claims; statement of reasons**

If the builder elects to repair some, but not all of, the claimed unmet standards, the builder shall, at the same time it makes its offer, set forth with particularity in writing the reasons, and the support for those reasons, for not repairing all claimed unmet standards.

**§ 925. Failure to repair within time allowed**

If the builder fails to complete the repair within the time specified in the repair plan, the claimant is released from the requirements of this chapter and may proceed with the filing of an action. If this occurs, the standards set forth in the other chapters of this title shall continue to apply to the action.

**§ 926. Release or waiver in exchange for repair work**

The builder may not obtain a release or waiver of any kind in exchange for the repair work mandated by this chapter. At the conclusion of the repair, the claimant may proceed with filing an action for violation of the applicable standard or for a claim of inadequate repair, or both, including all applicable damages available under Section 944.

**§ 927. Claims for violation of statutory process or inadequate repair; limitation of action; extension of time**

If the applicable statute of limitations has otherwise run during this process, the time period for filing a complaint or other legal remedies for violation of any provision of this title, or for a claim of inadequate repair, is extended from the time of the original claim by the claimant to 100 days after the repair is completed, whether or not the particular violation is the one being repaired. If the builder fails to acknowledge the claim within the time specified, elects not to go through this statutory process, or fails to request an inspection within the time specified, the time period for filing a complaint or other legal remedies for violation of any provision of this title is extended from the time of the original claim by the claimant to 45 days after the time for responding to the notice of claim has expired. If the builder elects to attempt to enforce its own non-adversarial procedure in lieu of the procedure set forth in this chapter, the time period for filing a complaint or other legal remedies for violation of any provision of this part is extended from the time of the original claim by the claimant to 100 days after either the completion of the builder's alternative non-adversarial procedure, or 100 days after the builder's alternative non-adversarial procedure is deemed unenforceable, whichever is later.

**§ 928. Mediation after repair completion**

If the builder has invoked this chapter and completed a repair, prior to filing an action, if there has been no previous mediation between the parties, the homeowner or his or her legal representative shall request mediation in writing. The mediation shall be limited to four hours, except as otherwise mutually agreed before a nonaffiliated mediator selected and paid for by the builder. At the homeowner's sole option, the homeowner may agree to split the cost of the mediator and if he or she does so, the mediator shall be selected jointly. The mediator shall have sufficient availability such that the mediation will occur within 15 days after the request for mediation is received and shall occur at a mutually convenient location within the county where the action is pending. In the event that a mediation is used at this point, any applicable statutes of limitations shall be tolled from the date of the request to mediate until the next court day after the mediation is completed, or the 100-day period, whichever is later.

**§ 929. Cash offer in lieu of repair; release**

(a) Nothing in this chapter prohibits the builder from making only a cash offer and no repair. In this situation, the homeowner is free to accept the offer, or he or she may reject the offer and proceed with the filing of an action. If the latter occurs, the standards of the other chapters of this title shall continue to apply to the action.

(b) The builder may obtain a reasonable release in exchange for the cash payment. The builder may

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negotiate the terms and conditions of any reasonable release in terms of scope and consideration in conjunction with a cash payment under this chapter.

**§ 930. Failure to act within mandated timeframes and other requirements; right to file action; motion to stay proceedings**

(a) The time periods and all other requirements in this chapter are to be strictly construed, and, unless extended by the mutual agreement of the parties in accordance with this chapter, shall govern the rights and obligations under this title. If a builder fails to act in accordance with this section within the timeframes mandated, unless extended by the mutual agreement of the parties as evidenced by a postclaim written confirmation by the affected homeowner demonstrating that he or she has knowingly and voluntarily extended the statutory timeframe, the claimant may proceed with filing an action. If this occurs, the standards of the other chapters of this title shall continue to apply to the action.

(b) If the claimant does not conform with the requirements of this chapter, the builder may bring a motion to stay any subsequent court action or other proceeding until the requirements of this chapter have been satisfied. The court, in its discretion, may award the prevailing party on such a motion, his or her attorney's fees and costs in bringing or opposing the motion.

**§ 931. Causes of action or damages exceeding scope of actionable defects; applicability of standards**

If a claim combines causes of action or damages not covered by this part, including, without limitation, personal injuries, class actions, other statutory remedies, or fraud-based claims, the claimed unmet standards shall be administered according to this part, although evidence of the property in its unrepaired condition may be introduced to support the respective elements of any such cause of action. As to any fraud-based claim, if the fact that the property has been repaired under this chapter is deemed admissible, the trier of fact shall be informed that the repair was not voluntarily accepted by the homeowner. As to any class action claims that address solely the incorporation of a defective component into a residence, the named and unnamed class members need not comply with this chapter.

**§ 932. Subsequently discovered claims of unmet standards**

Subsequently discovered claims of unmet standards shall be administered separately under this chapter, unless otherwise agreed to by the parties. However, in the case of a detached single family residence, in the same home, if the subsequently discovered claim is for a violation of the same standard as that which has already been initiated by the same claimant and the subject of a currently pending action, the claimant need not reinstate the process as to the same standard. In the case of an attached project, if the subsequently discovered claim is for a violation of the same standard for a connected component system in the same building as has already been initiated by the same claimant, and the subject of a currently pending action, the claimant need not reinstate this process as to that standard.

**§ 933. Evidence of repair efforts**

If any enforcement of these standards is commenced, the fact that a repair effort was made may be introduced to the trier of fact. However, the claimant may use the condition of the property prior to the repair as the basis for contending that the repair work was inappropriate, inadequate, or incomplete, or that the violation still exists. The claimant need not show that the repair work resulted in further damage nor that damage has continued to occur

as a result of the violation.

**§ 934. Evidence of conduct during enforcement process**

Evidence of both parties' conduct during this process may be introduced during a subsequent enforcement action, if any, with the exception of any mediation. Any repair efforts undertaken by the builder, shall not be considered settlement communications or offers of settlement and are not inadmissible in evidence on such a basis.

**§ 935. Construction of chapter with similar provisions in the Civil Code**

To the extent that provisions of this chapter are enforced and those provisions are substantially similar to provisions in Section 6000, but an action is subsequently commenced under Section 6000, the parties are excused from performing the substantially similar requirements under Section 6000.

**§ 936. Parties subject to application of title; determination; defenses available; joint and several liability; strict liability**

Each and every provision of the other chapters of this title apply to general contractors, subcontractors, material suppliers, individual product manufacturers, and design professionals to the extent that the general contractors, subcontractors, material suppliers, individual product manufacturers, and design professionals caused, in whole or in part, a violation of a particular standard as the result of a negligent act or omission or a breach of contract. In addition to the affirmative defenses set forth in Section 945.5, a general contractor, subcontractor, material supplier, design professional, individual product manufacturer, or other entity may also offer common law and contractual defenses as applicable to any claimed violation of a standard. All actions by a claimant or builder to enforce an express contract, or any provision thereof, against a general contractor, subcontractor, material supplier, individual product manufacturer, or design professional is preserved. Nothing in this title modifies the law pertaining to joint and several liability for builders, general contractors, subcontractors, material suppliers, individual product manufacturer, and design professionals that contribute to any specific violation of this title. However, the negligence standard in this section does not apply to any general contractor, subcontractor, material supplier, individual product manufacturer, or design professional with respect to claims for which strict liability would apply.

**§ 937. Construction with professional negligence actions**

Nothing in this title shall be interpreted to eliminate or abrogate the requirement to comply with Section 411.35 of the Code of Civil Procedure or to affect the liability of design professionals, including architects and architectural firms, for claims and damages not covered by this title.

**§ 938. Application of Title 7 to certain residences**

This title applies only to new residential units where the purchase agreement with the buyer was signed by the seller on or after January 1, 2003.

**§§ 939, 940. REPEALED BY CODE AM.1873-74, C. 612, § 123**

**CHAPTER 5. PROCEDURE**

**§ 941. Limitation of action; tolling**

(a) Except as specifically set forth in this title, no action may be brought to recover under this title more than 10 years after substantial completion of the improvement but not later than the date of recordation of a valid notice of

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completion.

(b) As used in this section, "action" includes an action for indemnity brought against a person arising out of that person's performance or furnishing of services or materials referred to in this title, except that a cross-complaint for indemnity may be filed pursuant to subdivision (b) of Section 428.10 of the Code of Civil Procedure in an action which has been brought within the time period set forth in subdivision (a).

