

HECM Contract Review Checklist (Version 9 – 11.15.2024)

Send **ALL** contract packages to contracts@firstlossguarantee.com for review/approval prior to submission to RMS.
Do not include this document within the contract package but submit it as a separate attachment in the submission email.

Buyer's Agent	Seller's Agent	A. Documents Order
☐	☐	Confirm all documents included and in the following order:
		1. All Addendums including name changes, offer terms, sales price and EMD amount.
		2. Offer Acknowledgement Form
		3. REPA
		4. Exhibit A
		5. Exhibit B – Must have purchaser's acknowledgement with initials and checkbox selected at the very least, regardless of the year built.
		6. Exhibit C
		7. Exhibit D
		8. EMD Wire Receipt, Wire Request, or check made out to seller's closing company
		9. State Contract
		10. State forms Addendums
		11. If applicable, State Seller's Compensation Agreement
		12. Multiple Offer Acknowledgement (if applicable)
		13. Code Violations Form (if applicable)
		14. Proof of Funds / Pre-Approval Letter
		15. LLC documents / Corp documents with signature authority (if applicable)
		16. Utility Activation Form (if applicable)

Buyer's Agent	Seller's Agent	B. Review entire contract package for the following items
☐	☐	Confirm Buyer's name matches on all documents.
☐	☐	Confirm property address matches on all documents.
☐	☐	Confirm purchase price matches on all documents.
☐	☐	Confirm EMD matches on all documents (including copy of check/wire transfer in Exhibit D)
☐	☐	**If there's a discrepancy with any of the above, a correction addendum must be included. As stated previously, Name Correction Addendums at the front of the contract package.
☐	☐	Make sure the buyer has signed and initialed where required. (Note: For LLC, buyer initials and signatures must be an authorized party in the LLC documents.)
☐	☐	Make sure the listing agents and selling agent have initialed and signed where required.
☐	☐	Make sure the Seller's name reads correctly (use the client information in REOCentral.com to confirm)
☐	☐	Offer Acknowledgement Form page 2 - Make sure the buyer selects either owner or investor.
☐	☐	Absolutely NO changes may be made to the seller's documents.
☐	☐	NO verbiage cross outs on any document.
☐	☐	NO personal property listed in any document i.e., Refrigerator, washer, or dryer.
☐	☐	Ex. B Page 1 – Under the purchase acknowledgment section, line(e) MUST be initialed and 1 option checked.
☐	☐	Ex. B Page 20 – BOTH buyer and listing agents MUST sign. Listing agents MUST initial line (f)

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Buyer's Agent	Seller's Agent	C. LLC Documentation
☐	☐	Make sure the person signing for the property is listed as an authorized member of the LLC on the documentation provided.
☐	☐	We do not need the entire LLC document. We need the pages showing the entity name and the page that shows who has authority to act on behalf of the LLC.
Buyer's Agent	Seller's Agent	D. REPA
☐	☐	Section 1 - Leave this date blank! This date is based on the date RMS executes the contract, not the buyer.
☐	☐	Section 6 - Make sure the financing is selected and type specified if not cash. This MUST match the lender letter or POF provided.
☐	☐	Section 7 - Make sure closing cost information is entered IF an amount was provided in the accepted offer.
☐	☐	Section 8 - Leave this date blank! This is populated by RMS.
☐	☐	Section 9 - Enter \$100 per diem amount if applicable (see offer details in REO Central if unsure)
☐	☐	Section 20 - Deed Restrictions. If a buyer is purchasing a Bank of America owned property and is paying cash, they will need to initial this section. Okay to leave if it is initialed and it is not a Bank of America deal.
☐	☐	Section 47 – Only add verbiage per the asset manager's instructions.
☐	☐	If Buyer is participating in a 1031 Exchange, then on pg. 13, paragraph 47 of the REPA, the following language must be added: "Buyer(s) is allowed to participate in a 1031 Exchange. However, Seller cannot be required to participate in any form of the 1031 Exchange, including assigning the contract to the 1031 Company, executing any 1031 documents, or contributing to the 1031 Exchange on behalf of buyer(s)."
Buyer's Agent	Seller's Agent	E. State contract verbiage must be reviewed to ensure the following
☐	☐	Make sure the seller has not agreed to anything that you don't show was agreed to in the offer acknowledgement.
☐	☐	Make sure the seller HAS NOT indicated they will mediate or arbitrate.
☐	☐	Make sure the inspection days DO NOT exceed 10 days unless otherwise agreed upon.
☐	☐	NO cross out of verbiage
☐	☐	NO personal property is listed in any document i.e., Refrigerator or washer and dryer.
☐	☐	Add the following verbiage (not an Addendum) "Pursuant to Section 28 of the Real Estate Purchase Addendum, this document is subject to all terms and conditions set forth in the Real Estate Purchase Addendum. If the foreclosure deed has not been recorded by the closing date, the buyer may terminate the contract and earnest money will be refunded to the buyer. Offer approval subject to client's final approval."
☐	☐	This additional language must be included "The seller is not responsible for utilities. If buyer needs utilities on for inspections, then it will be solely at the buyer's expense." (This can be in the contract or on an Addendum, but must be included before submission.)
Buyer's Agent	Seller's Agent	F. Proof of Funds and Pre-Approval Letter
☐	☐	Make sure one of the buyer's names is listed on the POF and/or approval letter. POF must be on bank letterhead.
☐	☐	If the property is being financed, make sure the lender's letter lists the approved amount at or above the contracted purchase price. The date on the letter MUST be within 45 days. PLEASE NOTE: if the document is over 40 days old, then you may be required to submit an updated document depending upon the timing of the submission.
☐	☐	The pre-approval letters must be on the lender's.
☐	☐	For an individual. the approval letter must state "income, credit and assets have been checked and reviewed and are not part of the conditions for approval."
☐	☐	Approval letters for an LLC can be in the individual's name if the individual is identified in the LLC documents and bank account. (See LLC Documentation Section)
☐	☐	If proof of funds is from an LLC, the Articles of Incorporation Documents are required. (See LLC Documentation Section)

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☐	☐	Proof of funds is not required to show a down payment if the purchase price or higher is included in the approval letter. However, in specific situations the asset manager may require it and will instruct you.
☐	☐	If it is a cash deal and hard money, proof of funds is required. Proof of funds for cash deals MAY NOT be in the form of an approval letter. Any bank statement MUST show the individual's name; the entity's name; or the entity's designated individual's name. Statements MUST NOT be any older than 45 days and MUST show enough funds to purchase. PLEASE NOTE: If the document is over 40 days, you may be asked to submit an updated document.
** IF THERE ARE ANY CHANGES TO THE TERMS, THE ASSET MANAGER APPROVAL MUST BE INCLUDED OR EXPECT DELAYS IN THE CONTRACT APPROVAL.**		

REO Case #:

Property SKey: 1060846

Property Address: 321 E COUNTRY CLUB BLVD, BIG BEAR CITY, CA 92314

Code Violation Acknowledgment Disclosure ("Disclosure")

Purchaser and Purchaser's Agent acknowledge the possibility that there may be or are active unrecorded local County, City and/or other Municipal code violations with regard to the property being purchased under the applicable Agreement of Sale between the Purchaser and Seller referred to herein.

To the best of the Seller's knowledge the only Code Violation(s) on the subject property are attached as **Exhibit A**.

Purchaser acknowledges that Seller and/or its affiliates, agents and/or authorized representatives have not made and do not make any representations or warranties expressed or implied regarding the existence of any other Code Violation(s) and/or the condition of the Property.

Purchaser hereby accepts the Property "as is" with regard to any Code Violation(s), including the ones listed on Exhibit A, and shall not seek reimbursement from Seller and/or any of its affiliates, agents and/or authorized representatives for such Code Violations.

Purchaser hereby acknowledges that the Owner's Title Insurance policy and Lender's extended policy will not cover Code Violations, penalties, fees, or assessments which are not disclosed on/by the local public property's record as of the date of the policy of title insurance.

By executing below, Purchaser hereby waives any and all right to make any claim whatsoever for Code Violation(s), including the ones listed on Exhibit A, assessments or other matters affecting the Property against Seller, and/or any of its affiliates, agents or authorized representatives.

This Disclosure is hereby incorporated by this reference into the Agreement of Sale dated _____ by and between Seller US Bank N.A. as Trustee for MECA 2011-1 and Buyer Universal Air Properties LLC ("Agreement") and made a part thereof.

Notwithstanding anything stated in the Agreement to the contrary in the event there is a conflict between the terms and conditions of this Disclosure and the Agreement the terms and conditions of this Disclosure prevail and supersede said Agreement.

Agreed and accepted this _____ day of _____, 20__

Purchaser: 

Purchaser:

 _____

Purchaser Broker/Agent:

Loan # 284807

Reo Management Solutions, LLC

REAL ESTATE PURCHASE ADDENDUM

This Real Estate Purchase Addendum ("Addendum") is to be made part of, and incorporated into, the Real Estate Purchase Contract between

US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1

as Attorney-in-fact ("Seller") and

Universal Air Properties LLC

("Buyer") for the property and improvements located at the following address:

321 E COUNTRY CLUB BLVD, BIG BEAR CITY, CA 92314

("Property"). Buyer and Seller may each be referred to herein as a "Party" and collectively as the "Parties". The Contract and this Addendum together constitute the "Agreement".

1. Effective Date: The date of Seller's execution of this Addendum shall be the "Effective Date" of the Agreement, notwithstanding any prior understanding or agreement with respect to the financial terms set forth herein. The Seller has reviewed the offer and deemed it materially sufficient on , 20 ("Effective Date").
2. Purchase Price: 115,000.00
3. Earnest Money Deposit: 11,500.00
4. If applicable, escrow (the "Escrow") will be opened by both parties immediately following the Effective Date with an escrow agent (the "Escrow Agent") acceptable to Seller. Buyer's earnest money deposit in the amount stated above is to be delivered to Seller's Title Company to be held pursuant to local law and custom, within forty-eight (48) hours of the Effective Date or this Agreement shall be null and void. If this Agreement is not otherwise terminated, the Earnest Money shall be applied to the Purchase Price at Closing (as hereinafter defined).

Seller and Buyer agree as follows:

5. LIMITATION OF SELLER'S LIABILITY AND BUYER'S WAIVER OF IMPORTANT RIGHTS:

- (A) **BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER HAS (i) ACQUIRED THE PROPERTY THROUGH FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE OR SIMILAR PROCESS, (ii) NEVER OCCUPIED THE PROPERTY, AND (iii) LITTLE OR NO DIRECT KNOWLEDGE ABOUT THE CONDITION OF THE PROPERTY. BUYER AGREES THAT BUYER IS BUYING THE FULLY SET FORTH IN SECTION 12 OF THIS ADDENDUM).**
- (B) **NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THE AGREEMENT, SELLER'S LIABILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY IN ALL CIRCUMSTANCES AND FOR ALL CLAIM(S) (AS THE TERM IS DEFINED IN SECTION 24 HEREOF) ARISING OUT OF OR RELATING IN ANY WAY TO THE AGREEMENT AND/OR THE SALE OF THE PROPERTY TO BUYER INCLUDING, BUT NOT LIMITED TO, SELLER'S BREACH OR TERMINATION OF THE AGREEMENT, ANY DEFECTS (LATENT OR APPARENT) THE CONDITION OF THE PROPERTY, SELLER'S TITLE TO THE PROPERTY, THE OCCUPANCY STATUS OF THE PROPERTY, THE SIZE, SQUARE FOOTAGE, BOUNDARIES OR LOCATION OF THE PROPERTY, ANY COST OR EXPENSE INCURRED BY BUYER IN SELLING A CURRENT OR PRIOR RESIDENCE OR TERMINATING A LEASE ON A CURRENT OR PRIOR RESIDENCE, OBTAINING OTHER LIVING ACCOMMODATIONS, MOVING, STORAGE OR RELOCATION EXPENSES OR ANY OTHER COSTS OR EXPENSES INCURRED BY BUYER IN CONNECTION WITH THE AGREEMENT SHALL BE LIMITED TO NO MORE THAN THE RETURN OF BUYER'S EARNEST MONEY DEPOSIT.**

BUYER(Initials) X

SELLER(Initials) _____

- (C) BUYER SHALL NOT BE ENTITLED TO A RETURN OF BUYER'S EARNEST MONEY DEPOSIT IF BUYER MATERIALLY BREACHES THE AGREEMENT OR AS OTHERWISE SET FORTH IN THIS AGREEMENT.
- (D) BUYER AGREES THAT SELLER SHALL NOT BE LIABLE TO BUYER UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES WHATSOEVER, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND/OR STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, THEORY OR CAUSE OF ACTION ARISING OUT OF OR RELATED IN ANY WAY TO ANY CLAIM, INCLUDING BUT NOT LIMITED TO, THE AFOREMENTIONED CLAIMS.
- (E) ANY REFERENCE TO A RETURN OF BUYER'S EARNEST MONEY DEPOSIT CONTAINED IN THE AGREEMENT SHALL MEAN A RETURN OF THE EARNEST MONEY DEPOSIT, LESS ANY ESCROW CANCELLATION FEES APPLICABLE TO BUYER UNDER THE AGREEMENT AND LESS FEES AND COSTS PAYABLE FOR SERVICES AND PRODUCTS PROVIDED DURING ESCROW AT BUYER'S REQUEST. TO THE FULLEST EXTENT PERMITTED BY LAW BUYER WAIVES ANY CLAIMS THAT THE PROPERTY IS UNIQUE AND BUYER ACKNOWLEDGES THAT A RETURN OF ITS EARNEST MONEY DEPOSIT CAN ADEQUATELY AND FAIRLY COMPENSATE BUYER FOR ALL CLAIMS. IN ANY SUCH INSTANCE AND UPON RETURN OF THE EARNEST MONEY DEPOSIT TO BUYER, THE AGREEMENT SHALL BE TERMINATED AND BUYER AND SELLER SHALL HAVE NO FURTHER RIGHTS UNDER OR LIABILITY, OBLIGATION OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THE AGREEMENT.
- (F) SELLER'S LIMITATION OF LIABILITY AND BUYER'S EXPRESS WAIVERS PROVIDED HEREIN ARE A MATERIAL PART OF THE CONSIDERATION TO SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY AND BETWEEN BUYER AND SELLER.
- (G) BUYER FURTHER EXPRESSLY WAIVES THE FOLLOWING, TO THE FULLEST EXTENT PERMITTED BY LAW:
- (i) ALL RIGHTS TO FILE AND MAINTAIN AN ACTION AGAINST SELLER FOR SPECIFIC PERFORMANCE;
 - (ii) THE RIGHT TO RECORD A LIS PENDENS AGAINST THE PROPERTY OR TO RECORD THE AGREEMENT OR A MEMORANDUM THEREOF IN THE REAL PROPERTY RECORDS;
 - (iii) RIGHT TO INVOKE ANY EQUITABLE REMEDY THAT WOULD PREVENT OR DELAY SELLER FROM CONVEYING THE PROPERTY TO A THIRD PARTY BUYER;
 - (iv) ANY CLAIMS ARISING FROM THE ADJUSTMENTS OR PRORATIONS OR ERRORS IN CALCULATING THE ADJUSTMENTS OR PRORATIONS THAT ARE OR MAY BE DISCOVERED AFTER CLOSING UNLESS SUCH CLAIMS ARE MATERIAL AND BUYER NOTIFIES SELLER IN WRITING OF SUCH CLAIMS WITHIN THIRTY (30) DAYS OF THE CLOSING DATE;
 - (v) ANY REMEDY OF ANY KIND THAT BUYER MIGHT OTHERWISE BE ENTITLED TO AT LAW OR EQUITY (INCLUDING, BUT NOT LIMITED TO, RESCISSION OF THE AGREEMENT OR SPECIFIC PERFORMANCE), EXCEPT AS EXPRESSLY PROVIDED IN THIS ADDENDUM;
 - (vi) ANY RIGHT TO A TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED IN ANY WAY TO THIS AGREEMENT;
 - (vii) ANY RIGHT TO: (a) AVOID THE SALE OF THE PROPERTY, (b) REDUCE THE PRICE OR (c) HOLD SELLER LIABLE FOR ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE CONDITION, CONSTRUCTION, REPAIR, OR TREATMENT OF THE PROPERTY, OR ANY DEFECTS, APPARENT OR LATENT, THAT MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY;

BUYER(Initials)

X _____

SELLER(Initials)

- (viii) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO ZONING, ENCROACHMENTS, EASEMENTS, BOUNDARIES, SHORTAGES IN AREA OR ANY OTHER MATTER THAT WOULD BE DISCLOSED OR REVEALED BY A SURVEY OR INSPECTION OF THE PROPERTY OR SEARCH OF PUBLIC RECORDS; AND
- (ix) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO THE SQUARE FOOTAGE, SIZE, LOCATION OF THE PROPERTY OR ANY INFORMATION PROVIDED ON THE MULTIPLE LISTING SERVICE, BROCHURES OR WEB SITES OF SELLER, SELLER'S AGENT OR BROKER.

References to the "Seller" in Section 1 of this Addendum shall also include Indemnified Parties (as defined in Section 25 of this Addendum).

6. Financing: This Agreement (check one): ☐ is ☒ is not contingent on Buyer obtaining financing for the purchase of the Property.

- ☐ Conventional
- ☐ FHA
- ☐ VA/USDA
- ☒ Other (specify: CASH)

If the Agreement is contingent on financing, the terms of financing shall be the following:

- (a) If the Agreement is contingent on financing, Buyer shall apply for a loan in the amount of \$ with the term of years, at prevailing rates, terms and conditions. Buyer shall complete and submit to a mortgage lender an application for a mortgage loan containing the terms set forth in this paragraph within three (3) business days of the Effective Date and shall use diligent efforts to obtain a mortgage loan commitment within fifteen (15) days from the application submittal date. If, despite Buyer's diligent efforts, Buyer cannot obtain a mortgage loan commitment by the expiration of the fifteen (15) day period, then either Buyer or Seller may terminate the Agreement by giving written notice to the other Party within one (1) Business Day thereof. In such event, Buyer's notice must include a copy of the loan application, proof of the application date and a copy of the denial letter from the prospective lender. In the event of a proper termination of the Agreement by Buyer under this Paragraph, the Earnest Money shall be returned to Buyer and the Parties shall have no further obligation to each other under the Agreement. Buyer agrees to cooperate and comply with all requests for documents and information from Buyer's chosen lender during the loan application process. Failure of Buyer to comply with such requests from the lender that results in the denial of the mortgage loan shall be considered a material breach of the Agreement and Seller shall be entitled to retain the Earnest Money.
- (b) If the Agreement is contingent on financing as a sales condition, Buyer must obtain Pre-Approval ("Pre-Approval") via a Pre-Approval letter (the "Pre-Approval Letter") for a mortgage loan in an amount and under terms sufficient for Buyer to perform its obligations under the Agreement and such Pre-Approval Letter must accompany the Agreement. Pre-Approval shall include, but is not limited to, the Pre-Approval Letter, a satisfactory credit report and proof of funds sufficient to meet Buyer's obligations under the Agreement. Buyer's submission of proof of Pre-Approval is a condition precedent to Seller's acceptance of Buyer's offer. Seller may require Buyer to obtain, at no cost to Buyer, Pre-Approval as Seller may require.
- (c) Cash Offer: Buyer shall provide Seller proof of liquid funds on deposit in the United States sufficient to close this transaction. Such proof shall be provided to Seller with complete contract package within three (3) business days of the Accepted Offer and shall be subject to Seller's final approval. Notwithstanding anything else herein to the contrary, the Property shall remain on the market until such proof of funds is accepted by Seller. **Notwithstanding the terms provided in Section 11 for inspection of the Property, in the event of a noncontingent cash offer all inspections shall be completed and any notice of disapproval of inspection results shall be given to Seller within ten (10) calendar days of the Effective Date. Failure to timely notify Seller of any such disapproval shall be deemed acceptance by Buyer of the inspection results and the condition of the Property.** Cash offers shall not be subject to any other contingencies.

BUYER(Initials) X

SELLER(Initials) _____

- (d) Buyer is aware that the price and terms of this transaction were negotiated on the basis of the type of financing or cash offer selected by Buyer. Any change of the loan type, loan terms, financing or Buyer's lender after the Agreement has been entered into shall be subject to Seller's approval and may require, at Seller's sole discretion, renegotiation of all or some of the terms of the Agreement.

7. Other Financial Terms:

Seller Approved Closing Costs & Other Items to Be Paid by Seller on Behalf of Buyer:

Closing Costs:

Notwithstanding any provision in the Agreement to the contrary, if Seller agrees in the Agreement to pay any of Buyer's closing costs (the "Closing Costs"), then Seller shall only pay the actual Closing Costs that Seller has agreed to pay in the Agreement. Section 16 has additional provisions pertaining to Closing Costs.

8. Time is of the Essence; Closing Date:

- (a) It is agreed that time is of the essence with respect to all dates specified in the Agreement and any addenda, riders or amendments thereto, meaning that all deadlines are intended to be strict and absolute. The Agreement shall terminate automatically and without notice, if it is not concluded by the Closing Date or any extension thereof.
- (b) The closing (the "Closing") shall take place on _____ **(25 days for cash offers and 45 days for all others)** from the "Effective Date" or within five (5) calendar days of final loan approval by the lender, whichever is the earlier ("Closing Date"), unless the Closing Date is extended in writing signed by Seller and Buyer or extended by Seller under the terms of the Agreement. The Closing shall be held in the offices of Seller's attorney or agent or at a place so designated and approved by Seller, unless otherwise required by applicable law. If the Closing does not occur (through no fault of Seller) by the date specified in this Section 8 of this Addendum or in any extension executed by all Parties hereto, the Agreement is automatically terminated and Seller shall retain any Earnest Money as liquidated damages.

9. Extension of Closing Date; Per Diem Interest: Any request for extension of the Closing Date by Buyer must be in writing and approved by Seller, and Buyer agrees to pay to Seller a per diem of \$ 100.00 per day, towards Seller's carrying costs, through and including the Closing Date specified in the written extension. If the sale does not close by the date specified in the written extension agreement, Seller may retain the Earnest Money and the accrued per diem payment as liquidated damages. This provision is not applicable if Buyer obtains FHA/VA financing for the purchase, or for delays caused solely by Seller.

10. AGREEMENT OF PARTIES: This addendum contains the entire agreement of the parties and cannot be changed except by their written agreement. Additional document and addenda which are a part of this agreement are:

Offer Acknowledgement and Approval

Exhibit A – REO Escrow Disclosure

Exhibit B – Lead Based Paint Disclosure (If Applicable)

Exhibit C – Utility Transfer Agreement

Exhibit D – Earnest Money Receipt & Funds Verification Form to be completed by Listing Agent & Closing Agent

11. Inspections:

On or before 0 (maximum 10) calendar days as indicated in Section 6(c) above) from the Effective Date, Buyer

BUYER(Initials) _____

SELLER(Initials) _____

- (A) shall inspect the Property or obtain for its own use, benefit and reliance, inspections and/or reports on the condition of the Property or Buyer shall be deemed to have 1) waived such inspections and any objections to the condition of the Property and 2) accepted the condition of the Property in its current "as-is" "where-is" state. Buyer shall keep the Property free and clear of liens and indemnify and hold Seller and the Indemnified Parties harmless from all Claims arising out of or relating in any way to Buyer's inspections. Buyer shall repair property to its former condition, from any damages caused by buyer's inspection, at Buyer's sole expense. Buyer shall not directly or indirectly cause any inspections to be made by any government building or zoning inspectors or government employees without the prior written consent of Seller, unless required by law, in which case Buyer shall provide reasonable notice to Seller but in any event at least seventy-two (72) hours prior to any such inspection. If Seller has winterized the Property and Buyer desires to have the Property inspected, the listing agent or Preservation Vendor will have the Property dry-dewinterized prior to inspection and re-winterized after inspection is completed.
- (B) Within five (5) calendar days of receipt of any inspection report prepared by or for Buyer, but not later than ten (10) calendar days **(seven (7) calendar days for noncontingent cash offers as indicated in Section 6(c) above)** from the Effective Date, whichever first occurs, Buyer shall provide written notice to Seller of any items disapproved or problems with the condition of the Property. Buyer's failure to provide such written notice to Seller shall be deemed as Buyer's acceptance of the condition of the Property. In no event shall Seller be obligated to make any repairs or replacements, or correct any problems or defects that may be indicated in Buyer's inspection reports. If Seller elects not to repair or correct the Property, Buyer may terminate the Agreement within five (5) calendar days of receiving notice from Seller that Seller elects not to repair, replace or correct the Property. If Buyer timely notifies Seller of such election to terminate the Agreement, then Buyer shall receive a return of the Earnest Money. If Seller elects to make any such repairs, replacements or corrections to the Property, Seller shall notify Buyer upon completion of replacements and Buyer shall have five (5) calendar days from the date of such notice to inspect the repairs, replacements or corrections and notify Seller of any items disapproved. Buyer's failure to notify Seller of any items disapproved shall be deemed acceptance by Buyer of the condition of the Property. Seller has no further obligation to take any further action with respect thereto and disapproved items.
- (C) If the Property is a condominium or planned unit development with a home owners association or co-operative, unless otherwise required by law, Buyer, at Buyer's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions (the "Declaration") and bylaws (the "Bylaws") of the condominium or planned unit development or cooperative within ten (10) calendar days of the Effective Date. Seller agrees to use reasonable efforts, as determined at Seller's sole discretion, to assist Buyer in obtaining a copy of the Declaration and Bylaws.

Buyer will be deemed to have accepted the Declaration and Bylaws if Buyer does not notify Seller in writing within fifteen (15) calendar days of the Effective Date of Buyer's objection to the Declaration and/or Bylaws.

12. CONDITION OF PROPERTY:

- (A) **BUYER UNDERSTANDS THAT SELLER ACQUIRED THE PROPERTY BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE OR SIMILAR PROCESS, AND CONSEQUENTLY, SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE CONCERNING THE CONDITION OF THE PROPERTY. AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY SELLER UNDER THE AGREEMENT AS NEGOTIATED AND AGREED TO BY BUYER AND SELLER, BUYER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY IN "AS IS" CONDITION AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY LATENT OR APPARENT DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN, WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. BUYER ACKNOWLEDGES THAT SELLER AND ITS AGENTS, BROKERS AND REPRESENTATIVES HAVE NOT MADE, AND SELLER SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN, WITH RESPECT TO:**
- (i) **THE PHYSICAL CONDITION OR ANY OTHER ASPECT OF THE PROPERTY INCLUDING, BUT NOT LIMITED TO, THE STRUCTURAL INTEGRITY OR THE QUALITY OR CHARACTER OF MATERIALS USED IN CONSTRUCTION OF ANY IMPROVEMENTS, AVAILABILITY AND QUANTITY OR QUALITY OF WATER, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY OF DRAINAGE, WATER LEAKS, WATER DAMAGE, MOLD OR ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY;**

BUYER(Initials)

X _____

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SELLER(Initials)

- (ii) **THE CONFORMITY OF THE PROPERTY TO ANY ZONING, LAND USE OR BUILDING CODE REQUIREMENTS OR COMPLIANCE WITH ANY LAWS, STATUTES, RULES, ORDINANCES OR REGULATIONS OF ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AUTHORITY, OR THE GRANTING OF ANY REQUIRED PERMITS OR APPROVALS, IF ANY, OF ANY GOVERNMENTAL BODIES THAT HAD JURISDICTION OVER THE CONSTRUCTION OF THE ORIGINAL STRUCTURE, ANY IMPROVEMENTS, AND/OR ANY REMODELING OF THE STRUCTURE AND/OR ANY IMPROVEMENTS;**
- (iii) **THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, INCLUDING REDHIBITORY VICES AND DEFECTS, APPARENT, NON-APPARENT OR LATENT, THAT NOW EXIST OR MAY HEREAFTER EXIST AND THAT, IF KNOWN TO BUYER, WOULD CAUSE BUYER TO REFUSE TO PURCHASE THE PROPERTY; AND**
- (iv) **THE EXISTENCE, LOCATION, SIZE, OR CONDITION OF ANY OUTBUILDINGS OR SHEDS ON THE PROPERTY.**

- (B) Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to herein as "Mold") are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or respiratory reactions or other problems, particularly in young children, elderly persons, persons with immune system problems, allergies or respiratory problems and pets. Mold has also been reported to cause extensive damage to personal and real property. Buyer is advised to thoroughly inspect the Property for Mold. Mold may appear as discolored patches or cottony or speckled growth on walls, furniture or floors, behind walls and above ceilings. Any and all presence of moisture, water stains, mildew odors, condensation and obvious Mold growth are all possible indicators of a Mold condition, which may or may not be toxic. Mold may have been removed or covered in the course of any cleaning or repairing of the Property. Buyer acknowledges that, if Seller or any of Seller's employees, contractors, representatives, brokers or agents cleaned or repaired the Property or remediated the Mold contamination, that Seller does not in any way warrant the cleaning, repairs or remediation, or that the Property is free of Mold. Buyer is further advised to have the Property thoroughly inspected for Mold, any hidden defects and/or any other environmental conditions or hazards affecting the Property. Buyer is also advised that all areas contaminated with Mold should be properly and thoroughly remediated. Buyer represents and warrants that: (i) Buyer accepts full responsibility and liability for all hazards and claims that may result from the presence of Mold in or around the Property; (ii) If Buyer proceeds to Close on the purchase of the Property, then Buyer has inspected and evaluated the condition of the Property to Buyer's complete satisfaction and Buyer is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property; and (iii) Buyer has not, in any way, relied upon any representations or warranties of Seller, Seller's employees, officers, directors, contractors, representatives, brokers or agents concerning the past or present existence of Mold or any other environmental hazards in or around the Property.
- (C) In the event the Property is affected by an environmental hazard either Party may terminate the Agreement. **In the event Seller decides to sell the Property to Buyer and Buyer agrees to purchase the Property (as evidenced by Buyer and Seller proceeding to Close) despite the presence of an environmental hazard, Buyer releases Seller and the Indemnified Parties from any Claims arising out of or relating in any way to the environmental hazard or condition of the Property and Buyer agrees to execute a release and indemnification (the "Release") at Closing, in a form acceptable to Seller, related to the environmental hazard, among other things, if Seller so requests.** In the event Buyer elects not to execute the Release, Seller may, at Seller's sole discretion, terminate the Agreement upon notice given to Buyer.
- (D) In the event Seller has received official notice that the Property is in violation of building codes or similar laws or regulations ("Code Violations"), Seller may terminate the Agreement or delay the date of Closing or Buyer may terminate the Agreement. In the event the Agreement is terminated by either Buyer or Seller pursuant to this Section 11, any Earnest Money will be returned to Buyer. If there is an enforcement proceeding arising from allegations of such Code Violations before an enforcement board, special magistrate, court or similar enforcement body and neither Buyer nor Seller terminate the Agreement, Buyer agrees: (i) to accept the Property subject to the Code Violations, and (ii) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceedings. Buyer agrees to execute for Closing, any and all documents necessary or required by any agency with jurisdiction over the Property and to resolve the Code Violation related deficiencies as soon as possible after the Closing.