(c) The limitation prescribed by this section may not be asserted by way of defense by any person in actual possession or the control, as owner, tenant or otherwise, of such an improvement, at the time any deficiency in the improvement constitutes the proximate cause for which it is proposed to make a claim or bring an action.

(d) Sections 337.15 and 337.1 of the Code of Civil Procedure do not apply to actions under this title.

(e) Existing statutory and decisional law regarding tolling of the statute of limitations shall apply to the time periods for filing an action or making a claim under this title, except that repairs made pursuant to Chapter 4 (commencing with Section 910), with the exception of the tolling provision contained in Section 927, do not extend the period for filing an action, or restart the time limitations contained in subdivision (a) or (b) of Section 7091 of the Business and Professions Code. If a builder arranges for a contractor to perform a repair pursuant to Chapter 4 (commencing with Section 910), as to the builder the time period for calculating the statute of limitation in subdivision (a) or (b) of Section 7091 of the Business and Professions Code shall pertain to the substantial completion of the original construction and not to the date of repairs under this title. The time limitations established by this title do not apply to any action by a claimant for a contract or express contractual provision. Causes of action and damages to which this chapter does not apply are not limited by this section.

#### **§ 942. Sufficiency of claim for violation of Chapter 2 standards**

In order to make a claim for violation of the standards set forth in Chapter 2 (commencing with Section 896), a homeowner need only demonstrate, in accordance with the applicable evidentiary standard, that the home does not meet the applicable standard, subject to the affirmative defenses set forth in Section 945.5. No further showing of causation or damages is required to meet the burden of proof regarding a violation of a standard set forth in Chapter 2 (commencing with Section 896), provided that the violation arises out of, pertains to, or is related to, the original construction.

#### **§ 943. Exclusiveness of title; exceptions**

(a) Except as provided in this title, no other cause of action for a claim covered by this title or for damages recoverable under Section 944 is allowed. In addition to the rights under this title, this title does not apply to any action by a claimant to enforce a contract or express contractual provision, or any action for fraud, personal injury, or violation of a statute. Damages awarded for the items set forth in Section 944 in such other cause of action shall be reduced by the amounts recovered pursuant to Section 944 for violation of the standards set forth in this title.

(b) As to any claims involving a detached single-family home, the homeowner's right to the reasonable value of repairing any nonconformity is limited to the repair costs, or the diminution in current value of the home caused by the nonconformity, whichever is less, subject to the personal use exception as developed under common law.

#### **§ 944. Damages; determination of amount**

If a claim for damages is made under this title, the homeowner is only entitled to damages for the reasonable value of repairing any violation of the standards set forth in this title, the reasonable cost of repairing any damages caused by the repair efforts, the reasonable cost of repairing and rectifying any damages resulting from the failure of the home to meet the standards, the reasonable cost of removing and replacing any improper repair by the builder, reasonable relocation and storage expenses, lost business income if the home was used as a principal place of a business licensed to be operated from the home, reasonable investigative costs for each established violation, and all other costs or fees recoverable by contract or statute.

#### **§ 945. Binding effect upon original purchasers and their successors-in-interest**

The provisions, standards, rights, and obligations set forth in this title are binding upon all original purchasers and their successors-in-interest. For purposes of this title, associations and others having the rights set forth in Sections 4810 and 4815 shall be considered to be original purchasers and shall have standing to enforce the provisions, standards, rights, and obligations set forth in this title.

#### **§ 945.5. Affirmative defenses**

A builder, general contractor, subcontractor, material supplier, individual product manufacturer, or design professional, under the principles of comparative fault pertaining to affirmative defenses, may be excused, in whole or in part, from any obligation, damage, loss, or liability if the builder, general contractor, subcontractor, material supplier, individual product manufacturer, or design professional, can demonstrate any of the following affirmative defenses in response to a claimed violation:

(a) To the extent it is caused by an unforeseen act of nature which caused the structure not to meet the standard. For purposes of this section an "unforeseen act of nature" means a weather condition, earthquake, or manmade event such as war, terrorism, or vandalism, in excess of the design criteria expressed by the applicable building codes, regulations, and ordinances in effect at the time of original construction.

(b) To the extent it is caused by a homeowner's unreasonable failure to minimize or prevent those damages in a timely manner, including the failure of the homeowner to allow reasonable and timely access for inspections and repairs under this title. This includes the failure to give timely notice to the builder after discovery of a violation, but does not include damages due to the untimely or inadequate response of a builder to the homeowner's claim.

(c) To the extent it is caused by the homeowner or his or her agent, employee, general contractor, subcontractor, independent contractor, or consultant by virtue of their failure to follow the builder's or manufacturer's recommendations, or commonly accepted homeowner maintenance obligations. In order to rely upon this defense as it relates to a builder's recommended maintenance schedule, the builder shall show that the homeowner had written notice of these schedules and recommendations and that the recommendations and schedules were reasonable at the time they were issued.

(d) To the extent it is caused by the homeowner or his or her agent's or an independent third party's alterations, ordinary wear and tear, misuse, abuse, or neglect, or by the structure's use for something other than its intended purpose.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

(e) To the extent that the time period for filing actions bars the claimed violation.

(f) As to a particular violation for which the builder has obtained a valid release.

(g) To the extent that the builder's repair was successful in correcting the particular violation of the applicable standard.

(h) As to any causes of action to which this statute does not apply, all applicable affirmative defenses are preserved.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

ADDENDUM "H"

ARBITRATION OF DISPUTES

COMMUNITY: URBAN EDGE

MAP NO. 1069

LOT NO.: \_\_\_\_\_

BUYER'S NAME: \_\_\_\_\_  
(Print Buyer's Last Name)

A. THIS ADDENDUM "H" - ARBITRATION OF DISPUTES is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ by and between URBAN EDGE, LP, a California limited partnership ("Seller"), and the undersigned buyer(s) ("Buyer"), and this Addendum modifies and supplements that certain JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS dated \_\_\_\_\_, 202\_\_, by and between Seller and Buyer ("Agreement") regarding the purchase by Buyer of the Property described in the Agreement.

1. **ARBITRATION OF DISPUTES.** BUYER AND SELLER AGREE THAT ANY "DISPUTE" (AS SUCH TERM IS DEFINED IN ARTICLE OF THE DECLARATION ENTITLED "PROCEDURES TO RESOLVE DISPUTES WITH DECLARANT" AND WITHIN SECTION THEREIN ENTITLED "DEFINITIONS") SHALL BE RESOLVED ACCORDING TO THE PROVISIONS SET FORTH IN THE DECLARATION, AND BUYER AND SELLER WAIVE THEIR RESPECTIVE RIGHTS TO PURSUE ANY DISPUTE IN ANY MANNER OTHER THAN AS PROVIDED IN ARTICLE XVIII OF THE DECLARATION. BUYER AND SELLER ACKNOWLEDGE THAT, BY AGREEING TO RESOLVE ALL DISPUTES AS PROVIDED IN ARTICLE OF THE DECLARATION ENTITLED "PROCEDURES TO RESOLVE DISPUTES WITH DECLARANT", THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH DISPUTES TRIED BEFORE A JURY. IT IS FURTHER AGREED THAT ANY DISPUTE MUST BE BROUGHT IN THE PARTIES' INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.

NOTICE: BY INITIALING IN THE SPACE BELOW BUYER AND SELLER ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION ABOVE DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND BUYER AND SELLER ARE GIVING UP ANY RIGHTS BUYER AND SELLER MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW BUYER AND SELLER ARE GIVING UP THEIR RESPECTIVE JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION ABOVE. IF BUYER OR SELLER REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, BUYER OR SELLER MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT.

B. I/WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES TO BINDING ARBITRATION.

BUYER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: \_\_\_\_\_  
BUYER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: \_\_\_\_\_  
SELLER'S INITIALS: \_\_\_\_\_

2. **SURVIVAL; SUCCESSORS AND ASSIGNS.** The rights and obligations of the parties pursuant to this Addendum shall survive the close of escrow. This Addendum and the rights, duties and obligations of Buyer and Seller shall be binding upon and shall inure to the benefit of the successors and assigns of Seller and, subject to any limitation on assignment contained in the Agreement, to the heirs, executors, administrators, successors and assigns of Buyer.