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- (E) In the event Seller has not received official notice that the Property is subject to any Code Violations, Buyer acknowledges the possibility that there still may exist Code Violations. Buyer also acknowledges that Buyer has had the opportunity to investigate, research and verify whether or not there exist any Code Violations and further that the Buyer has had the opportunity to consult with inspectors, contractors, attorneys, or other experts concerning these matters. Additionally, Buyer acknowledges that Sellers have not made and will not make any representations or warranties expressed or implied regarding the existence of any Code Violations or the condition of the Property and further, Buyer acknowledges that Seller has specifically disclaimed any representations or warranties regarding compliance with the conformity of the Property to any zoning, land use or building code requirement or compliance with any applicable laws, statutes, rules, ordinances, or regulations of any federal, state or local governmental authority, or the granting of any requirement permits or approvals, if any, of any governmental bodies that had jurisdiction over the construction nor the original structure, any improvement and/or any remodeling of the any structures and/or improvements on the Property. Further, Buyer agrees to accept the Property with regard to any current or future Code Violations, if any, and agrees to indemnify and hold harmless Sellers from any and all losses, costs, expenses, liabilities, damages or penalties, including attorneys fees (if any) incurred by Purchaser(s) as a result of any Code Violations or the condition of the Property and/or compliance with any applicable laws, codes, ordinances, with regard to the Property including those with respect to Code Violations.
- (F) The Closing of this transaction shall constitute Effective by Buyer that Buyer had the opportunity to retain an independent, qualified professional to inspect the Property and that the condition of the Property is acceptable to Buyer at the time of Closing. Buyer agrees that Seller and the Indemnified Parties shall have no liability for any Claims that Buyer or Buyer's successors or assigns may incur as a result of construction or other defects that may now or hereafter exist with respect to the Property.
- (G) Buyer acknowledges that Seller may be exempt from filing a disclosure statement regarding the condition of the Property because the Property was acquired through foreclosure, deed-in-lieu of foreclosure, forfeiture, tax sale, eminent domain or similar process. To the fullest extent allowed by law, Buyer waives any right to receive a disclosure statement from Seller and Buyer agrees to execute a separate waiver, in a form acceptable to Seller, if applicable law requires the waiver to be in a separate form.

13. Repairs: All treatments for wood-infesting organisms and any Seller approved repairs shall be completed by a vendor provision unless so expressed herein approved by Seller prior to such repairs being made and shall be subject to Seller's satisfaction in Seller's discretion. If Seller has agreed to pay for treatment of wood-infesting organisms, Seller shall treat only active infestation. **Neither Buyer, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to Closing without the prior written consent of Seller. To the extent that Buyer, or its representatives, make repairs and/or treatments to the Property prior to Closing, Buyer hereby agrees to release and indemnify Seller and the Indemnified Parties from and against any and all Claims related in any way to such repairs and/or treatments and Buyer further agrees, at Seller's request, to execute a separate release and indemnification in a form acceptable to Seller prior to the commencement of any such repairs or treatments.** Notwithstanding anything contained herein to the contrary and regardless of who initiates such repairs and treatments, Buyer acknowledges that all repairs and treatments are done for the benefit of Seller and not for the benefit of Buyer unless and until the Closing has occurred in accordance with the Agreement, and Seller is not responsible for reimbursing the Buyer for the costs associated with such repairs and treatments. If Buyer Closes, Buyer acknowledges that Buyer has inspected or has been given the opportunity to inspect all repairs and treatments and has accepted same. Any repairs or treatments made, or caused to be made by Seller, shall be completed prior to the Closing. Under no circumstances shall Seller be required to make any repairs or treatments after the Closing Date. **Buyer acknowledges that Closing this transaction shall be deemed to be Buyer's reaffirmation that Buyer is satisfied with the condition of and all repairs and treatments to the Property. Further, if Buyer Closes, Buyer waives all Claims arising out of relating in any way to the condition of, or treatments or repairs to, the Property.** Any repairs or treatments performed by Seller shall be performed for functional purposes only and exact restoration of appearance or cosmetic items following any repairs or treatments shall not be required. Seller shall not be obligated to obtain or provide to Buyer any receipts for repairs or treatments, written statements indicating dates or types of repairs and/or treatments, copies of such receipts or statements, or any other documentation regarding any repairs and treatments to the Property. **SELLER DOES NOT WARRANT OR GUARANTEE ANY WORK, REPAIRS OR TREATMENTS TO THE PROPERTY.**

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14. Occupancy Status of Property: Buyer acknowledges that neither Seller nor its representatives, brokers, agents or assigns, has made any warranties or representations, implied or express, relating to the existence of any tenants or occupants at the Property. Seller, and its representatives, brokers, agents, and assigns, shall not be responsible for evicting or relocating any tenants, occupants or personal property at the Property prior to or subsequent to Closing.

Buyer further acknowledges that Seller (A) is not holding any security deposits from former or current tenants, and (B) has no information as to any security deposits that may have been paid by former or current tenants to anyone. Buyer agrees that no sums representing such tenant security deposits or any rights, title, or interest in such deposits shall be transferred to Buyer as part of this transaction. Buyer further agrees to assume all responsibility and liability for the refund of any such security deposits to any tenants pursuant to the provisions of applicable laws and regulations. All rents that are due and payable and collected from tenants for the month in which Closing occurs will be prorated between Seller and Buyer according to the provisions of Section 16 of this Addendum.

Buyer acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. Buyer agrees that upon the Closing all eviction proceedings and other duties and responsibilities of a property owner and landlord, including, but not limited to, those proceedings required for compliance with such local rent control ordinances and regulations, will be Buyer's sole responsibility, regardless of whether arising prior to, on or after the Closing Date.

Buyer understands that the Property may be subject to a right of redemption by the prior owner upon payment of certain sums, and Buyer may be dispossessed of the Property. Buyer is advised to consult with an attorney to fully understand the import and impact of the foregoing. Buyer agrees Buyer shall have no recourse against Seller in the event any such right of redemption is exercised by an eligible prior owner.

15. Personal Property: Items of personal property, including but not limited to, window coverings, appliances, manufactured homes, mobile homes, vehicles, spas, antennas, satellite dishes, and garage door openers, now or hereafter located on the Property, are not included in the sale of the Property or reflected in the Purchase Price. Any personal property at or on the Property may be subject to claims by third parties, and therefore, may be removed from the Property prior to or after the Closing Date. Seller makes no representations or warranties as to the condition of any personal property, title thereto, or whether any personal property is encumbered by any liens. Buyer assumes responsibility for any personal property remaining on the Property at the time of Closing.

16. Closing Costs and Adjustments:

- (A) Buyer and Seller agree to prorate the following expenses as of closing and funding: municipal water and sewer charges, utility charges, real estate taxes and assessments, common area charges, condominium or planned unit development or similar community assessments, co-operative fees, maintenance fees, and rents, if any. In determining prorations, the Closing Date shall be allocated to Buyer. Payment of special assessment district bonds and assessments, and payment of homeowner's association or special assessments shall be paid current and prorated between Buyer and Seller as of the Closing Date with payments not yet due and owing to be assumed by Buyer without credit toward the Purchase Price. The Property taxes shall be prorated based on an estimate or actual taxes from the previous year on the Property. All prorations shall be based upon a 30-day month and all such prorations shall be final. Seller shall not be responsible for any amounts due, paid, or to be paid after Closing, including, but not limited to, any taxes, penalties or interest assessed or due as a result of retroactive, postponed or additional taxes resulting from any change in use of, or construction on, or improvement to the Property, or an adjustment in the appraised or assessed value of the Property. In the event Seller has paid any taxes, special assessments, or other fees and there is a refund of any such taxes, assessments, or fees after closing, Buyer, as the then current owner of the Property, or the closing agent, in the event of a holdback for payment of such items, shall immediately remit the refund to Seller. If the Property is heated by, or has storage tanks for fuel oil, liquefied petroleum gases, or similar fuels, Buyer will buy the fuel in the tank at Closing at the current price as calculated by the supplier.
- (B) **Seller shall only pay those closing costs and fees associated with the transfer of the Property that local custom or practice clearly allocates to Seller and any closing costs and fees specifically agreed to in Section 7, and Buyer shall pay all remaining fees and costs. Notwithstanding the foregoing, FHA/VA allocation of closing costs shall apply when and if applicable.**
- (C) Seller shall pay the real estate commission per the listing agreement between Seller and Seller's listing broker. Unless disclosed to Seller, Buyer represents that Buyer is not a real estate licensee, and that the real estate licensee representing Buyer is not related to, or affiliated with Buyer.

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17. **Delivery of Funds:** Regardless of local custom or practice, Buyer shall deliver all funds due Seller from the sale by wire transfer or in the form of cash, bank check, or certified check to the Escrow Agent prior to delivery and release of the Deed (as hereinafter defined) by Seller to Buyer.
18. **Certificate of Occupancy:** If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification, or any similar certification or permit ("Certificate of Occupancy") or any form of improvement or repair to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, Buyer understands that Seller requires the Certificate of Occupancy to be obtained by Buyer at Buyer's sole cost and expense. Buyer shall make application for all required Certificates of Occupancy within ten (10) calendar days of the Effective Date. Buyer shall not have the right to extend the Closing Date due to Buyer's failure or inability to obtain any required Certificate of Occupancy. Failure of Buyer to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement and Seller may, at Seller's sole discretion, terminate this Agreement and receive and retain the Earnest Money.
19. **Delivery of Possession of Property:** Seller shall deliver possession of the Property to Buyer at Closing and upon receipt of the Purchase Price. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 14 of this Addendum. If Buyer alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to Closing and payment of the Purchase Price in full without the prior written consent of Seller, then: (i) such event shall constitute a material breach by Buyer under the Agreement; (ii) Seller may terminate the Agreement and retain the Earnest Money; (iii) Buyer shall be liable to Seller for all Claims, as hereinafter defined, caused by any such alteration or occupation of the Property prior to Closing and payment of the Purchase Price in full; and (iv) Buyer waives all Claims for inspections at, and/or repairs and/or corrections made by Buyer to the Property including, but not limited to, any Claims for unjust enrichment or specific performance.
20. **Deed:** The deed (the "Deed") to be delivered at Closing shall specify that the grantor grants to the grantee, only that title which the grantor may have and that grantor will only defend the title granted against persons claiming that they received title by, through, or from the grantor, but not otherwise. Any reference to the term "Deed" or "Special Warranty Deed" herein shall be construed to refer to such form of Deed as is applicable. Under no circumstances shall Seller be required to deliver any form of deed which grants a general warranty title.

Bank of America CASH OFFERS ONLY- Seller's deed to include the following deed restriction:

(Check or Initial)

GRANTEE(S) HEREIN SHALL BE PROHIBITED FROM CONVEYING, RECORDING OR OTHERWISE TRANSFERRING TITLE TO THIS PROPERTY WITHIN 60 (SIXTY) DAYS FOLLOWING THE GRANTOR'S EXECUTION OF THE DEED

21. **Defects in Title:** If Buyer raises an objection to Seller's title to the Property, which, if valid, would make title to the Property uninsurable, Seller shall have the right unilaterally to terminate the Agreement by giving written notice of the termination to Buyer. However, if Seller is able to correct the problem through reasonable efforts, as Seller determines, in its sole discretion, prior to the Closing Date set forth in the Agreement, including any written extensions, **or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the specified title objections, then the Agreement shall remain in full force and Buyer shall perform its obligations pursuant to the terms set forth in the Agreement.** Seller is not obligated to: (i) remove any exception, (ii) bring any action or proceeding or bear any expense in order to convey title to the Property, or (iii) make the title marketable or insurable. Any attempt or effort by Seller to remove such title exceptions shall not impose an obligation upon Seller to remove those exceptions. Buyer acknowledges that Seller's title to the Property may be subject to court approval of foreclosure or to a mortgagor's or prior owner's right of redemption. In the event Seller is not able to: (A) make the title insurable or correct all title problems, or (B) obtain title insurance for the Property from a reputable title insurance company, either Party may terminate the Agreement and any Earnest Money will be returned to Buyer as Buyer's sole remedy at law or in equity.
22. **Representations and Warranties:**
In addition to any other Buyer representations and warranties made in this Agreement, Buyer makes the following representations and warranties to Seller:
(A) Buyer is purchasing the Property solely in reliance on its own investigation and inspection of the Property and not on any information, representation or warranty provided or to be provided by Seller, its servicers, representatives, brokers, employees, agents or assigns, including, but not limited to, any information provided on any brochures or websites of Seller or Seller's agents or brokers or any information on the Multiple Listing Service;

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- (B) Neither Seller, nor its servicers, employees, representatives, brokers, agents or assigns, has made any representations or warranties, implied or express, relating to the condition of the Property or the contents thereof;
- (C) Buyer has not relied on any representation or warranty from Seller, Seller's agents or brokers regarding the nature, quality or workmanship of any repairs, corrections and/or improvements made by Seller;
- (D) Buyer will not occupy, or cause or permit others to occupy, the Property prior to Closing and payment of the Purchase Price in full, and unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity, Buyer will not occupy or cause or permit others to occupy the Property after Closing; and
- (E) The undersigned, if executing the Agreement on behalf of the Buyer that is a corporation, partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into the agreement and bind the entity to perform all duties and obligations stated in the agreement.

23. Conditions to Seller's Performance: Seller shall have the right, at Seller's sole discretion, to extend the Closing Date or to terminate the Agreement if:

- (A) Full payment of any mortgage insurance claim related to the loan previously secured by the Property is not confirmed prior to the Closing Date or the mortgage insurance company exercises its right to acquire title to the Property;
- (B) Seller determines that it is unable or it is economically not feasible to convey good and marketable title to the Property insurable by a reputable title insurance company at regular rates;
- (C) A third party having an interest in the Property (or the loan that was secured by the Property) has requested that the servicing lender or any other party, release the servicing or repurchase of such loan or the Property;
- (D) Full payment of any property, fire or hazard insurance claim is not confirmed prior to the Closing Date;
- (E) Any third party, whether tenant, homeowner's association or otherwise, exercises rights under a right of first refusal to purchase the Property;
- (F) Buyer is the former mortgagor of the Property whose interest was foreclosed, is related to or affiliated in any way with the former mortgagor and Buyer has not disclosed this fact to Seller prior to Seller's acceptance of the Agreement. Such failure to disclose shall constitute a material breach under the Agreement, entitling Seller to exercise any of its rights and remedies, including, without limitation, retaining the Earnest Money; or
- (G) Seller, at Seller's sole discretion, determines that the sale of the Property to Buyer, or any related transactions are in any way associated with illegal activity of any kind.

In the event Seller elects to terminate the Agreement, Seller shall return Buyer's Earnest Money and the Parties shall have no further rights or obligation under the Agreement, except as to any provision that survives termination pursuant to Section 28 of this Addendum.

24. Seller's Remedies for Buyer's Default: In the event of Buyer's material breach or material misrepresentation of any fact under the terms of the Agreement, (i) Seller, at its option, may retain the Earnest Money and any other funds then paid by Buyer as liquidated damages and/or invoke any other remedy expressly set out in the Agreement or available under applicable law, (ii) Seller is automatically released from the obligation to sell the Property to Buyer, and (iii) Seller and the Indemnified Parties shall not be liable to Buyer for any Claims arising out of or relating in any way to Seller's failure to sell and convey the Property to Buyer.