3. **SEVERABILITY.** In addition to and without limiting the effect of any general severability provisions of the Agreement, if the arbitrator or any court determines that any provision of this Addendum is unenforceable for any reason, that provision shall be severed, and proceedings agreed to in this Addendum shall be conducted under the remaining enforceable terms of this Addendum.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**BY SIGNING THIS ADDENDUM, BUYER AND SELLER AGREE TO BE BOUND BY ITS PROVISIONS. IN WITNESS WHEREOF,** the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company, Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_  
Date Initialed: \_\_\_\_\_  
(Agent is not authorized to sign on behalf of Seller)

**"BUYER"**

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_



**ADDENDUM "I"**

**UNIVERSAL DESIGN CHECKLIST DISCLOSURE**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

THIS **ADDENDUM "I" - UNIVERSAL DESIGN CHECKLIST DISCLOSURE** is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_ by and between **URBAN EDGE, LP**, a California limited partnership ("**Seller**"), and the undersigned buyer(s) ("**Buyer**"), and this Addendum modifies and supplements that certain **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS** dated \_\_\_\_\_, 202\_\_\_\_, by and between Seller and Buyer ("**Agreement**") regarding the purchase by Buyer of the Property described in the Agreement.

Pursuant to CALIFORNIA HEALTH AND SAFETY CODE Section 17959.6, Seller is required to provide buyers a list of "universal accessibility features" that would make portions of the new homes and their entrances accessible to disabled persons. Among other things, a developer must (i) disclose whether certain accessibility features are available, (ii) provide the deadline for buyers to request available accessibility features and (iii) provide the cost of such features (if such cost can be determined at the point of sale). **A developer is not required to provide the listed features during construction or at any other time, unless the developer has offered to provide a feature and the buyer has requested it and agreed to provide payment.**

Attached as **Exhibit "A"** is a copy of the form "New Home Universal Design Checklist" ("**Checklist**") prepared by the California Department of Housing and Community Development and completed by Seller for the home you are buying.

The Checklist is quite lengthy and complex. Each of the listed accessibility components or features is identified as Standard ("**S**"), Limited ("**L**"), Option ("**O**"), or Not Available ("**N/A**") in the "Status" column of Parts III and IV of the Checklist. For those components or features that are potentially available, the "Timing" column identifies the stage of development (e.g., before the foundation is commenced or before framing) at which you must make your selection and the "Cost" column provides the cost for such items, if available.

Please review the Checklist and if there are any available accessibility components or features that you would like installed in your home please discuss them in more detail with Seller's sales representative. Seller also invites you to discuss any particular needs you or a family member may have - even if a particular component or feature is listed as "N/A" on the Checklist. If you are interested in possibly having Seller provide any of these components or features, please contact your sales representative at your earliest convenience to arrange a time and date to meet with us to discuss your requests. The earlier in the development process that you do so, the more likely that Seller will be able to accommodate your needs.

Buyer certifies that Buyer has read and fully understands the information and disclosures contained in this Addendum. Buyer acknowledges that the facts disclosed in this Addendum are important and do not constitute a complete list of all facts which should be considered by Buyer. All other provisions of the Agreement shall remain in force and effect, and this Addendum shall be incorporated into and be made a part of the Agreement.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company, Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_  
Date Initialed: \_\_\_\_\_  
(Agent is not authorized to sign on behalf of Seller)

**"BUYER"**

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**EXHIBIT "A" TO ADDENDUM "I"**

**NEW HOME UNIVERSAL DESIGN CHECKLIST (AB 1400)**

Name of Development, if applicable: URBAN EDGE  
 Home/Unit Address/ID: \_\_\_\_\_  
 Developer (Contact) Name: \_\_\_\_\_  
 Phone #: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Address: \_\_\_\_\_

California law, section 17959.6 of the Health and Safety Code, requires a builder of new for-sale lots/condominiums to provide buyers with a list of specific "universal design features" which make a home safer and easier to use for persons who are aging or frail, or who have certain temporary or permanent activity limitations or disabilities. A developer is not required to provide the listed features during construction or at any other time, unless the developer has offered to provide a feature and the buyer has requested it and agreed to provide payment.

- Part I** is a summary of which features, if any are available or offered.
- Part II** is an explanation of the laws governing the Checklist and use of the Checklist.
- Part III** includes those features related to exterior adaptations, doors and openings, interior adaptations, kitchens, and bathrooms or powder rooms.
- Part IV** includes features which apply to other parts of the house and are commonly requested or considered universal design features.
- Part V** provides space for details, or for any other external or internal feature that may be requested, if it is requested at a reasonable time by the buyer, is reasonably available, is reasonably feasible to install or construct, and makes the home more usable and safer for a person with any type of activity limitation or disability.

**PART I: SUMMARY OF FEATURES AVAILABLE OR OFFERED**  
**(If "available", see Parts III, IV, and/or V)**

	<u>Feature</u>	<u>Available</u>	<u>Not Available</u>
III.	1. Exterior Features (accessible route to door)	_____	N/A _____
III.	2. Exterior Doors, Openings, and Entries Features	_____	N/A _____
III.	3. General Interior Features	_____	N/A _____
III.	4. Kitchen Features	_____	N/A _____
III.	5. Bathroom/Powder Room Features	_____	N/A _____
IV.	6. Common Room Features (Dining and Living)	_____	N/A _____
IV.	7. Bedroom Features	_____	N/A _____
IV.	8. Laundry Area Features	_____	N/A _____
V.	Other Features	_____	N/A _____

**PART II: EXPLANATION OF LAWS GOVERNING CHECKLIST AND USE OF THE LIST**

All features covered by "Chapter 11A" of the California Building Code (Title 24, California Code of Regulations, Part 2) are identified by an asterisk (\*) and must comply with that Chapter unless otherwise specifically provided. All features not in Chapter 11A must be selected and installed in a workmanlike manner by the builder unless they are further described in **Part V**.

Features listed may not actually be available or offered by the builder. In addition, certain items must be requested prior to certain phases of construction, as specified by the builder. The builder may provide estimated costs for the special features. The features must be installed and comply with Chapter 11A, unless the builder and buyer agree in writing to different standards than those in Chapter 11A and the differences are clearly disclosed in **Part V**. A builder is not required to install the listed features unless the builder offers them and both of the following occur: (1) the buyer requests them with the specified phase of construction, and (2) the buyer agrees to provide payment for the features. Any violation of this law is enforced by the local building department and local public prosecutors, and is punishable by civil penalties.

The attached chart lists the specific features which must be disclosed, as well as others commonly requested but not required by law. There are four categories for each feature:

- "Status": whether it is standard ("S"), limited ("L"), an option ("O"), or not available ("NA"), all as determined by the builder.
- "Timing": by what stage in construction it must be requested (such as "any time", "before foundation", "before framing", or "before internal wall covering"), with actual times selected by the builder.
- "Details": whether or not there are additional details or specified modifications from the Building Code listed in the "Additional Details" section, Part V (e.g., "Yes" or "No").
- "Cost": optional labor and materials costs which may be estimated by the builder.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**Part III: General Exterior and Interior Components and Features**

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
<b>1. Exterior Features</b>				
Accessible route of travel to dwelling from public sidewalk or thoroughfare to primary entrance:				
Graded path*	N/A	_____	_____	\$ _____
Ramp*	N/A	_____	_____	\$ _____
Driveway to graded path	N/A	_____	_____	\$ _____
No-step entry (1/2" or less threshold)*	N/A	_____	_____	\$ _____
Accessible landscaping of at least one side yard and rear yard	N/A	_____	_____	\$ _____
Accessible route from garage/parking to home's primary entry*	N/A	_____	_____	\$ _____
Accessible route from garage/parking to secondary entry	N/A	_____	_____	\$ _____
Other options offered by builder [List in Part V]			_____	
<b>2. Exterior Doors, Openings, and Entries Features</b>				
Minimum 32" clear primary entry doorway*	N/A	_____	_____	\$ _____
Minimum 32" clear secondary entry doorway*	N/A	_____	_____	\$ _____
Primary entry accessible internal/external maneuvering clearances, hardware, thresholds, and strike edge clearances*	N/A	_____	_____	\$ _____
Secondary entry accessible internal/external maneuvering clearances, hardware, thresholds, and strike edge clearances*	N/A	_____	_____	\$ _____
Primary entry accessible/dual peephole and doorbell _____	N/A	_____	_____	\$ _____
Primary entry door sidelight/window	N/A	_____	_____	\$ _____
Accessible sliding glass door and threshold height*	N/A	_____	_____	\$ _____
Weather-sheltered entry area	N/A	_____	_____	\$ _____
Other options offered by builder [List in Part V]			_____	
<b>3. General Interior Features</b>				
Accessible route of travel to at least one bathroom/powder room, kitchen, and common room*	N/A	_____	_____	\$ _____
Accessible route of travel: other areas*	N/A	_____	_____	\$ _____
42" wide hallways/maneuvering clearances with 32" clear doorways on accessible route*	N/A	_____	_____	\$ _____
39" wide hallways/maneuvering clearances with 34" clear doorways on accessible route*	N/A	_____	_____	\$ _____
Accessible hallway and doorway widths: other areas*	N/A	_____	_____	\$ _____
Accessible hardware, strike edge clearance, and thresholds for accessible doorways*	N/A	_____	_____	\$ _____
Light switches, electric receptacles, and environmental and alarm controls at accessible heights on accessible route/rooms*	N/A	_____	_____	\$ _____
Light switches, electric receptacles, and environmental and alarm controls at accessible heights on primary floor*	N/A	_____	_____	\$ _____
Light switches, electric receptacles, and environmental and alarm controls at accessible locations when over barriers*	N/A	_____	_____	\$ _____
Rocker light switches/controls on accessible route/rooms	N/A	_____	_____	\$ _____
Rocker light switches/controls on primary floor	N/A	_____	_____	\$ _____
Visual smoke/fire/carbon monoxide alarm	N/A	_____	_____	\$ _____
Audio and visual doorbell	N/A	_____	_____	\$ _____
Audio and visual security alarm	N/A	_____	_____	\$ _____
Closets on accessible route: adjustable (36"-60") rods/shelves	N/A	_____	_____	\$ _____
Nonslip carpet/floor for accessible route	N/A	_____	_____	\$ _____
Handrail reinforcement (1 side) provided in all accessible routes of travel/rooms over 4 feet long	N/A	_____	_____	\$ _____
Handrails (1 side) provided in all accessible routes of	N/A	_____	_____	\$ _____

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), ("\*"); Status: Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); Timing: Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); Details: See Part III ("Y" or "Yes"), None ("N" or "No").

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
travel/rooms over 4 feet in length	N/A			\$
Handrail reinforcement (2 sides) provided in all accessible routes of travel/rooms over 4 feet in length	N/A			\$
Handrails (2 sides) provided in all accessible routes of travel/rooms over 4 feet in length	N/A			\$
Handrail reinforcement or handrails installed in other areas	N/A			\$
Interior lifts/elevators:				
Interior stairway lift	N/A			\$
Interior elevator	N/A			\$
Electrical and reinforcement for future lift	N/A			\$
Electrical and location for future elevator	N/A			\$
Laundry Area, if provided:				
Accessible route of travel	N/A			\$
Accessible workspace	N/A			\$
Accessible cabinets	N/A			\$
Accessible appliances	N/A			\$
Other options offered by builder [List in Part V]				
<b>4. Kitchen Features</b>				
At least one kitchen on accessible route of travel	N/A			\$
Adequate work/floor space in front of:				
Stove (specify 30" x 48" or greater)*	N/A			\$
Refrigerator (specify 30" x 48" or greater)*	N/A			\$
Dishwasher (specify 30" x 48" or greater)*	N/A			\$
Sink (specify 30" x 48" or greater)*	N/A			\$
Oven (if separate) (specify 30" x 48" or greater)*	N/A			\$
U-shaped kitchen space requirements*	N/A			\$
Other (specify 30" x 48" or greater)*				
Accessible appliances (doors, controls, etc.):				
Stove	N/A			\$
Refrigerator	N/A			\$
Dishwasher	N/A			\$
Sink	N/A			\$
Oven (if not part of stove)	N/A			\$
Microwave/receptacle at countertop height	N/A			\$
Other appliances				
Accessible countertops:				
All or a specified portion repositionable*	N/A			\$
One or more breadboards at 15" wide* and 28"-32" high	N/A			\$
One or more counter areas at 30" wide* and 28"-32" high	N/A			\$
One or more workspaces at 30" wide with knee/toe space	N/A			\$
Other features	N/A			
Cabinets:				
Base cabinets: pull-out and/or Lazy Susan shelves	N/A			\$
Wall cabinets: pull-out and/or Lazy Susan shelves	N/A			\$
Additional interior lighting	N/A			\$
Additional under-cabinet lighting	N/A			\$
Accessible handles/touch latches for doors/drawers	N/A			\$
Under-cabinet roll-out carts	N/A			\$
Other features				
Sink:				
Repositionable height*	N/A			\$
Removable base cabinets under sink*	N/A			\$
Single-handle lever faucet*	N/A			\$
Hose/sprayer feature	N/A			\$
Anti-scald device	N/A			\$
Other features	N/A			
Contrasting Colors:				
Edge border of cabinets/counters	N/A			\$
Flooring: in front of appliances	N/A			\$
Flooring: on route of travel	N/A			\$

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), ("\*"); Status: Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); Timing: Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); Details: See Part III ("Y" or "Yes"), None ("N" or "No").

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
Other features	N/A			
Other options offered by builder [List in Part V]				
<b>5. Bathroom/Powder Room Features</b>				
At least one full bathroom on accessible route of travel	N/A			\$ _____
Maneuvering Space (For bathrooms and powder room):	N/A			
Maneuvering space diameter:	N/A			
30" x 48" turning area*	N/A			\$ _____
60" diameter turning area	N/A			\$ _____
Clear space for toilet and sink:	N/A			
36" x 36" clear use area	N/A			\$ _____
30" x 48" clear use area*	N/A			\$ _____
Bathtub and/or shower (For bathrooms only):	N/A			
Standard bathtub with grab bar reinforcement*	N/A			\$ _____
Standard bathtub with grab bars*	N/A			\$ _____
Accessible bathtub (size* and handles)	N/A			\$ _____
Standard shower with grab bar reinforcement*	N/A			\$ _____
Standard shower with grab bars*	N/A			\$ _____
Accessible (roll-in) shower*	N/A			\$ _____
Single-handed lever faucets*	N/A			\$ _____
Offset controls for exterior use	N/A			\$ _____
Toilet (For bathrooms or powder room):	N/A			
Standard toilet with grab bar reinforcement*	N/A			\$ _____
Standard toilet with grab bars*	N/A			\$ _____
Accessible toilet with grab bars*	N/A			\$ _____
Sink/Lavatory (For bathrooms or powder room):	N/A			
Standard with undersink cabinets	N/A			\$ _____
Standard with removable base cabinets*	N/A			\$ _____
Pedestal or open front*	N/A			\$ _____
Accessories (For bathroom or powder room):	N/A			
Lower/accessible medicine chest	N/A			\$ _____
Accessible counter space near sink	N/A			\$ _____
Single-handle lever faucets*	N/A			\$ _____
Anti-scald devices for sink	N/A			\$ _____
Accessible handles/touch latches for doors/drawers	N/A			\$ _____
Lower towel rack(s)	N/A			\$ _____
Lower/tilted mirror(s)	N/A			\$ _____
Contrasting floor color	N/A			\$ _____
Fold-down/fixable shower seat(s)	N/A			\$ _____
Accessible toilet tissue holder	N/A			\$ _____
Hand-held adjustable shower spray unit(s)	N/A			\$ _____
Other options offered by builder [List in Part V]	N/A			

**Part IV: Other Components and Features**

**6. Common Room Features**

Dining room on accessible route of travel*	N/A			\$ _____
Living room on accessible route of travel*	N/A			\$ _____
Den on accessible route of travel*	N/A			\$ _____
Split-level common room with accessible route of travel*	N/A			\$ _____
No split-level common room*	N/A			\$ _____
Other options offered by builder [List in Part V]	N/A			

**7. Bedroom Features**

One bedroom on accessible route of travel	N/A			\$ _____
Two or more bedrooms on accessible route of travel	N/A			\$ _____
Closets have minimum 32" clear opening*	N/A			\$ _____
Larger "walk-in" closets	N/A			\$ _____
Closets have adjustable (36"-60") shelves and bars	N/A			\$ _____
Other options offered by builder [List in Part V]	N/A			

**8. Laundry Area Features**

Laundry area on accessible route of travel	N/A			\$ _____
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Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), ("\*"); Status: Standard ("S"), Limited ("L"), Option ("O"), or Not Available ("NA"); Timing: Any Time ("AT"), Before Foundation ("BFo"), Before Framing ("BFr"), Before Internal Wall Covering ("BIW"); Details: See Part III ("Y" or "Yes"), None ("N" or "No").