25. Indemnification: Buyer agrees to indemnify, defend and hold harmless Seller and its affiliates, subsidiaries, parent company, representatives, agents, officers, directors, employees, attorneys, shareholders, servicers, tenants, brokers, predecessors, successors and assigns ("Indemnified Parties") from and against any and all Claims, causes of action, whether administrative or judicial, losses, costs (including any and all reasonable attorneys' fees, court costs, and reasonable costs of investigation, litigation, and settlement), expenses, sanctions, curtailments, interest, liabilities, penalties, fines, demands, liens, judgments, compensation, fees, loss of profits, injuries, death and/or damages of any kind whatsoever, whether known or unknown, fixed or contingent, joint or several, criminal or civil or at law or in equity ("Claims") arising from, in connection with, or in any way relating to:

- (A) Inspections or repairs made by Buyer or its agents, representatives, brokers, employees, contractors, successors or assigns;
- (B) The imposition of any fine or penalty imposed by any governmental entity resulting from Buyer's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;

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- (C) Amounts due and owed by Seller for real property taxes, homeowner's association dues or assessment, or any other items prorated at closing under Section 16 of this Addendum, including any penalty or interest and other charges, arising from the proration of such amounts for which Buyer received a credit at Closing under Section 16 of this Addendum;
- (D) Buyer or Buyer's tenants, agents or representatives use and/or occupancy of the Property prior to Closing and/or issuance of required Certificates of Occupancy; or
- (E) Buyer's breach of or failure to comply fully with any provision in the Agreement.
26. Risk of Loss: In the event of fire, destruction, or other casualty loss to the Property after Seller's acceptance of the Agreement and prior to Closing and payment of the Purchase Price in full, Seller may, at its sole discretion, repair or restore the Property, or either Party may terminate, by written notice to the other, the Agreement unless and until Seller has notified Buyer in writing of Seller's intent to repair or restore the Property. If Seller elects to repair or restore the Property, then Seller may, as its sole discretion, limit the amount to be expended. If Seller elects to repair or restore the Property, Buyer shall either (a) acquire the Property in its AS-IS condition at the time of such acquisition at the Purchase Price provided in Section 2 herein with no reduction for such loss, or (b) terminate the Agreement and receive a refund of any Earnest Money.
27. Eminent Domain: In the event that Seller's interest in the Property, or any part thereof, shall have been taken by eminent domain, or shall be in the process of being taken on or before the Closing Date, either Party may terminate the Agreement, by written notice to the other and the Earnest Money shall be returned to Buyer and neither Party shall have any further rights or obligations or liabilities hereunder, except as provided in Section 28 of this Addendum.
28. EFFECT OF ADDENDUM: THIS REAL ESTATE PURCHASE ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, ESCROW INSTRUCTIONS, NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM SHALL TAKE PRECEDENCE AND PREVAIL, EXCEPT AS OTHERWISE PROVIDED BY APPLICABLE LAW. The undersigned, if executing the Agreement on behalf of a Seller and/or a Buyer that is a corporation, partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into the Agreement and bind the entity to perform all duties and obligations stated in the Agreement and shall provide Seller with proof of such authority upon execution of the Agreement.
29. Keys: Buyer is aware that the property may be on a master key system. Buyer shall, at Buyer's sole expense, re-key the Property immediately after Closing. Buyer agrees to hold Seller and the Indemnified Parties harmless for any Claims relating in any way to any theft or damage of personal property or to the Property that occurs after the Closing Date.
30. Survival: Delivery of the Deed to the Property to Buyer by Seller shall be deemed to be full performance and discharge of all of Seller's obligations under the Agreement. Notwithstanding anything to the contrary in the Agreement, the provisions of Sections 4, 11, 12, 13, 15, 17, 18, 21, 23, 24, 25, 26, 29 and 45 of this Addendum, as well as any other provisions that contemplate performance or observance subsequent to any termination or expiration of the Agreement, shall survive the Closing, payment of the Purchase Price and the delivery of the Deed and/or termination of the Agreement by any Party and such provisions shall continue in full force and effect.
31. Title and Closing: Buyer has the right to select: (i) the escrow, attorney, or closing company ("Settlement Company") and (ii) the company to issue title insurance. If Buyer elects to designate Seller's preferred providers, then Buyer and Seller will each pay half for the Settlement Company fees, and Seller will pay for all fees for the owner's title insurance. "If Buyer elects to designate providers that are not the Seller's preferred providers, then Buyer will be responsible to pay for all of the Settlement Company fees and the title insurance fees."
32. Severability: If any provision of the Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions shall not be affected or impaired thereby and no provision shall be deemed dependent upon any other provision unless so expressed herein.
33. Termination of Agreement: If either Party terminates the Agreement when permitted to do so, the Parties shall have no further rights hereunder or obligation to each other, except as to any provision that survives the termination of the Agreement pursuant to Section 30 of this Addendum.

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34. Assignment of Agreement: Buyer shall not assign the Agreement. Seller may assign the Agreement at its sole discretion without prior notice to, or consent of, Buyer.
35. Modification and Waiver: No provision, term or clause of the Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by Buyer and Seller. The waiver by any Party of a breach of the Agreement shall not operate or be construed as a waiver of any other or subsequent breach. No course of dealing between the Parties shall operate as a waiver of any provision of the Agreement.
36. Rights of Others: The Agreement does not create any rights, claims or benefits inuring to any person or entity other than Seller's successors and/or assigns, that is not a Party to the Agreement, nor does it create or establish any third party beneficiary to the Agreement.
37. Counterparts and Facsimile: The Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original and all such counterparts shall constitute one and the same instrument. A signed facsimile or photocopy of the Agreement shall be treated as an original and shall be deemed to be as binding, valid, genuine and authentic as an originally signed agreement for all purposes, including all matters of evidence and the "best evidence" rule.
38. Headings: The titles to the sections and headings of various paragraphs of the Agreement are placed for convenience of reference only and in case of conflict the text of the Agreement, rather than such titles or headings, shall control.
39. Gender: Unless the context otherwise requires, singular nouns and pronouns, when used herein, shall be deemed to include the plural of such nouns or pronouns and pronouns of one gender shall be deemed to include the equivalent pronoun of the other gender.
40. Force Majeure: Except as provided in Section 26 to this Addendum, no Party shall be responsible for delays or failure of performance resulting from acts of God, riots, acts of war, epidemics, power failures, earthquakes or other disasters, herein referred to as a "Force Majeure Event", providing such delay or failure of performance could not have been prevented by reasonable precautions and cannot reasonably be circumvented by such Party through use of alternate sources, workaround plans or other means. Performance shall resume upon completion of termination of the Force Majeure Event and be extended for an equal number of days as the length of the Force Majeure Event.
41. Attorney Review: Buyer acknowledges that Buyer has had the opportunity to consult with its legal counsel regarding the Agreement and that accordingly the terms of the Agreement are not to be construed against any Party because that Party drafted the Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Agreement.
42. Notices: Any notices required to be given under the Agreement shall be deemed to have been delivered when actually received in the case of hand or overnight delivery, email or by fax with confirmation of transmission to the numbers below, or five (5) calendar days after mailing by first class mail, postage paid. All notices to Seller will be deemed sent or delivered to Seller when sent or delivered to Seller's listing broker, agent or Seller's attorney, at the address, email address or fax number shown below. All notices to Buyer shall be deemed sent or delivered and effective when sent or delivered to Buyer, Buyer's attorney or agent at the address, email address or fax number shown below.
43. Litigation, Mediation and/or Arbitration: In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Agreement, the parties shall bear their own attorney fees, and costs and expenses incurred and the parties hereby waive any right or claim for the award of statutory attorneys' fees, including but not limited to awards pursuant to chapters 37 or 38 of the Texas Civil Practice & Remedies Code. This Agreement and performance hereunder shall be governed by the laws of the State of Texas. Any and all disputes between the parties that cannot be settled by mutual agreement shall be resolved solely and exclusively in the courts located within Harris County, Texas. Both parties consent to the jurisdiction and venue of such courts and irrevocably waive any objections thereto.
44. Initials: Buyer and Seller agree to all of the terms in the Agreement whether any provision or page is separately initialed or not. For emphasis, some sections or provisions in the Agreement contain a place for Buyer and/or Seller to separately initial, but the failure by Buyer or Seller to initial any section, provision, or page in the Agreement shall not affect the enforceability of any term or provision in the Agreement.

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SELLER(Initials)

45. Entire Agreement: The Agreement (including any disclosure of information on lead based paint or hazards and other disclosure forms or notices required by law to be provided to Buyer) constitutes the entire agreement between Buyer and Seller concerning the subject matter hereof and supersedes all previous written and oral communications, understandings, representations, warranties, covenants and agreements. Further, Buyer and Seller represent that there are no oral or other written agreements between the Parties that have any effect upon this agreement. **ALL NEGOTIATIONS ARE MERGED INTO THE AGREEMENT AND NO ORAL OR WRITTEN, EXPRESSED OR IMPLIED, PROMISES, REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERSTANDINGS, COMMUNICATIONS, AGREEMENTS OR INFORMATION MADE OR PROVIDED BY SELLER, OR SELLER'S EMPLOYEES, AGENTS, REPRESENTATIVES OR BROKERS, INCLUDING, BUT NOT LIMITED TO, ANY INFORMATION ON SELLER'S OR SELLER'S AGENT OR BROKER'S WEB SITES, SALES BROCHURES OR ON THE MULTIPLE LISTING SERVICE SHALL BE DEEMED VALID OR BINDING UPON SELLER, UNLESS EXPRESSLY INCLUDED IN THE AGREEMENT.**
46. Language in Bold or capitalized: For emphasis and Buyer's benefit some provisions have been bolded and/or capitalized, but each and every provision in this Addendum is significant and should be reviewed and understood. No provision should be ignored or disregarded because it is not in bold or emphasized in some manner and the failure to bold, capitalize or emphasize in some manner any terms or provisions in this Addendum shall not affect the enforceability of any terms or provisions.
47. Additional Terms and Conditions: _____

BUYER(Initials) X _____
SELLER(Initials) _____

IN WITNESS WHEREOF, Buyer and Seller have entered into the Agreement effective as of the date it is executed by Seller as set forth below.

BUYER(S):

Signature: X

Date: X

Print Name: X

Address: X

Telephone: X

Fax: X

E-Mail: X

Signature: _____

Date: _____

Print Name: _____

Address: _____

Telephone: _____

Fax: _____

E-Mail: _____

BUYER'S AGENT:

Buyer's Agent Name: Evan Fellman

Address: 42149 Big Bear Blvd.

Big Bear Lake, CA 92315

Telephone: 9098316279

Fax: _____

Email Address: evfellrealestate@gmail.com

SELLER:

REO Management Solutions, LLC As Attorney-in-Fact for

Seller's Name: _____

Authorized Signature: _____

By: _____

Date: _____

SELLER'S AGENT:

Seller's Agent Name: Oscar Dominguez

Address: 6918 Sundown Dr

Riverside, CA 92509

Telephone: (909) 561-9578

Fax: (909) 348-8123

Email Address: dominguezreo@gmail.com

BUYER(Initials) X

SELLER(Initials) _____

BUYER'S ATTORNEY:

Name: _____

Address: _____

Telephone: _____

Fax: _____

E-Mail: _____

SELLER'S ATTORNEY:

Name: _____

Address: _____

Telephone: _____

Fax: _____

E-Mail: _____

CLOSER:

Company Name: _____

Contact Person: _____

Telephone: _____

Fax: _____

E-Mail: _____

TITLE COMPANY:

Company Name: _____

Contact Person: _____

Telephone: _____

Fax: _____

E-Mail: _____

MORTGAGE BROKER CONTACT:

Broker Name: _____

Broker Company: _____

Broker Telephone: _____

Broker Fax: _____

Broker E-Mail: _____

BUYER(Initials)  _____

SELLER(Initials) _____

“EXHIBIT B”

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

PID #: 1060846

Loan #: 284807

Property Address: 321 E COUNTRY CLUB BLVD, BIG BEAR CITY, CA 92314

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase, at purchaser's expense.

Seller's Disclosure (initial)

- _____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
- _____ ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):
- _____ ☒ **Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.**
- _____ (b) Records and reports available to the seller (check one below):
- _____ ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- _____ ☒ **Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.**

Purchaser's Acknowledgment (initial)

- _____ (c) Purchaser has received copies of all information listed above.
- _____ (d) Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home**.
- X _____ (e) Purchaser has (check one below):
- X _____ ☒ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- _____ ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

BUYER(Initials)

X

SELLER(Initials)

PURCHASER AGREES THEY ARE PURCHASING THE PROPERTY "AS IS," WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE CONDITION OF THE PROPERTY. PURCHASER FURTHER AGREES THAT SELLER AND ITS SERVICERS, REPRESENTATIVES, AGENTS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS HAS NO RESPONSIBILITY OR LIABILITY FOR, AND PURCHASER HEREBY UNCONDITIONALLY RELEASES SELLER AND IT'S SERVICERS, REPRESENTATIVES, AGENTS, ATTORNEYS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS AND ASSIGNS FROM, ANY AND ALL LIABILITY, BOTH KNOWN AND UNKNOWN, PRESENT AND FUTURE, THAT IS BASED UPON, OR RELATED TO, THE EXISTENCE OF LEAD OR LEAD-BASED PAINT ON OR ABOUT THE PROPERTY.

Broker's/Agent's Acknowledgment (initial)

Q.D - (f) Broker/Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate. Seller, as Attorney-in-Fact:

US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1

(Print Seller's Name)

_____ Seller	_____ Date
<u>X</u> _____ Broker/Agent	<u>X</u> _____ Date
<u>X</u> _____ Purchaser	<u>X</u> _____ Date

_____ Seller	_____ Date
_____ Broker/Agent	_____ Date
_____ Purchaser	_____ Date

BUYER(Initials) X
SELLER(Initials) _____

“EXHIBIT C”

UTILITY TRANSFER AGREEMENT – ADDENDUM TO CONTRACT

Property Address: 321 E COUNTRY CLUB BLVD, BIG BEAR CITY, CA 92314

REO Loan Number: 284807

BUYER(S): Universal Air Properties LLC

BUYER’S OFFER DATE: 10/27/2025

As a condition of the Purchase Agreement, Buyer(s) hereby agree to have all utility services including water, sewer, electricity, gas and Home Owner’s Association Dues, if applicable, transferred into Buyer(s) name no later than the first business day following closing. Buyer(s) also agree to accept responsibility for payment of any utility charges accrued after the date of closing. All or some of the utility services are in the name of the Seller or the Listing Broker. It is the Buyer(s) sole and absolute responsibility to make any arrangements necessary for the transfer of utilities into their name.

Witnesses:

X Buyer X Date

X Listing or Selling Agent X Date

Buyer Date

As signed above, this Agreement must accompany the contract for acceptance and as a condition of closing.

At Closing, and as a condition of closing, the Buyer(s) must sign and date this Agreement acknowledging that it will be retained as a Closing Document and shall survive closing.

Witnesses:

Buyer Date

Closing Agent Date

Buyer Date

BUYER(Initials) X

SELLER(Initials) _____

“EXHIBIT D”

EARNEST MONEY RECEIPT & FUNDS VERIFICATION

EMD Amount \$ 11,500.00 Check/Cashier's Check # X Date Rec'd _____

Listing Agent Name Insert Listing Agent Name

Office Insert Listing Agent's Office Name

Property Address Insert Property Address

Buyer Name Insert Buyers Name

This Earnest Money Check is to be processed as Follows (check applicable):

✓ Held in Seller's Title Company Trust Account

_____ Held in Attorney/Escrow/Title Company Trust Account Agreed upon by Seller

**** Contact Information if Held in Attorney or Title Company's Trust Account other than Sellers's Preferred Title Company*****

Please Insert COPY of Earnest Money Check Below or Proof of Wire:

PLEASE COPY THE EARNEST MONEY CHECK OR WIRE RECEIPT TO
THIS FORM & RETURN WITH YOUR EXECUTED CONTRACT
AND SELLER'S COUNTER PROPOSAL DOCUMENTS

BUYER(Initials) X _____

SELLER(Initials) _____

RMS MULTIPLE OFFERS NOTIFICATION AND ACKNOWLEDGEMENT

The listing agent has received multiple offers for purchase of the following property:

SKEY: 1060846

PROPERTY ADDRESS: 321 E COUNTRY CLUB BLVD, BIG BEAR CITY, CA 92314

BUYER NAME(S): Universal Air Properties LLC

LISTING AGENT: Oscar Dominguez

EMAIL: dominguezreo@gmail.com

SELLING AGENT: Evan Fellman

EMAIL: evfellrealestate@gmail.com

As selling agent, I acknowledge:

1. I am aware that multiple offers have been received and I will notify the buyer immediately.
2. Only offers submitted to the Listing Agent no later than (date)_____ at (time) _____ will be considered by the seller.
3. The seller will accept or provide a counter offer ONLY to the offer that the seller (in the seller's sole discretion) determines to be the "best" offer.
4. If the first choice of "best" offer does not result in an accepted purchase agreement, Seller will accept or provide a counter offer ONLY to the offer that the Seller determines to be the "next best" offer, and so on.
5. I must sign this form and return it by email to the Listing Agent immediately.
6. I am aware that I must also return this form a second time to indicate the buyer's response below.
7. If I do not return this form indicating the buyer's response, the buyer's pending offer will remain in force without change.