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

<u>Feature</u>	<u>Status</u>	<u>Timing</u>	<u>Details</u>	<u>Cost</u>
Accessories:				
Accessible workspace	N/A			\$
Accessible cabinets	N/A			\$
Accessible handles/touch latches for doors/drawers	N/A			\$
Accessible appliances	N/A			\$
Other options offered by builder [List in Part V]	N/A			

Abbreviation Meanings: Standards in CA Bldg Code (Chapter 11A), (“\*”); Status: Standard (“S”), Limited (“L”), Option (“O”), or Not Available (“NA”); Timing: Any Time (“AT”), Before Foundation (“BFo”), Before Framing (“BFr”), Before Internal Wall Covering (“BIW”); Details: See Part III (“Y” or “Yes”), None (“N” or “No”).

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**Part V: Additional Details, Components, or Features**

**A. External Features: Buyer Request** (Any other additional external feature requested at a reasonable time by the buyer that is reasonably available and reasonably feasible to install or construct and makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them.) These may include features such as high-visibility address numbers, electronic garage door openers, additional lights, door bench or package shelf, oversize garage, zero-step house/garage entry, etc. **(Attached as Part III. A: \_\_Yes \_\_No)**

**B. External Features: Builder Offer** (Any other additional external feature offered to the buyer by the builder that makes the residence more usable for a person with disabilities or activity limitations in order to accommodate them.) **(Attached as Part III. B: \_\_Yes \_\_No)**

**C. Internal Features: Buyer Request** (Any other additional internal feature requested at a reasonable time by the buyer that is reasonably available and reasonably feasible to install or construct and makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them.) These may include features such as lowered window sills (under 36"), additional lighting, "touch" luminous light switches, automatic internal lights, additional wiring for electronic features, lighted closets, air filtration systems, larger/more automatic thermostats, pocket doors, etc. **(Attached as Part III. C: \_\_Yes \_\_No)**

**D. Internal Features: Builder Offer** (Any other additional internal feature offered to the buyer by the builder that makes the residence more usable for a person with activity limitations or disabilities in order to accommodate them.) **(Attached as Part III. D: \_\_Yes \_\_No)**

**E. Variation from State Chapter 11A Standards:** (Any mutually agreed-upon features with standards different than Chapter 11A of the California Building Code, including clearly identified deviations from those standards.) **(Attached as Part III. E: \_\_Yes \_\_No)**

**F. Additional features or requirements:** (Any mutually agreed-upon features not covered by Chapter 11A of the California Building Code for which additional detail would be helpful to the builder and buyer, including clearly identified standards.) **(Attached as Part III. F: \_\_Yes \_\_No)**

**Form Provided by Builder to Buyer:** \_\_\_\_\_  
Builder Initials / Date                      Buyer Initials / Date

**No Universal Design Features Requested:** \_\_\_\_\_  
Buyer Signature / Date

**Universal Design Features Identified:** \_\_\_\_\_  
Buyer Signature / Date

**And Agreed To By Builder and Buyer:** \_\_\_\_\_  
Builder Signature / Date

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_



**ADDENDUM "J"**

**FIT AND FINISH WARRANTY**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

THIS **ADDENDUM "J" - FIT AND FINISH WARRANTY** is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_ by and between **URBAN EDGE, LP**, a California limited partnership ("**Seller**"), and the undersigned buyer(s) ("**Buyer**"), and this Addendum modifies and supplements that certain **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS** dated \_\_\_\_\_, 202\_\_\_\_, by and between Seller and Buyer ("**Agreement**") regarding the purchase by Buyer of the Property described in the Agreement.

Subject to the exclusions and limitations listed below, Seller provides the following fit and finish warranty on the home you are purchasing ("**Warranty**"). This Warranty is also given on behalf of any "**contractor**" as described in the Addendum - Functionality Standards and Non-Adversarial Procedures for Statutory Construction Claims.

1. **DEFINITIONS.**

(a) "**Close of Escrow**" — The date of recordation of the grant deed conveying the Property from Seller to Buyer.

(b) "**Component(s)**" — Cabinets, mirrors, flooring, interior and exterior walls, wall coverings, countertops, paint finishes and trim.

(c) "**Deficiency(ies)**" — The Fit and Finish of a Component does not meet the standards of quality as measured by guidelines found in the publication, Residential Performance Guidelines for Professional Builders and Remodelers, National Association of Home Builders (4th Edition), or if an item is not covered in that publication, by standard industry practice, subject to the terms and conditions of this Warranty.

(d) "**Fit and Finish**" — The non-structural, cosmetic appearance or alignment of the Components, subject to the terms, conditions and exclusions of this Warranty.

(e) "**Maintenance Manual**" — The manual provided by Seller to Buyer that outlines Seller's or manufacturers' recommended homeowner maintenance obligations and schedules. The Maintenance Manual is found in the homeowner manual that Seller shall, at or before Close of Escrow, provide Buyer.

(f) "**Residence**" — The separate interest portion of a condominium or the single-family home conveyed or to be conveyed by Seller to Buyer.

(g) "**Unforeseen Acts of Nature**" — A weather condition, earthquake, or man-made event such as war, terrorism or vandalism, in excess of the design criteria expressed by the applicable building codes, regulations and ordinances in effect at the time of original construction of the Residence.

(h) "**Walkthrough**" — The walkthrough inspection of a Residence, with a Seller representative, before Close of Escrow for the purpose of familiarizing Buyer with the features and appliances in the Residence. The Fit and Finish of Components will be inspected during the Walkthrough, and if Deficiencies are discovered, they must be identified and reported to the Seller representative. If such Deficiencies are not reported at the time of the Walkthrough, they may be excluded from coverage under this Warranty, as items of damage caused by Buyer or a third party.

(i) "**Warranty Period**" — ONE YEAR from Close of Escrow.

2. **WARRANTY.** Seller warrants the Fit and Finish of the Components to be free from Deficiencies during the Warranty Period, subject to the exclusions in **Paragraph 4.**

3. **SCOPE OF WARRANTY.**

(a) Seller's Performance. During the Warranty Period, Seller will, within a reasonable amount of time, repair or replace the affected Component(s) at no charge to Buyer if repair or replacement is appropriate under this Warranty. The decision whether to repair or replace the Component(s) shall be within the sole discretion of Seller.

(b) Repair Materials/Subcontractors. All repairs or replacements will be made with materials or components identical to, or of an equal or better grade or quality than, the materials or components used in the original construction of the Residence. Seller has the right to choose the specific materials and components and the subcontractors used for repair or replacement work in its sole discretion. There could be color or texture variations with the new materials.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

(c) Assignment of Other Insurance and Warranties. In the event Seller repairs, replaces or pays the cost of repairing any Deficiency or replacing any Component covered by this Warranty for which Buyer is covered by any other insurance or warranty, Buyer assigns to Seller all rights, proceeds or payments under such other insurance or warranty to the extent of the actual cost of repair or replacement incurred by Seller; and Buyer authorizes Seller to file a claim against any insurance or warranty on Buyer's behalf. Buyer shall cooperate with Seller, at no out-of-pocket cost to Buyer, with respect to such claim. To the extent permitted by Buyer's insurance, Buyer agrees to look only to Buyer's insurance coverage for covered claims and to waive any right of subrogation to the extent of such insurance.

(d) **DISCLAIMER OF IMPLIED WARRANTIES. EXCEPT FOR (i) THIS WARRANTY, AND (ii) ANY OTHER WARRANTY REQUIRED BY THE VA TO BE PROVIDED TO BUYER BY SELLER AND ITS AFFILIATED CONTRACTORS, SELLER AND EACH OF ITS AFFILIATED CONTRACTORS DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY OF CONSTRUCTION OR OTHERWISE.**

BUYER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: \_\_\_\_\_

SELLER'S INITIALS: \_\_\_\_\_

(e) **LIMITATION OF AVAILABLE REMEDIES.** BUYER AGREES THAT THE SOLE AND EXCLUSIVE REMEDIES FOR THE BREACH OF THIS WARRANTY SHALL BE TO REPAIR OR REPLACE THE COMPONENT. BUYER OTHERWISE AGREES TO ASSUME ALL RISKS ARISING FROM A BREACH OF WARRANTY, INCLUDING, BUT NOT LIMITED TO, ALL ECONOMIC, CONSEQUENTIAL AND EMOTIONAL DISTRESS DAMAGES. EXCEPT TO REPAIR OR REPLACE THE COMPONENT, SELLER SHALL NOT OTHERWISE BE LIABLE FOR ANY DAMAGE FOR BREACH OF WARRANTY. BY INITIALING BELOW, BUYER REPRESENTS THAT BUYER UNDERSTANDS THAT REPAIR OR REPLACEMENT UNDER THIS WARRANTY IS EXPRESSLY CONDITIONED UPON SELLER OR ITS AUTHORIZED AGENT BEING GRANTED A REASONABLE OPPORTUNITY TO REPAIR OR REPLACE SUCH COMPONENT. BUYER AGREES THAT SELLER OR ITS AUTHORIZED AGENTS, AND NOT BUYER, SHALL DETERMINE THE MATERIAL AND METHODS TO BE USED IN EFFECTING SUCH REPAIR OR REPLACEMENT.

BUYER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: \_\_\_\_\_

SELLER'S INITIALS: \_\_\_\_\_

4. **Exclusions.** The following are not covered by this Warranty:

(a) Wear and Tear. Damage to the Components due to ordinary wear and tear.

(b) Buyer's Failure to Maintain Properly. Any Deficiency, loss or damage caused by lack of reasonable care and maintenance, failure to follow a manufacturer's or Seller's maintenance schedule, recommendations or commonly accepted Buyer maintenance obligations. Seller has provided a description and list of suggested homeowner's care and maintenance items and procedures in the Maintenance Manual and a schedule for such maintenance. From time to time, Seller may perform a maintenance task for the benefit of Buyer at no charge; however, performing a task on one or more occasions does not imply or require that Seller will perform a similar task at a later date, nor shall such performance be deemed to extend the Warranty Period.

(c) Casualties or Unforeseen Acts of Nature. Any Deficiency, loss or damage caused by Unforeseen Acts of Nature. Casualties normally covered by homeowner's insurance, or any other cause not under the control of Seller such as fire, smoke, explosion, water escape, fluctuations in water pressure, flood, insects and falling trees. Damage of this sort may be covered by your homeowner's insurance. You should contact your insurance carrier within 24 hours of the occurrence of any such damage.

(d) Abuse of Residence. Damage caused either by the misuse, abuse, neglect or the use of the Residence in a manner which was not intended.

(e) Materials Furnished by Buyer. Any Deficiency caused by materials furnished or work done by or at the request of Buyer, including any work done by anyone other than Seller or the employees, agents or subcontractors expressly selected by Seller.

(f) Variations in Natural Materials. Variations in natural materials, such as stone, marble, wood grain and color of stained wood used in cabinets, paneling, siding, doors and wood trim. These variations are inherent characteristics of natural materials and are not a Deficiency.

(g) Failure to Give Timely Notice. Any Deficiency, loss or damage caused or made worse by Buyer's failure to timely notify Seller of any Deficiency.

(h) Failure to Mitigate Damages. Any Deficiency, loss or damage caused or made worse by Buyer's failure to minimize or prevent damages in a timely manner.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

(i) Refusal to Allow Repair. Any Deficiency, loss or damage caused by the Buyer's failure to allow reasonable and timely access for inspections and repairs.

(j) Buyer or Third-Party Negligence. Any Deficiency, loss or damage caused or made worse by the negligence of Buyer (or Buyer's agent, employee, subcontractor, independent contractor, or consultant) or a third party.

(k) Successful Repair. Any Deficiency, to the extent that such Deficiency has been successfully repaired or corrected.

(l) Released Violation. Any Deficiency, for which liability has been released by Buyer pursuant to a release agreement with Seller, Seller's agent, a manufacturer or any other third party.

(m) Expired Warranty Period. Any Deficiency that occurs after the Warranty Period has expired.

(n) Statutory Claims. Any claims for Deficiencies, loss or damage governed by Sections 895 through 897, inclusive, and Sections 910 through 938, inclusive, of the CALIFORNIA CIVIL CODE, as may be hereafter amended.

5. **Procedures For Filing A Warranty Request For Service**.

(a) How to Request Warranty Service. To assure quality and to allow Seller to maintain a complete file on your Residence, all requests for warranty service under this Warranty must be submitted in writing to Seller, as set forth in the homeowners manual. All of the procedures and contact information for submitting a customer service request are set forth in the homeowners manual.

(b) Service Requests Not Covered by Warranty. If Seller determines that a particular service request is not covered by this Warranty, Seller will provide Buyer with a notification describing why the Buyer's service request is not covered. Failure to send such a notice shall not be deemed evidence that a service request is a covered Deficiency. If a service request is governed by Section 895 et seq. of the CALIFORNIA CIVIL CODE, the non-adversarial procedures described in the Addendum - Functionality Standards and Non-Adversarial Procedures for Statutory Construction Claims will apply to such service request, instead of the procedures set forth in this **Paragraph 5**.

6. **General Provisions**.

(a) Applicable Law. This Warranty is made in the State of California and is to be interpreted and constructed in accordance with the cases and laws of California.

(b) Interpretation. Whenever the context requires, the use herein of one gender includes both genders and the singular number includes the plural number.

(c) Modification. No modification or change of this Warranty is valid unless it is in writing and signed by Buyer and Seller.

(d) Captions. Captions are inserted for convenience of reference only and do not define, describe or limit the scope or intent of this Warranty or any provisions hereof.

(e) Time is of the Essence. Time is of the essence on all matters of any nature arising under this Warranty.

(f) Severability. Should any provision or portion of this Warranty be declared invalid or in conflict with any law of the jurisdiction where your Residence is situated, the validity of all other provisions and portions shall remain unaffected and in full force and effect. This Warranty is intended to be a Fit and Finish Warranty under Section 900 of the CALIFORNIA CIVIL CODE. To the extent of any conflicts between this Warranty and the requirements of Section 900 of the CALIFORNIA CIVIL CODE, the requirements of the statute shall control over the terms of this Warranty.

7. **Dispute Resolution**. All disputes arising under this Warranty will be resolved in accordance with the same procedures for dispute resolution as set forth in the Addendum - Arbitration of Disputes. The statutory non-adversarial procedures applicable to certain construction defect claims under Sections 910 through 938, inclusive, of the CALIFORNIA CIVIL CODE, as hereafter amended, shall not apply to any claims under this Warranty.

Note: Our sales staff does not have responsibility for, nor are they qualified to make, judgments regarding service. All such commitments must be in writing and must come from our Customer Service Department. Seller is very proud of its service and trusts you will find its policy to be fair to all concerned. Proper service and a continuing program of homeowner maintenance will keep your Property in good condition, both for your own comfort and to maximize its usefulness and durability.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company, Its General Partner

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

**"BUYER"**

\_\_\_\_\_  
(Signature) Dated

\_\_\_\_\_  
(Signature) Dated

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**ADDENDUM "K"**  
**CONTINGENCY SALE**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

THIS **ADDENDUM "K" – CONTINGENCY SALE** is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_ by and between **URBAN EDGE, LP**, a California limited partnership ("**Seller**"), and the undersigned buyer(s) ("**Buyer**"), and this Addendum modifies and supplements that certain **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS** dated \_\_\_\_\_, 202\_\_\_\_, by and between Seller and Buyer ("**Agreement**") regarding the purchase by Buyer of the Property described in the Agreement. Pursuant to this Addendum to the Agreement, the close of escrow for the sale of the Property is contingent (the "**Sale Contingency**") upon the sale of the Buyer's property located at \_\_\_\_\_ ("**Existing Residence**") within \_\_\_\_\_ calendar days from the Effective Date of the Agreement (the "**Contingency Period**").