Selling Agent Signature X

Date X

The buyer was notified that multiple offers were received and (check one):

- ☐ The buyer has rescinded the offer to purchase. An offer termination is attached.
- ☒ The buyer's offer remains the same.
- ☐ The buyer desires to revise the previously submitted offer. A new offer is attached.

For the seller's use in consideration of the buyer's offer, the buyer has indicated the following occupancy intention (check one):

- ☐ Will occupy the property as the buyer's primary residence.
- ☒ Will not occupy the property as the buyer's primary residence.

Selling Agent Signature X

Date X

OFFER ACKNOWLEDGMENT AND ACCEPTANCE – 284807

Reference is made to the Fannie Mae Real Estate Purchase Addendum or the RMS REO Addendum dated
11/6/2025 pertaining to the Real Property known as
321 E COUNTRY CLUB BLVD, BIG BEAR CITY, CA 92314 made between
Universal Air Properties LLC
hereafter referred to as "Buyer", and
US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1
"Seller".

Your offer has been approved by REO Management Solutions, LLC(RMS) on behalf of
(US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1)
and is subject to
(US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1)
final approval. The terms of the transaction are as follows: Sales price is to be \$ (115,000.00). Sale is to close on
the Effective Date of Seller's signed acceptance of the RMS Real Estate Purchase Addendum. Buyer agrees to
pay a \$ (100.00) per diem for each day the closing is extended if the transaction does not close as stated above
by no fault of the Seller. If an extension is requested by Buyer a non-refundable deposit may be required. Buyer(s) to
complete all inspections within 0 calendar days from the Effective Date on the RMS Real Estate Purchase Addendum.
Seller will credit buyer up to \$ in closing costs. Seller to credit buyer up to \$
for a home warranty. Seller to credit buyer up to \$ for an inspection fee. Seller to credit buyer up to
\$ for a survey fee. Seller to credit buyer up to \$ for a termite inspection.
Earnest money deposit to be \$ 11,500.00 .

This Offer Acknowledgement also adds the following standard clauses as permanent parts of the RMS Real Estate Purchase Addendum:

- Buyer(s) minimum deposit requirement on all cash offers to be 10% of negotiated sales price or \$1,000 minimum; whichever is greater. All financed offers to be 1% of sales price or \$1,000 minimum, whichever is greater.
- **Buyer(s) have 3 days to accept this offer.** Buyer(s) agrees to immediately deliver to Seller/Seller's agent the signed RMS Real Estate Purchase Addendum, the state Promulgated Real Estate Purchase Contract and all required documents upon Buyer(s) signature thereon.
- **Seller will not pay, reimburse nor credit Buyer(s) for FHA or other loan/financing costs or fees; nor pay for or credit any other costs, fees, surveys, home warranty plans, inspections, termite inspections or repairs unless otherwise stated as defined above.**
- This Offer Acknowledgement and Acceptance cannot be extended or assigned without prior written approval from Seller. Seller will not provide financing. Property taxes shall be prorated to day of closing.
- It is understood between Buyer(s) and Seller that this property is being sold subject to
(US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1)
requirements and HUD Guidelines.
- In the event that the appraisal upon which this Offer Acknowledgement and Acceptance is based expires, and Seller's new appraisal justifies that a higher contract price be charged for the subject property, Buyer(s) and Seller reserve the right to terminate this contract and have Earnest Money Deposit returned to the Buyer(s).
- In the event of a per diem charge, Buyer(s) authorizes Seller to debit their escrow deposit to cover those charges.

- Buyer has the right to inspect the property during the due diligence period. BUYERS ARE NOT ALLOWED TO COMPLETE INSPECTIONS PRIOR TO RECEIVING THE SELLER EXECUTED CONTRACT. Any utility connections must be connected in Listing or Selling Agent's name at buyer's expense. Utilities are only allowed during inspection period!
- Property is to be transferred by a Special Warranty Deed.
- **BUYER, BUYER'S CONTRACTOR OR BUYER'S AGENT ARE NOT PERMITTED TO COMPLETE ANY REPAIRS PRIOR TO CLOSING! SHOULD BUYER COMPLETE REPAIRS PRIOR TO CLOSING BUYER FORFEITS ALL REPAIR COSTS INCURRED**
- Buyer(s) participating in a highest and best, multiple offers situation understand that any special consideration for concessions, repairs or switch from cash to financing may result in seller terminating this agreement and retaining buyer's Earnest Money Deposit.
- Buyer(s) is allowed to participate in a 1031 Exchange. However, Seller cannot be required to participate in any form of the 1031 Exchange, including assigning the contract to the 1031 Company, executing any 1031 documents or contributing to the 1031 Exchange on behalf of buyer(s).

Seller reserves the right to continue to market said property and accept any contract of Seller's choosing prior to Seller's written acceptance of client required Addendums, Promulgated Real Estate Purchase Contract, Offer Acknowledgement and Acceptance and required documents.

ALL CONTRACTS ARE TO BE UPLOADED INTO REOCENTRAL

The negotiated terms in this Offer Acknowledgement and Acceptance is subject to the terms and conditions set forth in the RMS Real Estate Purchase Addendum.

Buyer Type: X Owner: _____ OR Investor: _____

This Offer Acknowledgement and Acceptance is accepted by the Buyer(s) and the Seller, as evidenced by Buyer(s) and Seller's signature hereon. This Offer Acknowledgement and Acceptance shall hereby become part of the above RMS REPA (Real Estate Purchase Addendum).

Acceptance: Buyer(s) Acknowledges and Accepts above terms and acknowledges receipt thereof by signing below:

X _____ X _____
Buyer Date

Buyer Date

Acceptance: Seller Acknowledges and Accepts above terms and acknowledges receipt thereof by signing below:

Seller US Bank N.A. as Trustee for Mortgage Equity Conversion Asset 2011-1

Date

Time is of the Essence! Therefore, submit your completed buyer(s) signed contract package.



ADDENDUM No. 1
(C.A.R. Form ADM, Revised 6/25)

The following terms and conditions are hereby incorporated in and made a part of the Purchase agreement, OR ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Other _____,
dated **October 22, 2025**, on property known as **321 E. Country Club Blvd**

Big Bear City, Ca 92314 ("Property/Premises"),
between **Universal Air Properties LLC** ("Buyer/Tenant")
and _____ ("Seller/Housing Provider").

The term "Housing Provider" also includes Landlord or Rental Property Owner. Buyer/Tenant and Seller/Housing Provider are referred to as the "Parties."

FORM USE NOTES: This form is intended to be used in Buyer-Seller or Tenant-Housing Provider transactions. For all other situations requiring an addendum, use an Addendum - Generic (C.A.R. form ADM-GEN).

- A change or addition to a previously provided Seller Property Questionnaire (SPQ), Real Estate Transfer Disclosure Statement (TDS), or other disclosure, may be made on an Amendment to Prior Disclosure (C.A.R. Form APD), and it may give the Buyer a right to rescind.
- To change the terms of already executed agreement, use the Amendment to Existing Agreement (C.A.R. form AEA).

1. "Pursuant to Section 28 of Real Estate Purchase Addendum, this document is subject to all terms and conditions set forth in Real Estate Purchase Addendum." "Offer approval subject to client's final approval"

"If the foreclosure deed has not been recorded by the closing date, buyer may terminate the contract and earnest money will be refunded to the buyer."

"The Seller is not responsible for utilities. If buyer needs utilities on for inspections, then it will be solely at the buyer's expense."

2. Property is being sold in its as is condition buyer & buyers agent are aware they are responsible for conducting their own due diligence.

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

Buyer/Tenant X Camelia Ossaian **Universal Air Properties LLC** Date X **11/19/2025**
Buyer/Tenant _____ Date _____

Seller/Housing Provider _____ Date _____
Seller/Housing Provider _____ Date _____

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ADM REVISED 6/25 (PAGE 1 OF 1)



ADDENDUM (ADM PAGE 1 OF 1)

**AGENT VISUAL INSPECTION DISCLOSURE**

(CALIFORNIA CIVIL CODE § 2079 ET SEQ.)

For use by an agent when a transfer disclosure statement is required or when a seller is exempt from completing a TDS
(C.A.R. Form AVID, Revised 6/24)

This inspection disclosure concerns the residential property situated in the City of Big Bear City,
County of SAN BERNARDINO, State of California, described as 321 E. Country Club Blvd ("Property").

☐ This Property is a duplex, triplex, or fourplex. An AVID is required for all units. This AVID form is for ALL units (or ☐ only unit(s) _____).

Inspection Performed By (Real Estate Broker Firm Name) RE/MAX CHAMPIONS

California law requires, with limited exceptions, that a real estate broker or salesperson (collectively, "Agent") conduct a reasonably competent and diligent **visual** inspection of reasonably and normally accessible areas of certain properties offered for sale and then disclose to the prospective purchaser material facts affecting the value or desirability of that property that the inspection reveals. The duty applies regardless of whom that Agent represents. The duty applies to residential real properties containing one-to-four dwelling units, and manufactured homes (mobilehomes). The duty applies to a stand-alone detached dwelling (whether or not located in a subdivision or a planned development) or to an attached dwelling such as a condominium. The duty also applies to a lease with an option to purchase, a ground lease or a real property sales contract of one of those properties.

California law does not require the Agent to inspect the following:

- Areas that are not reasonably and normally accessible
- Areas off site of the property
- Public records or permits
- Common areas of planned developments, condominiums, stock cooperatives and the like.

Agent Inspection Limitations: Because the Agent's duty is limited to conducting a reasonably competent and diligent visual inspection of reasonably and normally accessible areas of only the Property being offered for sale, there are several things that the Agent will not do. What follows is a non-exclusive list of examples of limitations on the scope of the Agent's duty.

Roof and Attic: Agent will not climb onto a roof or into an attic.

Interior: Agent will not move or look under or behind furniture, pictures, wall hangings or floor coverings. Agent will not look up chimneys or into cabinets, or open locked doors.

Exterior: Agent will not inspect beneath a house or other structure on the Property, climb up or down a hillside, move or look behind plants, bushes, shrubbery and other vegetation or fences, walls or other barriers.

Appliances and Systems: Agent will not operate appliances or systems (such as, but not limited to, electrical, plumbing, pool or spa, heating, cooling, septic, sprinkler, communication, entertainment, well or water) to determine their functionality.

Size of Property or Improvements: Agent will not measure square footage of lot or improvements, or identify or locate boundary lines, easements or encroachments.

Environmental Hazards: Agent will not determine if the Property has mold, asbestos, lead or lead-based paint, radon, formaldehyde or any other hazardous substance or analyze soil or geologic condition.

Off-Property Conditions: By statute, Agent is not obligated to pull permits or inspect public records. Agent will not guarantee views or zoning, identify proposed construction or development or changes or proximity to transportation, schools, or law enforcement.

Analysis of Agent Disclosures: For any items disclosed as a result of Agent's visual inspection, or by others, Agent will not provide an analysis of or determine the cause or source of the disclosed matter, nor determine the cost of any possible repair.

What this means to you: An Agent's inspection is not intended to take the place of any other type of inspection, nor is it a substitute for a full and complete disclosure by a seller. Regardless of what the Agent's inspection reveals, or what disclosures are made by sellers, California Law specifies that a buyer has a duty to exercise reasonable care to protect himself or herself. This duty encompasses facts which are known to or within the diligent attention and observation of the buyer. Therefore, in order to determine for themselves whether or not the Property meets their needs and intended uses, as well as the cost to remedy any disclosed or discovered defect, **BUYER SHOULD: (1) REVIEW ANY DISCLOSURES OBTAINED FROM SELLER; (2) OBTAIN ADVICE ABOUT, AND INSPECTIONS OF, THE PROPERTY FROM OTHER APPROPRIATE PROFESSIONALS; AND (3) REVIEW ANY FINDINGS OF THOSE PROFESSIONALS WITH THE PERSONS WHO PREPARED THEM. IF BUYER FAILS TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKER.**

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AVID REVISED 6/24 (PAGE 1 OF 3)

Buyer's Initials X CO /

**AGENT VISUAL INSPECTION DISCLOSURE (AVID PAGE 1 OF 3)**

RE/MAX CHAMPIONS 121S. MOUNTAIN AVE UPLAND, CA 91786
Oscar G. Dominguez

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

Phone: 9095619578 Fax: 9093488123
www.lwof.com

Untitled

If this Property is a duplex, triplex, or fourplex, this AVID is for unit # _____

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE REASONABLY AND NORMALLY ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

Entry (excluding common areas): ***Home has been gated by bank to discourauge unwanted access. Flooring in bad shape in front room.***

Living Room: ***Ceiling rafters are exposed as well as electrical wiring.***

Dining Room: ***Ceiling rafters are exposed as well as wiring.***

Kitchen: ***Damaged cabinets exposed wiring.***

Other Room: ***All other rooms are in bad need of repairs from flooring to exposed wiring***

Hall/Stairs (excluding common areas): ***Halls are very narrow and floors are uneven.***

Bedroom # 1 : ***Flooring and exposed wiring***

Bedroom # 2 : ***Flooring and exposed wiring***

Bedroom # 3 : ***Flooring and exposed wiring***

Bedroom # _____ :

Bath # 1 : ***Missing cabinet and toilet***

Bath # 2 : ***Non operational***

Bath # _____ :

Bath # _____ :



If this Property is a duplex, triplex, or fourplex, this AVID is for unit # _____.

Other: _____

Other: _____

Other: _____

☐ See Addendum for additional rooms/structures: Exterior patio and cover in very bad condition

Garage/Parking (excluding common areas): No garage

Exterior Building and Yard - Front/Sides/Back: _____

Other Observed or Known Conditions Not Specified Above: _____

This disclosure is based on a reasonably competent and diligent visual inspection of reasonably and normally accessible areas of the Property on the date specified above.

Real Estate Broker (Name of Firm that performed the inspection): RE/MAX CHAMPIONS

Inspection Performed By (Name of individual agent or broker): Oscar Dominguez

Inspection Date/Time: 11/6/25 10:00 AM Weather conditions: Sunny

Other persons present: None

By [Signature] Date 11/6/25
(Signature of Associate Licensee or Broker who performed the inspection)

Reminder: Not all defects are observable by a real estate licensee conducting an inspection. The inspection does not include testing of any system or component. Real Estate Licensees are not home inspectors or contractors. BUYER SHOULD OBTAIN ADVICE ABOUT AND INSPECTIONS OF THE PROPERTY FROM OTHER APPROPRIATE PROFESSIONALS. IF BUYER FAILS TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKER.

I/we acknowledge that I/we have read, understand and received a copy of this disclosure.

Buyer X Camelia Ossaian Universal Air Properties LLC Date X 11/19/2025
Buyer _____ Date _____

I/we acknowledge that I/we have received a copy of this disclosure.

(The initials below and Broker signature are not required but can be used as evidence that the initialing or signing party has received the completed form.)

Seller _____ / _____

Real Estate Broker (that did NOT fill out this AVID) X Keller Williams Big Bear - Lake Arrowhead

By X Evan Fellman Date X 11/19/2025
(Associate Licensee or Broker Signature)

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AGENT VISUAL INSPECTION DISCLOSURE (AVID PAGE 3 OF 3)

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Untitled



BROKER COMPENSATION ADVISORY

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

1. WHEN SELLERS LIST THEIR PROPERTY FOR SALE THROUGH A REAL ESTATE BROKER THEY AGREE TO PAY THE SELLER'S BROKER WHEN ESCROW CLOSES.