1. Upon the expiration of the Contingency Period, Seller, in its sole discretion, shall have the right to extend the Contingency Period for a period not to exceed \_\_\_\_\_ (\_\_\_\_\_) calendar days. In the event Buyer's Existing Residence has not sold prior to the expiration of the Contingency Period (as such date may be extended by Seller as provided herein), either party may terminate the Agreement and cancel Escrow in its entirety by giving the other party and Escrow Holder written notice of such election. For purposes hereof, the Existing Residence shall be deemed "sold" upon the execution by Buyer and a prospective purchaser of a purchase and sale agreement for the sale of Buyer's Existing Residence and the close of escrow of the Existing Residence pursuant to such purchase and sale agreement. Upon the date the Existing Residence is sold, as provided herein, this Sale Contingency shall be deemed satisfied.

2. Buyer represents and warrants to Seller that either:

(a) Buyer has the Existing Residence currently listed for sale with the following licensed real estate broker: \_\_\_\_\_, and has submitted it to the multiple listing service of the applicable real estate board; OR

(b) Buyer shall cause the Existing Residence to be listed with a full service real estate broker and submitted to the multiple listing service of the applicable real estate board within five (5) calendar days after the Effective Date.

3. Buyer shall provide a copy of the listing agreement providing for the sale of the Existing Residence to Seller within seven (7) calendar days after the Effective Date. Buyer shall diligently market the Existing Residence and provide Seller with a copy of the purchase agreement for the Existing Residence within three (3) calendar days of the execution thereof by Buyer and the prospective purchaser thereof.

4. If Buyer fails or is unable to comply with any of the above conditions set forth in this Addendum in the time allotted for same, Seller shall have the unilateral right, upon written notice to Buyer and Escrow Holder, to terminate the Agreement and cancel Escrow. Upon cancellation, Buyer's deposit is to be refunded without offset or charges, except those charges which may have been incurred on Buyer's behalf by Seller or the Escrow Holder.

5. If Seller or Buyer terminates the Agreement pursuant to this Addendum, Buyer shall have no right, title or interest in the Property, and Buyer shall not interfere with Seller's right to sell the Property to others.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**"BUYER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company,  
Its General Partner

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Dated

By: \_\_\_\_\_

Name: Michelle Sterling

Title: Managing Member

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Dated

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

**ADDENDUM "L"**

**FHA/VA FINANCING**

**COMMUNITY:** URBAN EDGE

**MAP NO.** 1069

**UNIT NO.:** \_\_\_\_\_

**BUYER'S NAME:** \_\_\_\_\_  
(Print Buyer's Last Name)

THIS **ADDENDUM "K" – FHA/VA FINANCING** is made this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_ by and between **URBAN EDGE, LP**, a California limited partnership ("**Seller**"), and the undersigned buyer(s) ("**Buyer**"), and this Addendum modifies and supplements that certain **JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS** dated \_\_\_\_\_, 202\_\_\_\_, by and between Seller and Buyer ("**Agreement**") regarding the purchase by Buyer of the Property described in the Agreement. Unless otherwise defined in this Addendum, capitalized terms shall have the same meanings as in the Agreement.

All references to "**FHA**" shall mean the Federal Housing Administration, which is part of the United States Department of Housing and Urban Development ("**HUD**"), and all references to "**VA**" shall mean the United States Department of Veterans Affairs.

1. **OCCUPANCY:**

(a) If Buyer is purchasing the Property with a loan guaranteed by VA, Buyer hereby acknowledges that the VA requires owner occupancy on all VA guaranteed loans.

Buyer hereby certifies that Buyer  **DOES**  **DOES NOT** intend to occupy the Property as Buyer's principal residence.

(b) If Buyer is purchasing the Property with a loan insured by FHA, Buyer acknowledges that FHA generally requires owner occupancy on all FHA insured loans, subject to limited exceptions.

Buyer hereby certifies that Buyer  **DOES**  **DOES NOT** intend to occupy the Property as Buyer's principal residence.

2. **VA/FHA LOAN DOCUMENTS:** If Buyer is purchasing the Property with a loan guaranteed by VA or insured by FHA, within five (5) days of a request by lender, VA or FHA, as applicable, Buyer shall submit to lender, VA or FHA, as applicable, all information and execute all documents and forms necessary to consummate the sale in accordance with the terms hereof, including, but not limited to credit reports, statements of identity, loan applications, notes and trust deeds. Buyer shall execute loan documents, including a note and deed of trust, in favor of Buyer's lender on forms which are acceptable to the lender and to VA or FHA, as applicable. The note evidencing the loan to be obtained by Buyer shall provide for monthly payments of principal and interest, and an amortization period of the principal as approved by VA, if VA is guaranteeing Buyer's loan or FHA, if FHA is insuring Buyer's loan. The note shall bear interest at the maximum rate permitted or agreed upon under the rules and regulations of VA or FHA, as applicable.

3. **ENTIRE AGREEMENT:** Buyer and Seller acknowledge that the Agreement and all Addenda attached thereto (including, without limitation, this FHA/VA Financing Addendum) constitute the entire agreement between the Buyer and Seller concerning the purchase of the Property by Buyer from Seller.

4. **CLOSING COSTS:** If Buyer is purchasing the Property with a loan insured by FHA or guaranteed by VA, Buyer shall not be required to pay an escrow fee or loan origination fee or any other fee or cost which exceeds the maximum fees which FHA or VA, as applicable, permits Buyer to pay.

5. **DISCOUNT FEE:** Seller agrees to pay a discount fee for an FHA or VA loan, not to exceed \_\_\_\_\_  
\_\_\_\_\_ (\_\_\_\_%) of the loan amount.

6. **DOWN PAYMENT (VA FINANCING ONLY):** If Buyer is a veteran purchasing the Property with a loan guaranteed by VA, the VA does not require Buyer to make a down payment unless (i) the Purchase Price exceeds the reasonable value of the Property established by VA or (ii) Buyer is purchasing the Property with a loan guaranteed by VA that is a Graduated Payment Mortgage (i.e., a loan involving a plan for repayment in which a portion of the interest due is deferred for a period of time and such deferred interest is added to the principal balance of the loan). In the event the Purchase Price exceeds the reasonable value of the Property established by VA, a down payment in the amount of the difference between the Purchase Price and such reasonable value shall be delivered by Buyer to Seller through escrow and shall be paid in cash from Buyer's own resources.

7. **CLOSE OF ESCROW:** Notwithstanding any other provision of the Agreement, the close of escrow is contingent upon, and escrow shall not close unless and until Buyer either has been approved for a VA loan, if Buyer is a veteran seeking a loan guaranteed by VA, or approved for an FHA loan, if Buyer is seeking a loan insured by FHA. Also, notwithstanding any other provision of the Agreement, if Buyer's application is not approved or is rejected by the lender, VA or FHA, as applicable, either Buyer or Seller shall have the right to terminate the Agreement and cancel the escrow. In the

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_

event of such termination and cancellation, Buyer shall have no right to or interest in the Property and Seller shall have no right to retain any of Buyer's earnest money deposit(s) under the Agreement. **With respect to third party charges as set forth in the Agreement, Buyer shall only be responsible for the cost incurred to obtain Buyer's credit report, and Seller shall, at its own cost and expense, bear all of the other third party charges referenced in the Agreement.**

8. **TITLE TO PROPERTY (VA FINANCING ONLY):** If Buyer is a veteran purchasing the Property with a loan guaranteed by VA, Buyer may not be charged with any special assessments or improvement bonds of record and/or known at the date of loan closing, without VA approval. In the event VA does not approve all special assessments and improvement bonds of record and/or known at the date of loan closing, Seller shall have the unilateral right to terminate the Agreement and cancel the escrow for the sale of the Property to Buyer.

9. **CONSTRUCTION; WARRANTY:** If VA is guaranteeing Buyer's loan or FHA is insuring Buyer's loan, Seller shall construct improvements on the Property in substantial accordance with plans and specifications approved by VA or FHA, as the case may be, and shall furnish Buyer with the VA/FHA standard 1-year construction warranty prior to close of escrow (HUD-92544; VA form 26-1859). For VA-guaranteed loans only, the construction warranty covering defects to common elements shall run for a period of 2 years from the later of: (i) date the particular common element is completed and available for use by the Unit owners or (ii) the date the first Unit is conveyed to an owner other than Declarant (as defined in the Declaration for the Community) of the Community containing the common element.

10. **ALTERNATE SELECTION:** ONLY THE PARAGRAPH CHECKED SHALL BE APPLICABLE:

**VA LOAN – CERTIFICATE OF REASONABLE VALUE:** It is expressly agreed that, notwithstanding any other provisions of the Agreement, the Buyer shall not incur any penalty by forfeiture of deposits or otherwise or be obligated to complete the purchase of the Property described herein, if the Agreement purchase price or cost exceeds the reasonable value of the Property established by the Department of Veterans Affairs. The Buyer shall, however, have the privilege and option of proceeding with the consummation of the Agreement without regard to the amount of the reasonable value established by the Department of Veterans Affairs. (Authority: 38 U.S.C. 501, 3703(c)(1)).

If Buyer notifies Seller that Buyer wishes to exercise said privilege, Buyer shall be obligated, and Buyer expressly agrees, to complete the purchase and make the payments in accordance with the terms of the Agreement.

**FHA LOAN - FHA APPRAISAL:** It is expressly agreed that notwithstanding any other provisions of the Agreement, the Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of deposits or otherwise unless the Buyer has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the property of not less than the Purchase Price. The Buyer shall have the privilege and option of proceeding with consummation of the Agreement without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the condition of the Property. The Buyer should satisfy himself/herself that the price and condition of the Property are acceptable.

11. **LIQUIDATED DAMAGES FOR PRE-CLOSING DEFAULTS BY BUYER (VA FINANCING ONLY):** BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT IN THE EVENT OF A DEFAULT BY BUYER UNDER ANY OF THE TERMS AND PROVISIONS OF THE AGREEMENT PRIOR TO THE CLOSE OF ESCROW, IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY SELLER, THAT BUYER DESIRES TO LIMIT THE DAMAGES FOR WHICH BUYER MAY BE LIABLE AS THE RESULT OF SUCH DEFAULT AND THAT BUYER AND SELLER BOTH DESIRE TO AVOID THE COSTS AND DELAYS IF SELLER COMMENCED LEGAL PROCEEDINGS AGAINST BUYER TO RECOVER ITS DAMAGES RESULTING FROM BUYER'S DEFAULT. THEREFORE, BY PLACING THEIR INITIALS IN THE SPACES PROVIDED BELOW, IN THE EVENT OF A DEFAULT BY BUYER PRIOR TO THE CLOSE OF ESCROW, SELLER, AS ITS SOLE AND EXCLUSIVE REMEDY, SHALL BE ENTITLED TO TERMINATE THIS AGREEMENT, CANCEL THE ESCROW AND RETAIN LIQUIDATED DAMAGES AS PROVIDED HEREIN. NOTWITHSTANDING THE LIQUIDATED DAMAGES PROVISIONS SET FORTH IN THE AGREEMENT, IF BUYER IS FINANCING THE PURCHASE OF THE PROPERTY BY OBTAINING A LOAN MADE BY A LENDING INSTITUTION AND GUARANTEED BY THE VA, AN AMOUNT NOT TO EXCEED THREE HUNDRED DOLLARS (\$300.00) WHICH SUM DOES NOT EXCEED THREE PERCENT (3%) OF THE PURCHASE PRICE OF THE PROPERTY, SHALL CONSTITUTE THE LIQUIDATED DAMAGES PAYABLE TO SELLER IN THE EVENT OF A DEFAULT BY BUYER.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

**SELLER'S INITIALS:** \_\_\_\_\_

12. **CONFLICTS:** In the event of a conflict between the provisions of the Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

In order to be binding upon Buyer and Seller, this Addendum must be executed by all persons and entities who comprise Buyer and accepted by an authorized agent of Seller.

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_



Buyer acknowledges that Buyer has read the provisions of this Addendum and that Buyer understands the provisions and finds them to be reasonable.

**IN WITNESS WHEREOF**, the parties have executed this Addendum and make it effective as of the date of Seller's acceptance indicated below.

**"SELLER"**

**"BUYER"**

**URBAN EDGE, LP, a California limited partnership**

By: Urban Edge, LLC, a California limited liability company,  
Its General Partner

\_\_\_\_\_  
(Signature) Dated

By: \_\_\_\_\_  
Name: Michelle Sterling  
Title: Managing Member

\_\_\_\_\_  
(Signature) Dated

**Seller's Acceptance Date:** \_\_\_\_\_, \_\_\_\_\_

**"AGENT"**

Agent's Initials: \_\_\_\_\_

Date Initialed: \_\_\_\_\_

(Agent is not authorized to sign on behalf of Seller)

Buyer's Initials: \_\_\_\_\_ Buyer's Initials: \_\_\_\_\_



**RECEIPT OF DOCUMENTS AND INFORMATION**

Buyer hereby acknowledges receipt of the following documents (indicate documents delivered to Buyer):

- N/A
- 1. Amended and Restated Declaration of Restrictions for Urban Edge
  - 2. Filed Articles of Incorporation of Urban Edge Homeowners Association
  - 3. Amended and Restated Bylaws of Urban Edge Homeowners Association
  - 4. Amended and Superseded Condominium Plan for Urban Edge
  - 5. Budget of Urban Edge Homeowners Association
  - 6. Affiliated Business Arrangement Disclosure-Mortgage, if applicable
  - 7. Affiliated Business Arrangement-Realty, if applicable
  - 8. Subsidy Agreement, if applicable
  - 9. Real Estate Agency Relationship Disclosure
  - 10. Natural Hazards Disclosure Statement
  - 11. Notice(s) of Special Tax, if applicable (**List each Notice**)
- 
- 12. Architectural Guidelines, if available, of the Association
  - 13. Rules and Regulations, if available, of the Association
  - 14. A statement of the outstanding delinquent assessments and related charges of the Association, if any
  - 15. Maintenance Manual
  - 16. Fit and Finish Warranty
  - 17. Functionality Standards And Non-Adversarial Procedures For Statutory Construction Claims with Exhibit:
  - 18. Title 7 Requirements For Actions For Construction Defects
  - 19. General Information Report
  - 20. Contingency Sale
  - 21. Universal Design Checklist Disclosure
  - 22. FHA/VA Financing Addendum
  - 23. \_\_\_\_\_
  - 24. \_\_\_\_\_

ALL OF THE ABOVE-MENTIONED DOCUMENTS ARE IMPORTANT TO THE PURCHASE OF BUYER'S NEW HOME. BY SIGNING BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS RECEIVED ALL OF THE ABOVE DOCUMENTS AND HAS HAD THE OPPORTUNITY TO READ THEM BEFORE EXECUTING THE JOINT PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("**AGREEMENT**"). AT THE CLOSING, THE ABOVE DOCUMENTS SHALL BE DEEMED TO HAVE BEEN READ AND APPROVED BY BUYER.

BY INITIALING BELOW, BUYER FURTHER ACKNOWLEDGES THAT THE AGREEMENT INCLUDES VARIOUS ADDENDA, INCLUDING VARIOUS DISCLOSURES, AND BUYER, BY ITS EXECUTION OF THE AGREEMENT, ACKNOWLEDGES THAT BUYER WILL HAVE READ, REVIEWED AND APPROVED ALL SUCH DOCUMENTATION.

**BUYER'S INITIALS:** \_\_\_\_\_ **BUYER'S INITIALS:** \_\_\_\_\_

BUYER AGREES TO RETAIN ALL DOCUMENTS RECEIVED IN CONNECTION WITH THE PURCHASE OF THE PROPERTY AND PROVIDE SUCH DOCUMENTS TO ANY SUBSEQUENT PURCHASER OF THE PROPERTY FROM BUYER. Buyer acknowledges that it has received all of the documents listed above and may receive other documents provided in conjunction with the purchase of the Property (collectively, the "**Documents**"). Buyer shall maintain a full and complete copy of the Documents and agrees to provide any subsequent purchaser of the Property from Buyer with a complete copy of the Documents, including, but not limited to, a copy of any Maintenance Manual provided or to be provided by Seller to Buyer and a copy of all manufactured products' maintenance and limited warranty information. Buyer should instruct any subsequent purchaser of the Property from Buyer to provide to their subsequent purchasers a complete copy of the Documents.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Dated \_\_\_\_\_

Dated \_\_\_\_\_

Unit No.: \_\_\_\_\_

Map No.: 1069