- A. LISTING AGREEMENT COMPENSATION IS FULLY NEGOTIABLE:** When a seller enters into a listing agreement with a broker, the seller authorizes the broker to find a buyer for the seller's property and agrees to pay the seller's broker if a buyer is found who purchases the property. Compensation amounts are not fixed by law and are fully negotiable between the seller and the seller's broker. When negotiating compensation, the parties may discuss factors such as the broker's expertise and experience, the type of broker services to be performed, and the broker's time and expenses, among other considerations.
- B. OPTIONAL ADDITIONAL COMPENSATION IF BUYER IS UNREPRESENTED:** A listing agreement may include optional additional compensation amounts owed to the seller's broker for situations where the broker takes on additional responsibilities or workload. Sometimes a buyer may not be working with nor want to be represented by a real estate broker. When that happens, the seller's broker is not required to represent the buyer, and the seller and seller's broker may decide that they do not want to create such a relationship. In those situations, the seller's broker is advised to use a Buyer Non-Agency (C.A.R. Form BNA) to inform the buyer that the seller's broker will be acting on behalf of the seller only, and not act as the buyer's agent, throughout the transaction. However, because the buyer is unrepresented, the seller's agent will inevitably have to do more work to facilitate the transaction. A seller may agree to compensate their broker for the additional work in such cases.
- C. BROKER MAY REPRESENT BOTH BUYER AND SELLER; DUAL AGENCY:** California law allows a brokerage company to represent both seller and buyer in a real estate transaction. At the time the agent, on behalf of a brokerage, obtains the signature of a seller on a listing agreement, the agent will not, in most cases, know who the eventual buyer will be for a seller's property. Similarly, at the time an agent, on behalf of a brokerage, obtains the signature of a buyer on a buyer representation agreement, the agent will not, in most cases, know who the eventual seller will be for a property the buyer wants to buy. Because many individual licensees may work through one brokerage company, and some individual licensees work with many buyers and sellers, there is a possibility that the same brokerage company will represent both buyer and seller in a transaction. If licensees working through broker represent both seller and buyer, broker is allowed to receive compensation from each, provided the seller and buyer are advised of the relationship and the total amount of compensation the broker will receive.

2. BROKER AGREEMENTS WITH BUYERS:

- A. BUYER REPRESENTATION COMPENSATION IS FULLY NEGOTIABLE:** When a buyer enters into a representation agreement with a broker, the buyer authorizes the broker to locate properties for the buyer to buy and agrees to pay the buyer's broker if a transaction is completed. Compensation amounts are not fixed by law and are fully negotiable. When negotiating compensation, the parties may discuss factors such as the broker's expertise and experience, the type of broker services to be performed, and the broker's time and expenses, among other considerations.
- B. REQUIREMENT FOR WRITTEN AGREEMENTS:** Pursuant to a nationwide class action settlement reached by the National Association of REALTORS® (NAR), participants in Multiple Listing Services are required to have a written agreement with a buyer prior to showing a buyer a residential property or giving a buyer a tour of such a property. The agreement must identify the amount of compensation to be paid to the broker for services provided and require that the broker cannot receive any compensation in excess of the amount specified in the agreement. Pursuant to a January 1, 2025 new law in California, all licensees must have a buyer representation agreement as soon as practicable upon acting as the buyer's agent, and it must include the amount of compensation, services to be rendered, when compensation is due, and the contract termination, which may not exceed three months.
- C. ADVANTAGES OF WRITTEN AGREEMENTS:** Buyers and their brokers benefit when the terms of their relationship and respective duties are in writing. A written agreement establishes clear, mutual expectations and helps avoid misunderstandings over the buyer and broker's duties and the amount of compensation the buyer's agent is to be paid.



3. WHEN ENLISTING A REAL ESTATE BROKER TO REPRESENT THEM, BUYERS AGREE TO PAY THE BUYER'S BROKER WHEN ESCROW CLOSES, BUT THE PERSON RESPONSIBLE FOR PAYMENT MAY BE NEGOTIATED IN THE TRANSACTION:

A. BUYER PAYS THE COMPENSATION PURSUANT TO A BUYER REPRESENTATION AGREEMENT:

A buyer's broker may negotiate the amount of compensation directly with the Buyer and then document that agreement in a buyer representation agreement (C.A.R. Form BRBC or PSRA). The buyer then becomes contractually obligated to pay the broker by providing funds to escrow prior to the closing of a transaction.

B. SELLER PAYS THE COMPENSATION:

- (1) **Buyer negotiates for Seller to Compensate Buyer's Broker:** A buyer may make a conditional offer to the seller by including a term in the purchase offer asking the seller to pay the buyer's broker if the buyer has already agreed to pay their own broker pursuant to a buyer representation agreement. If such a term is included in the purchase offer, the request will become one term among many that a seller may accept, reject, or negotiate by way of a counter offer. The possibility of asking the seller to pay the buyer's contractual compensation obligation option should be discussed when creating a buyer representation agreement and prior to an offer being made. Pursuant to the NAR Settlement (see **paragraph 2B**) a buyer's broker is not permitted to receive compensation for services, from whatever source, that is greater than the amount in the buyer representation agreement.
- (2) **Buyer's Agent negotiates an agreement directly with Seller:** If a seller is unrepresented or does not have an exclusive agency relationship with another broker, a buyer's broker may approach that seller asking the seller to sign an agreement (C.A.R. Form SP, Single Party Compensation Agreement) to pay the buyer's broker. In this situation, the seller agrees to pay the buyer's broker compensation without necessarily creating an agency relationship with the broker. When that happens, the buyer's broker is advised to use a Seller Non-Agency (C.A.R. Form SNA) to inform the seller that the buyer's broker will be acting on behalf of the buyer only, and not act as the seller's agent, throughout the transaction. However, because the seller is unrepresented, the buyer's agent will inevitably have to do more work to facilitate the transaction, which may be factored into the negotiation of the single party compensation agreement.

C. CHANGING PRACTICE RELATED TO A SELLER'S BROKER'S OFFER OF COMPENSATION:

Historically, in California, many seller's brokers used a Multiple Listing Service (MLS) to make a unilateral offer to compensate a buyer's broker who procured a buyer for the seller's property. However, the nationwide NAR settlement prohibits the seller's broker from using an MLS to make such an offer of compensation. The California Association of REALTORS® (C.A.R.) listing agreement forms no longer provide for such offers of cooperating broker compensation nor does C.A.R. include other forms in its library of forms that might facilitate such offers. Buyers and sellers must separately negotiate compensation with their respective brokers, as specified above.

By signing below, Seller or Buyer acknowledge that they have received a copy of this Broker Compensation Advisory, and they have read and understand its terms. Seller or Buyer acknowledges they have been advised of their various options regarding compensation to be paid to real estate brokers and that any written agreement they have signed with a seller's or buyer's broker reflects a mutual understanding.

Seller/Buyer X Camelia Ossaian Date X 11/19/2025
 Seller/Buyer _____ Date _____

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BROKER COMPENSATION ADVISORY (BCA PAGE 2 OF 2)

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Untitled





CALIFORNIA
ASSOCIATION
OF REALTORS®

BUYER'S INVESTIGATION ELECTIONS No. 1
(This form is intended for use between a buyer and buyer's broker.)
(C.A.R. Form BIE, Revised 6/25)

Property Address: 321 E. Country Club Blvd , Big Bear City, Ca 92314

This form does not alter the legal or contractual relationship between buyer and seller.

- A. IMPORTANCE OF PROPERTY INVESTIGATION:** Unless otherwise specified in the Agreement, the physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A Broker's inspection is a limited visual inspection (see C.A.R. Form AVID), and a Broker is not qualified to conduct the investigations listed below nor will Broker conduct the investigations checked below by Buyer. For these reasons, you should conduct thorough inspections, investigations, tests, surveys and other studies (Inspections and Investigations) of the Property personally and with appropriate professionals (see C.A.R. Form BIA and SBSA), who should provide written reports of their Inspections. A general physical inspection typically covers neither all aspects of the Property nor items affecting the Property that are not physically located on the Property. If any professional recommends further Investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional Investigations.
- B. BUYER RIGHTS AND DUTIES:** You have an affirmative duty to exercise reasonable care to protect yourself, including by seeking information about the legal, practical and technical implications of disclosed facts, and to investigate and verify information and facts that you know or that are within your diligent attention and observation. If the purchase agreement gives you the right to investigate the Property, the best way to protect yourself is to exercise this right. However, you must do so in accordance with the terms and time limits specified in that agreement. It is extremely important for you to read all written reports/disclosures provided by professionals and to discuss the results of Inspections with the professional who conducted the Inspection.
- C. BROKER ADVICE: YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**
IF ANY BOX BELOW IS CHECKED, BUYER AGREES TO PAY FOR THE SPECIFIED INSPECTION UNLESS OTHERWISE AGREED IN THE PURCHASE AGREEMENT. BUYER IS RESPONSIBLE FOR CHOOSING THE PROVIDER AND ORDERING THE INSPECTION. IF YOU DO NOT SPECIFICALLY REQUEST A PARTICULAR INSPECTION NOW, YOU MAY DO SO IN THE FUTURE, IN WRITING. HOWEVER, IF YOUR CONTRACTUAL INVESTIGATION PERIOD HAS EXPIRED, SELLER MAY NOT ALLOW THE INSPECTIONS AT THAT TIME.
- D. BUYER INVESTIGATION:** Buyer represents and agrees that Buyer has independently considered the available Inspections and Investigations and AT THIS TIME has decided to order only those Inspections and Investigations checked below. Buyer may elect to change these elections during Buyer's investigation period. If Buyer does not investigate these items during the contractual investigation period, Buyer may lose the right to investigate these items later.

- | | |
|---|---|
| 1. ☐ GENERAL HOME INSPECTION | 22. ☐ PLUMBING |
| 2. ☐ INSURABILITY | 23. ☐ POOL/SPA |
| 3. ☐ WOOD DESTROYING PESTS | 24. ☐ PUBLIC RECORDS |
| 4. ☐ ASBESTOS | 25. ☐ RADON GAS |
| 5. ☐ AVAILABILITY OF UTILITIES | 26. ☐ ROOF |
| 6. ☐ BOUNDARIES | 27. ☐ SEPTIC SYSTEM |
| 7. ☐ CHIMNEY | 28. ☐ SEWER |
| 8. ☐ CONSTRUCTION COSTS | 29. ☐ SOIL STABILITY |
| 9. ☐ EASEMENTS/ENCROACHMENTS | 30. ☐ SOLAR POWER SYSTEM |
| 10. ☐ ELECTRICAL | 31. ☐ SQUARE FOOTAGE |
| 11. ☐ ENVIRONMENTAL SURVEY | 32. ☐ SUBDIVISION OF PROPERTY |
| 12. ☐ FOUNDATION/SLAB | 33. ☐ STRUCTURAL |
| 13. ☐ FORMALDEHYDE | 34. ☐ SURVEY |
| 14. ☐ GOVERNMENT REQUIREMENTS | 35. ☐ TREE/ARBORIST |
| 15. ☐ HEATING/AIR CONDITIONING | 36. ☐ USAGE (INCLUDING ADUs) |
| 16. ☐ LEAD PAINT | 37. ☐ VACANT LAND/CONSTRUCTION FINANCING |
| 17. ☐ LOT SIZE | 38. ☐ WATER SYSTEMS AND COMPONENTS |
| 18. ☐ METHANE GAS | 39. ☐ WELL |
| 19. ☐ MOLD | 40. ☐ ZONING |
| 20. ☐ NATURAL HAZARDS REPORTS | 41. ☐ OTHER _____ |
| 21. ☐ PERMITS | 42. ☐ OTHER _____ |

Buyer Camelia Ossaian Universal Air Properties LLC Date 11/19/2025
Buyer _____ Date _____

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BUYER'S INVESTIGATION ELECTIONS (BIE PAGE 1 OF 1)

RE/MAX CHAMPIONS 1215. MOUNTAIN AVE UPLAND, CA 91786
Oscar G. Dominguez

Phone: 9095619578 Fax: 9093488123
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

Untitled





DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

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

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

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

SELLER'S AGENT

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

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

To the Buyer and the Seller:

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

BUYER'S AGENT

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

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

To the Buyer and the Seller:

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

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

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

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

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

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

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

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

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant _____ Date _____

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant _____ Date _____

Agent _____ **RE/MAX CHAMPIONS** DRE Lic. # **01333814**

Real Estate Broker (Firm)

By _____ **OSCAR DOMINGUEZ** DRE Lic. # **01733292** Date _____

(Salesperson or Broker-Associate, if any)

AD REVISED 12/24 (PAGE 1 OF 2)



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

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

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

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

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

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

2079.16 Reproduced on Page 1 of this AD form.

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

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

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

2079.18 (Repealed pursuant to AB-1289)

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

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

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

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

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

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

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

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EXEMPT SELLER DISCLOSURE
 Use by Sellers Who Are Exempt From Completing a TDS,
 Or For Any Seller Who Does Not Provide a SPQ.
 (C.A.R. Form ESD, Revised 6/23)

Seller makes the following disclosures with regard to the real property or manufactured home described as **321 E. Country Club Blvd**, situated in **Big Bear City** (City), **SAN BERNARDINO** (County), California, **92314** (Zip Code), Assessor's Parcel No. **0311-188-22-0000** ("Property").

☐ This property is a duplex, triplex or fourplex. An ESD is required for all units. This ESD is for all units (or ☐ only unit(s) _____).

1. A. Under California law (Civil Code § 1102, et seq.) most Sellers of real property containing 1-4 residential units are required to provide prospective Buyers with a completed Real Estate Transfer Disclosure Statement ("TDS"). Certain Sellers are exempt from completing the TDS but not exempt from making other disclosures. Sellers who are not legally required to complete a TDS can use this form to make other required disclosures, including the disclosure of material facts of which they are aware.

B. Under Civil Code §§ 1101.4 and 1101.5, non-compliant plumbing fixtures in any single family or multi-family residential real property built before January 1, 1994 shall be replaced by the Property owner with water-conserving plumbing fixtures.

2. **THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT(S) AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF SELLER OR BUYER DESIRE LEGAL ADVICE, CONSULT AN ATTORNEY.**

3. **Are you (Seller) aware of any of the following? (Explain any "yes" answers below.)**

A. Within the last 3 years, the death of an occupant of the Property upon the Property ☐ Yes ☐ No

B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) ☐ Yes ☐ No

C. The release of an illegal controlled substance on or beneath the Property ☐ Yes ☐ No

D. Whether the Property is located in or adjacent to an "industrial use" zone ☐ Yes ☐ No
 (In general, a zone or district allowing manufacturing, commercial or airport uses.)

E. Whether the Property is affected by a nuisance created by an "industrial use" zone ☐ Yes ☐ No

F. Whether the Property is located within 1 mile of a former federal or state ordnance location (In general, an area once used for military training purposes that may contain potentially explosive munitions.) ☐ Yes ☐ No

G. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision ☐ Yes ☐ No

H. Insurance claims affecting the Property within the past 5 years ☐ Yes ☐ No

I. Matters affecting title of the Property ☐ Yes ☐ No

J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3 ☐ Yes ☐ No

K. Any other material facts or defects affecting the Property, or material documents in Seller's possession affecting the Property, not otherwise disclosed to Buyer ☐ Yes ☐ No

Explanation, or ☐ (if checked) see attached;

HOME IS BANK OWNED SELLER NEVER LIVED IN THE HOME

Seller represents that the information herein is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a Copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

Seller _____ Date _____
 Seller _____ Date _____

By signing below, Buyer acknowledges Buyer has received, read, and understands this Exempt Seller Disclosure form.

Buyer X Camelia Ossaian Universal Air Properties LLC Date X 11/19/2025
 Buyer _____ Date _____

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ESD REVISED 6/23 (PAGE 1 OF 1)

EXEMPT SELLER DISCLOSURE (ESD PAGE 1 OF 1)



**LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS
DISCLOSURE, ACKNOWLEDGMENT AND ADDENDUM For
Pre-1978 Housing Sales, Leases, or Rentals**
(C.A.R. Form LPD, Revised 12/24)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Other: _____, dated 10/22/2025, on property known as: 321 E. Country Club Blvd, Big Bear City, Ca 92314 ("Property") in which Universal Air Properties LLC is referred to as Buyer or Tenant and _____ is referred to as Seller or Housing Provider. Buyer/Tenant and Seller/Housing Provider are referred to as the "Parties."

LEAD WARNING STATEMENT (SALE OR PURCHASE): Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

LEAD WARNING STATEMENT (LEASE OR RENTAL): Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive federally approved pamphlet on lead poisoning prevention.

EPA'S LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE: The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at www.epa.gov/lead for more information.

1. SELLER'S OR HOUSING PROVIDER'S DISCLOSURE:

- A. I (we) have no knowledge of lead-based paint and/or lead-based paint hazards in the housing other than the following: _____
- B. I (we) have no records or reports pertaining to lead-based paint and/or lead based paint hazards in the housing other than the following, which, previously or as an attachment to this addendum, have been provided to Buyer or Tenant: _____
- C. I (we), previously or as an attachment to this addendum, have provided Buyer or Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

For Sales Transactions Only: Buyer has **10 days** unless otherwise agreed in the real estate contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Seller or Housing Provider _____

Date _____

Seller or Housing Provider _____

Date _____

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LPD REVISED 12/24 (PAGE 1 OF 2)

Buyer's/Tenant's Initials _____ / _____



LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (LPD PAGE 1 OF 2)

RE/MAX CHAMPIONS 121S. MOUNTAIN AVE UPLAND, CA 91786
Oscar G. Dominguez

Phone: 9095619578 Fax: 9093488123
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwof.com

Untitled

Property Address: **321 E. Country Club Blvd , Big Bear City, Ca 92314**Date **November 6, 2025****2. LISTING AGENT'S ACKNOWLEDGMENT:**

Seller or Housing Provider's Agent has informed Seller or Housing Provider of Seller's or Housing Provider's obligations under § 42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

RE/MAX CHAMPIONS

Agent (Broker representing Seller or Housing Provider)
(Please print)

By

[Signature] 11-6/25
Associate-Licensee or Broker Signature
OSCAR DOMINGUEZ

3. BUYER'S OR TENANT'S ACKNOWLEDGMENT:

- A. (1) I (we) have received copies of all records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing listed, if any, in **paragraph 1** above
(2) (if initialed) _____ / _____ I have not received any records and reports regarding lead-based paint and/or lead-based paint hazards in the housing.
- B. I have received the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."
- C. **If delivery of any of the disclosures or pamphlet referenced in paragraph 1 above occurs after Acceptance of an offer to purchase, Buyer has a right to cancel pursuant to the purchase contract. If you wish to cancel, you must act within the prescribed period.**
- D. **For Sales Transactions Only:** Buyer acknowledges the right for **10 days**, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead based paint hazards; OR, (if checked) ☐ Buyer waives the right to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

X *Camelia Ossaian*

11/19/2025

Buyer or Tenant

Date

Buyer or Tenant

Date

Universal Air Properties LLC**4. BUYER OR TENANT AGENT'S ACKNOWLEDGMENT:**

Buyer or Tenant's Agent has informed Seller or Housing Provider, through the Listing Agent if the property is listed, of Seller's or Housing Provider's obligations under § 42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

X **Keller Williams Big Bear - Lake Arrowhead**

Agent (Broker obtaining the Offer)
(Please print)

By

*Evan Fellman***11/19/2025**

Associate-Licensee or Broker Signature

Date

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QUALIFIED SUBSTITUTE DECLARATION OF POSSESSION OF TRANSFEROR'S AFFIDAVIT OF NONFOREIGN STATUS

(C.A.R. Form QS, Reviewed 6/25)

Regarding the Real Property identified in the Purchase Agreement, OR ☐ Other _____,
dated 10/22/2025, on property known as 321 E. Country Club Blvd, Big Bear City, Ca 92314 ("Property"),
between _____ Universal Air Properties LLC ("Buyer")
and _____ ("Seller").

In compliance with Internal Revenue Code § 1445, the undersigned qualified substitute states as follows:

1. **QUALIFIED SUBSTITUTE NAME:** _____
is an escrow company, title company, or attorney responsible for closing the above-described transaction
or is the Transferee's broker (but not the Transferor's broker) ("Qualified Substitute").
2. **TRANSFEROR'S AFFIDAVIT:**
 - A. The following Transferor(s) has each furnished to the Qualified Substitute an affidavit stating under penalty of perjury the Transferor's United States taxpayer identification number and that the Transferor is not a foreign person ("Transferor's Affidavit"):
These Transferors are (☐ are not) all Transferors for the above described transaction.
 - B. TRANSFEROR(S) FULL NAME(S): _____
3. **DECLARATION UNDER PENALTY OF PERJURY:** The undersigned Qualified Substitute declares under penalty of perjury under the laws of the State of California to be in possession of the Transferor's Affidavit, for each Transferor named in 2 above.

Qualified Substitute _____ Date _____
By _____ Title, if any _____

I acknowledge receipt of this Qualified Substitute Declaration of Possession of Transferor's Affidavit of Nonforeign Status.

Buyer Camelia Ossaian Universal Air Properties LLC Date 11/19/2025
Buyer _____ Date _____

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QS REVIEWED 6/25 (PAGE 1 OF 1)



QUALIFIED SUBSTITUTE DECLARATION OF POSSESSION OF TRANSFEROR'S AFFIDAVIT OF NONFOREIGN STATUS (QS PAGE 1 OF 1)

RE/MAX CHAMPIONS 121S. MOUNTAIN AVE UPLAND, CA 91786
Oscar G. Dominguez

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Phone: 9095619578

Fax: 9093488123

www.lwolf.com

Untitled



REO ADVISORY
For Properties Being Sold by a Lender After Foreclosure
 (C.A.R. Form REO, Revised 12/23)

Property Address: 321 E. Country Club Blvd , Big Bear City, Ca 92314 ("Property").

The Seller of the Property is a lender who has acquired title to the Property either by foreclosure or through a deed given in lieu of foreclosure. Many obligations imposed upon sellers, particularly sellers of real property containing one-to-four dwelling units, may not be applicable to the sale of the Property. However, even though Seller is exempt from some obligations, Seller must still comply with many others. This Advisory is intended to inform Buyer and Seller of their rights and obligations independent of those established by the contract between them.

1. SELLER MUST COMPLY WITH THE FOLLOWING:

- A. Known Material Fact Disclosures:** Seller is obligated to disclose known material facts affecting the value and desirability of the Property.
- B. Hazard Zones:** Seller is not exempt from applicable statutory obligations to disclose earthquake fault zones, seismic hazard zones, state fire responsibility areas, very high fire hazard severity zones, special flood hazard areas and flood hazard zones pursuant to the Public Resources Code, Government Code and United States Code, even though, pursuant to the Civil Code, the specific NHD Form is not required to be completed.
- C. Smoke Detectors:** The sale is not exempt from the State requirements that, for single family residences, operable smoke detectors be in place and that a written statement of compliance be provided to Buyer. It is negotiable between Buyer and Seller who is to pay for the cost of compliance.
- D. Water Heaters:** The sale is not exempt from the State requirement that water heaters be properly anchored, braced or strapped and that Seller provide a written statement of compliance to Buyer. It is negotiable between Buyer and Seller who is to pay for the cost of compliance.
- E. Lead-based Paint:** The Seller is not exempt from the federal obligation to: (i) disclose known lead-based paint and lead-based paint hazards; (ii) provide Buyer with copies of reports or studies covering lead-based paint and hazards on the Property; (iii) provide Buyer with the pamphlet "Protect Your Family From Lead In Your Home"; and (iv) give Buyer a 10-day opportunity to inspect for lead-based paint and hazards, if the Property contains residential dwelling units and was constructed prior to 1978.
- F. Carbon Monoxide Devices:** The sale is not exempt from the State requirements that on or before July 1, 2011, for all existing single family dwelling units, and on or before January 1, 2013, for all other existing dwelling units, the owner must install a carbon monoxide device approved and listed by the State Fire Marshall in the dwelling unit if the dwelling unit has a fossil fuel burning heater or appliance, fireplace, or an attached garage.
- G. Water Conserving Plumbing Fixtures:** This Sale is not exempt from the State requirement that (i) single family residences built before January 1, 1994 be equipped with water conserving plumbing fixtures by January 1, 2017 and multi-family and commercial properties be equipped with water conserving plumbing fixtures by January 1, 2019; (ii) Sellers disclose to Buyers the requirements of the law; and (iii) sellers disclose to Buyers whether the Property contains any non-compliant plumbing fixtures. See C.A.R. Form WCMD for further information.
- H. Tax Withholding:** The sale is not exempt from providing information pertaining to the withholding obligation under either the federal "FIRPTA" or the California withholding requirements upon the sale of real property. However, an REO Seller which is a corporation or limited liability company, formed within the United States, and qualified either with the Secretary of State to do business in California or with a permanent place of business in California, will be exempt from withholding under both federal and California law.
- I. Megan's Law Database Disclosure:** The sale is not exempt from the requirement that residential sales contracts contain the following notice regarding the availability of information about registered sex offenders. "Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides." (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- J. Notice Regarding Gas And Hazardous Liquid Transmission Pipelines:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Website. (Neither Seller nor Agent are required to check this website. If Buyer wants further information, Agent recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Agent do not have expertise in this area.)

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



REO ADVISORY (REO PAGE 1 OF 2)

RE/MAX CHAMPIONS 121S. MOUNTAIN AVE UPLAND, CA 91786
 Oscar G. Dominguez

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

Phone: 9095619578 Fax: 9093488123
www.lwolf.com

Untitled

2. SELLER MAY BE EXEMPT FROM THE FOLLOWING:

- A. Disclosure Statements:** Seller does not have to complete, sign and provide Buyer with a Real Estate Transfer Disclosure Statement (C.A.R. Form TDS) or Natural Hazard Disclosure Statement. Seller remains obligated to make the disclosures and comply with the items specified in **paragraph 1**.
- B. Other Exemptions:** Seller is exempt from providing Buyer with a Mello-Roos district lien disclosure, an Improvement Bond Act of 1915 notice, a Supplemental Property Tax notice, a Notice of Private Transfer Fee pursuant to California Civil Code §§ 1102 et seq. and either a Homeowner's or Commercial Property Owners Guide to Earthquake Safety
- C. Exempt Seller Disclosures:** Even exempt Sellers have statutory or contractual obligations to make certain disclosures and may be required by contract to use an Exempt Seller Disclosure (C.A.R. Form ESD) and is strongly encouraged to do so.

3. OTHER OBLIGATIONS APPLICABLE TO REO PROPERTIES:

- A. Selection of Title and Escrow:** California Civil Code section 1103.22 prohibits Seller from requiring, directly or indirectly, a Buyer to purchase title insurance or escrow services from a particular title insurer or escrow agent in connection with the sale of residential property improved with four or fewer dwellings. The Buyer may agree to use the title or escrow provider recommended by Seller if the Buyer has been informed of the right to make an independent selection of the applicable service. Federal law, 12 U.S.C. Section 2608, prohibits Seller from requiring, directly or indirectly, that the Buyer purchase title insurance from any particular title company as a condition of selling residential property improved with four or fewer dwellings if the purchase will be made with a federally-related mortgage loan. Seller and Buyer understand that Brokers do not require Buyer to purchase title or escrow services from any particular provider. Any communications from Seller that Broker may deliver to Buyer or Buyer's agent concerning the selection of title or escrow services should not be construed as Broker's endorsement or recommendation of, or request for Buyer to use, any particular title or escrow provider.
- B. Local Law:** Local law may impose obligations on the transfer of real property (such as the installation of low flow toilets or shower heads, emergency gas shut-off valves or installation of smoke detectors). Local law should be consulted to determine if sales of Lender-owned property are exempt from such requirements.
- C. Amendments to Contract:** Seller-prepared addenda, amendments, or counter-offers or a Seller-prepared contract, may conflict with, contradict or be inconsistent with terms in Buyer's offer. Brokers cannot advise Buyer or Seller: (i) which specific terms in any offer may be affected; (ii) whether the terms in any such Seller-prepared documents are permissible under California Law; or (iii) in the event of a discrepancy between the Seller-prepared documents and any other Agreement between Buyer and Seller, which document or which terms may supersede the other. Buyer is advised to seek legal counsel to discuss the applicability and interpretation of any Seller-prepared documents prior to signing any such documents.
- D. Rental Property:** If the Property was occupied by a tenant at the time the lender acquired the Property and the tenant had a bona fide arm's length rental agreement at a fair market rate, the tenant may be entitled to the balance of their lease term, or at least a 90-day notice for termination of a month-to-month tenancy. In addition, certain rent control jurisdictions have asserted that the tenant has rights under rent control after a foreclosure. Moreover, the tenant may be entitled to the return of their security deposit even if the security deposit was not given to the lender after the foreclosure sale or to the buyer of the REO Property.

4. BROKERS:

- A. Inspection:** The sale is not exempt from the Broker's obligation to conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to Buyer material facts revealed by such an inspection in the sale of residential property containing one-to-four dwelling units. Brokers may do so on C.A.R. Form AVID.
- B. Agency:** The sale is not exempt from the obligation to provide agency relationship disclosure and confirmation forms in the sale of residential property containing one-to-four dwelling units, commercial Property and vacant land.

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this REO Advisory.

Buyer <i>X</i>	<i>Camelia Ossaian</i>	<i>Universal Air Properties LLC</i>	Date <i>X</i>	<i>11/19/2025</i>
Buyer			Date	
Seller			Date	
Seller			Date	

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REO ADVISORY (REO PAGE 2 OF 2)

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Untitled



RECEIPT FOR REPORTS No. 1

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

In accordance with the terms and conditions of the Purchase Agreement OR ☐ Other _____
 dated October 22, 2025, on property known
 as 321 E. Country Club Blvd , Big Bear City, Ca 92314 ("Property"),
 between Universal Air Properties LLC ("Buyer")
 and _____ ("Seller").

- REPORTS PROVIDED TO BUYER:** Buyer is being provided with the following reports, documents, inspections reports, disclosures, proposals, estimates or invoices ("Reports") checked in **paragraphs 4 and 5**.
- REPORTS NOT VERIFIED BY BROKER OR SELLER:** Broker and Seller have not verified the representations in such Reports and make no representation themselves regarding the adequacy and completeness of such Reports or the performance of the person conducting such inspections or preparing the Reports.
- BUYER'S OWN INVESTIGATIONS:** Any Reports not ordered by Buyer should not be considered as a substitute for Buyer obtaining their own inspections and Reports covering the same items and any other matter affecting the value and desirability of the Property.
- LIST OF REPORTS ORDERED BY BUYER OR SELLER FOR THIS TRANSACTION:**

Report, Document or Disclosure	Ordered by	Prepared By	Dated	Via Link
A. ☐ Wood Destroying Pest Inspection	☐ B ☐ S	_____	_____	☐
B. ☐ Home Inspection Report	☐ B ☐ S	_____	_____	☐
C. ☒ Title: Preliminary Report	☐ B ☐ S	_____	_____	☐
D. ☐ Roof Inspection	☐ B ☐ S	_____	_____	☐
E. ☐ Sewer Lateral Report	☐ B ☐ S	_____	_____	☐
F. ☐ Natural Hazard Disclosure Report	☐ B ☐ S	_____	_____	☐
G. ☐ Domestic Well Test	☐ B ☐ S	_____	_____	☐
H. ☐ Septic/Private Sewage Inspection	☐ B ☐ S	_____	_____	☐
I. ☐ HVAC Inspection	☐ B ☐ S	_____	_____	☐
J. ☐ Government Inspection or Report	☐ B ☐ S	_____	_____	☐
K. ☐ Statutory Condominium/Planned Development Disclosures (Civil Code § 4525)	☐ B ☐ S	_____	_____	☐
L. ☐ Contractual Condominium/Planned Development Disclosures	☐ B ☐ S	_____	_____	☐
M. ☐ Lease Documents	☐ B ☐ S	_____	_____	☐
N. ☐ Tenant Estoppel Certificates	☐ B ☐ S	_____	_____	☐
O. ☐ _____	☐ B ☐ S	_____	_____	☐
P. ☐ _____	☐ B ☐ S	_____	_____	☐
Q. ☐ _____	☐ B ☐ S	_____	_____	☐
R. ☐ _____	☐ B ☐ S	_____	_____	☐



RECEIPT FOR REPORTS (RFR PAGE 1 OF 2)

5. **LIST OF REPORTS FROM PREVIOUS TRANSACTIONS:** The following Reports are being provided by Seller from previous transactions, and unless otherwise disclosed or noted, Seller has not verified the information and has no further knowledge regarding such Reports. Such Reports may not have been updated or reflect the current condition of the Property.

**Report, Document or Disclosure
From Previous Transactions**

Prepared By

Dated Via Link

A. ☐	_____	_____	☐
B. ☐	_____	_____	☐
C. ☐	_____	_____	☐
D. ☐	_____	_____	☐
E. ☐	_____	_____	☐
F. ☐	_____	_____	☐
G. ☐	_____	_____	☐
H. ☐	_____	_____	☐
I. ☐	_____	_____	☐
J. ☐	_____	_____	☐
K. ☐	_____	_____	☐

Seller is not aware of any other reports in Seller's possession or control.

Seller _____ Date _____
 Seller _____ Date _____

6. **REPORTS DELIVERED VIA LINK:** For all Reports identified by a check below, Buyer is unable or unwilling to open the link, is unable to download the documents in the link, or prefers to receive the documents directly rather than via a link.

A. ☐ All Reports Delivered via link.
 B. ☐ _____
 C. ☐ _____

7. **ADDITIONAL INVESTIGATION RECOMMENDATIONS:** If any of the above reports recommends Buyer obtain additional investigations, you should contact qualified experts to determine if such additional investigations are necessary. If you do not do so, you are acting against Broker's Advice.

8. **REPORTS PREPARED FOR PERSONS OTHER THAN BUYER:** Buyer has been advised that if Buyer receives any Report that has not been ordered by Buyer (whether prepared by or for Seller or others), Buyer may have no recourse against the preparer of the report for any errors, inaccuracies or missing information. Buyer is advised to check with the preparer of any Report to determine if preparer will offer Buyer such recourse.

Buyer acknowledges receipt of the report(s), document(s), inspection report(s), disclosure(s), proposal(s), estimate(s), or invoice(s) ("Reports") checked above. Unless otherwise specified in paragraph 6, Buyer acknowledges being able to access any and all Reports delivered via a link.

By signing below, Buyer acknowledges that they have received a copy of this Receipt for Reports, and they have read and understand its terms.

Buyer X _____ **Universal Air Properties LLC** Date X _____
 Buyer _____ Date _____

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RFR REVISED 6/25 (PAGE 2 OF 2)



RECEIPT FOR REPORTS (RFR PAGE 2 OF 2)

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Untitled



SELLER'S AFFIDAVIT OF NONFOREIGN STATUS (FIRPTA)

(Use a separate form for each Transferor)

(C.A.R. Form AS, Reviewed 6/25)

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

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

2. SELLER'S INFORMATION:

321 E. Country Club Blvd

A. PROPERTY ADDRESS (property being transferred): **Big Bear City, Ca 92314** ("Property")

B. TRANSFEROR'S NAME: ("Transferor")

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

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

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

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

4. QUALIFIED SUBSTITUTE OR DIRECT DELIVERY TO BUYER:

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

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

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

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

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

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

B. Address _____

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

C. Telephone Number _____

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

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

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

Typed or printed name

Title (If signed on behalf of Entity Transferor)

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

Buyer ☒ Camelia Ossaian Universal Air Properties LLC Date ☒ 11/19/2025
(Buyer acknowledges receipt of a Copy of this Seller's Affidavit).

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

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

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

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www.lwof.com

Untitled

For further information on federal guidelines, see C.A.R. Legal Q & A "Federal Withholding: The Foreign Investment in Real Property Tax Act," and/or IRS Publication 515 or 519. For further information on state guidelines, see C.A.R. Legal Q & A "California Nonresident Withholding," and/or California FTB Pub. 1016.

FEDERAL GUIDELINES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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STATEWIDE BUYER AND SELLER ADVISORY
(This Form Does Not Replace Local Condition Disclosures.
Additional Advisories or Disclosures May Be Attached)
 (C.A.R. Form SBSA, Revised 6/24)

BUYER RIGHTS AND DUTIES:

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

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

SELLER RIGHTS AND DUTIES:

You have a duty to disclose material facts known to you that affect the value or desirability of the Property. You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement. This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.

BROKER RIGHTS AND DUTIES:

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

LEGAL, TAX AND CONTRACT CONSIDERATIONS FOR BOTH BUYER AND SELLER:

You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. You should contact a CPA or tax attorney to determine (i) the basis of the property for income tax purposes; and (ii) any calculations necessary to determine if a sale, and what price, would result in any capital gains taxes that may need to be reported to State and Federal taxing agencies. In addition, you should consult with the CPA or tax attorney regarding what factors affect how the property tax basis is determined. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange. The terms of the Agreement and any counter offers and addenda establish your rights and responsibilities to each other.



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A. Investigation of Physical Conditions

- EASEMENTS, ACCESS AND ENCROACHMENTS:** Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's investigation contingency period. Brokers do not have expertise in this area.



2. **ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, PCB's, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. Some municipalities may impose additional requirements regarding underground storage tanks, which may be more common in certain areas and cities throughout the State, especially where there are larger, older homes built before 1935. It is possible that these tanks, either now or in the future, may require inspections or abatement. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's investigation contingency period. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home." Brokers do not have expertise in this area.
3. **FORMALDEHYDE:** Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's investigation contingency period. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants." Brokers do not have expertise in this area.
4. **GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s). Brokers do not have expertise in this area.
5. **INSPECTIONS:** Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's investigation contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in these areas.
6. **MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited



to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's investigationcontingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Brokers do not have expertise in this area.

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



- 12. WELL AND WATER SYSTEM(S):** Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- 13. WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- 14. FIRE HARDENING, DEFENSIBLE SPACE, AND WILDFIRE DISASTERS:** California is subject to wildfires which have resulted in damage and destruction of many properties located in the state. Several recent state laws have mandated disclosures by sellers when selling properties in certain identified zones, such as "high" or "very high" fire severity zones. Additionally, state law mandates that sellers provide buyers with statements of compliance with local mandates if adopted by local agencies. The Property may be located in a high or very high fire severity zone. This may impact the availability of insurance and the ability to build or rebuild structures on the Property. Additionally, there may be requirements that certain fire prevention steps may be mandated. Information on fire hardening, including current building standards and information on minimum annual vegetation management standards to protect homes from wildfires, can be obtained on the internet website <http://www.readyforwildfire.org>. Cal Fire has made available a "Fire Hazard Severity Zone Viewer" where you can input the Property address to determine which fire hazard zone, if any, that the Property is located in. The viewer is available at <https://egis.fire.ca.gov/FHSZ/>. Below is a partial list of potential resources provided as a starting point for Buyer/Lessee investigations and not as an endorsement or guarantee that any federal, state, county, city or other resource will provide complete advice.
- A. California Department of Insurance ("Wildfire Resource") <http://insurance.ca.gov/01-consumers/140-catastrophes/WildfireResources.cfm>; 1-800-927-4357
 - B. Governor's Office of Emergency Services ("Cal OES") California Wildfires Statewide Recovery Resources <http://wildfirerecovery.org/>
 - C. California Department of Forestry and Fire ("Cal Fire") <http://fire.ca.gov/> and <https://www.readyforwildfire.org/>
 - D. California Department of Transportation <https://calsta.ca.gov/>
 - E. California Attorney General <https://oag.ca.gov/consumers/pricegougingduringdisasters#8C1>
- Brokers do not have expertise in this area.**
- 15. PRELIMINARY (TITLE) REPORT:** A preliminary report is a document prepared by a title company which shows the conditions upon which the title company is willing to offer a policy of title insurance. However, a preliminary report is not an "abstract of title;" the title company does not conduct an exhaustive search of the title record and does not guarantee the condition of title. Nevertheless, the preliminary report documents many matters that have been recorded that can impact an owner's use of the property such as known easements, access rights, and encroachments and, if applicable, governing documents and restrictions for a homeowners' association (HOA). Among many other restrictions that may appear in the HOA documents are restrictions on the number and weight of pets that are allowed. A preliminary report may contain links to important documents referred to in the report. Broker recommends that Buyer reviews the preliminary report and any documents referenced by links and keep a printed or electronic copy of the preliminary report and documents referenced by link. Brokers do not have expertise in this area.

B. Property Use and Ownership

- 1. ACCESSORY DWELLING UNITS:** Accessory Dwelling Units (ADUs) are known by many names: granny flats, in-law units, backyard cottages, secondary units and more. California has passed laws to promote the development of ADUs. Additional information about ADUs can be found at <http://hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use and rentability of the Property, its development and size. Brokers do not have expertise in this area.
- 2. BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards



or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Certain governmental agencies may require periodic inspections to occur in the future. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's investigationcontingency period. Brokers do not have expertise in this area.

3. **BUYER INTENDED FUTURE USE OF, AND MODIFICATIONS TO, THE PROPERTY:** Buyer and Seller are advised that Seller's existing use of the property may not be consistent with Buyer's intended use or any future use that Buyer makes of the property, whether or not Buyer has any current plans to change the use. Buyer is advised to check with appropriate government agencies or third party professionals to verify what legal requirements are needed to accommodate any change in use. In addition, neither Seller nor Broker make any representations as to what modifications Buyer can make to the Property after close of escrow as well as any cost factors associated with any such modifications. Buyer is advised to check with his own licensed contractor and other such professionals as well as with the appropriate government agencies to determine what modifications Buyer will be allowed to make after close of escrow. Brokers do not have expertise in this area.
4. **CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's investigationcontingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.
5. **FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's investigationcontingency period. Brokers do not have expertise in this area.
6. **HEATING VENTILATING AND AIR CONDITIONING SYSTEMS:** Changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC): (i) Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <https://www.energy.ca.gov/programs-and-topics/programs/home-energy-rating-system-hers-program>. Home warranty policies may not cover such inspections or repairs, (ii) the phase out of the use of HCFC-22 (R-22 Freon) will have an impact on repairs and replacement of existing air conditioning units and heat pumps. The production and import of HCFC-22 ended January 1, 2020. Existing systems may continue to be used and HCFC-22 recovered and reclaimed or that was produced prior to 2020 can help meet the needs of existing systems, however, costs may rise. More information is available from the Environmental Protection Agency at https://www.epa.gov/sites/production/files/2018-08/documents/residential_air_conditioning_and_the_phaseout_of_hcfc-22_what_you_need_to_know.pdf and <http://www.epa.gov/ozone/title6/phaseout/22phaseout.html> and (iii) New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at http://www.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's investigationcontingency period. Brokers do not have expertise in this area.
7. **HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions or requirements regarding Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's investigationcontingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.
8. **INSURANCE, TITLE INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or ESD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's investigationcontingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner's Association Insurance and the type of insurance coverage that Buyer may purchase. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's investigationcontingency period.



period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.

9. **LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.
10. **MARIJUANA, CANNABIS, AND METHAMPHETAMINE LABS:** Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California law also allows recreational use of marijuana for adults, as well as limited rights for individuals to grow and cultivate marijuana, and rights of others, subject to a licensing process, to grow, cultivate and distribute marijuana for recreational use. California's medical and recreational marijuana laws are in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property, additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" <https://oag.ca.gov/system/files/attachments/press-docs/MEDICINAL%20CANNABIS%20Guidelines.pdf> and the U.S. Department of Justice memo regarding marijuana prosecutions at <https://www.justice.gov/opa/press-release/file/1022196/download>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.
11. **OWNER'S TITLE INSURANCE:** The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that Buyers be provided with the following notice: "IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

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

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



- 12. RENT AND EVICTION CONTROL LAWS AND ORDINANCES:** Buyer and Seller are advised that California and some cities and counties impose or may impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property, the right of a landlord to terminate a tenancy and the costs to do so, and the consequences of terminating a tenancy unlawfully. Even if property that is currently vacant was previously tenant occupied, the termination of that previous tenancy may affect a buyer's rights such as the legal use of the property and who may occupy the property in the future. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or a qualified California real estate attorney during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- 13. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS:** Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing or retrofitting low-flow toilets and showerheads, gas shut-off valves, fireplaces, and tempered glass. Further, there may be potential health impacts from air pollution caused from burning wood. Exposure to particulate matter from the smoke may cause short-term and long-term health effects. Buyers should consult with licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance. Brokers do not have expertise in this area.
- 14. SHORT TERM RENTALS AND RESTRICTIONS:** Buyer and Seller are advised that some cities, counties and Homeowner Associations (HOAs) do impose or may impose restrictions that limit or prohibit the right of the owner or occupant to rent-out the Property for short periods of time (usually 30 Days or less). In short term rentals, as well as all rentals, Buyer and Seller are advised to seek assistance to ensure compliance with all fair housing laws and regulations. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- 15. VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- 16. SWIMMING POOL, SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms, pool covers, exit alarms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements. State law requires that new pools and spas be equipped with at least two of seven specified drowning prevention safety features. Home inspectors have a statutory obligation to perform a non-invasive physical examination of the pool area to identify which safety features are present. Brokers do not have expertise in this area.
- 17. WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.
- 18. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in § 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. If there is a question as to whether an existing bond or assessment will be prorated as of the close of escrow, or whether Seller will pay off the bond or assessment at close of escrow, Buyers are advised to discuss the matter with the appropriate entity and address the responsibility for payment in negotiations for the purchase agreement or amendment prior to removing contingencies. Some cities and other localities have begun, or have the intention to begin, the process of requiring the replacement of utility poles by requiring that utility lines be buried underground. These projects can result in special tax assessments and set-up costs that are imposed on individual property owners. Brokers do not have expertise in this area.



C. Off-Site and Neighborhood Conditions

1. **GOLF COURSE DISCLOSURES:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls – Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting – The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use – A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system – Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts – Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences – It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. (vii) View obstruction – Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. (viii) Water restrictions – As some municipalities face water shortages, the continued availability of water to the golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter. Brokers do not have expertise in this area.
2. **NEIGHBORHOOD, AREA, PERSONAL FACTORS, BUYER INTENDED USE, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS:** Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer and FAA requirements for recreational and non-recreational use of Unmanned Aircraft Systems (UAS) (drones) (see UAS frequently asked questions <http://www.faa.gov/uas/faqs/>). California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at www.cahighspeedrail.ca.gov/. The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions. Brokers do not have expertise in this area.
3. **NEIGHBORHOOD NOISE SOURCES:** Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.
4. **SCHOOLS:** Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's investigation contingency period. Brokers do not have expertise in this area.
5. **UNDERGROUND PIPELINES AND UTILITIES:** Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's investigation contingency period. Brokers do not have expertise in this area.
6. **WILDLIFE:** California is the home to many species of wildlife. The location of homes in California continues to expand into areas that are the natural habitat of wildlife and the Property may be in such an area. Wildlife may become a nuisance especially if the availability of their natural sources of food or water is limited. Buyer should investigate the need to



implement mitigation measures at the Property including but not limited to the use of animal-resistant garbage containers, and other appropriate measures depending on the species and habitat involved. Brokers do not have expertise in this area.

7. **SEA LEVEL RISE/COASTAL PROPERTIES:** Sea level rise has the potential to affect coastal residents, recreation, and development. Coastal communities may or may not have addressed the potential impact. The following is a non-exclusive list of issues that may be impacted by sea level rise: (i) Shoreline, beach and bluff erosion, and flooding; (ii) The effectiveness of seawalls and bulkheads, whether built with or without permits; (iii) Seaward construction, development or improvement to existing structures; (iv) The enactment of geological hazard abatement districts and assessments; and (v) The location of the "mean high tide line" which is used to delineate shoreline boundaries for some coastal properties.

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

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

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

D. Legal Requirements (Federal, State and Local)

1. **DEATH ON THE PROPERTY:** California Civil Code § 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when § 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing. Brokers do not have expertise in this area.
2. **EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code §§ 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's investigation contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones. Brokers do not have expertise in this area.
3. **EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at <http://www.epa.gov/lead> for more information. Buyer and Seller are advised to consult an appropriate professional. Brokers do not have expertise in this area.
4. **FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code § 4136 and California Government Code §§ 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's investigation and insurance contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Buyer is advised that there is a potential for fires even outside designated zones. Brokers do not have expertise in this area.
5. **FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code § 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the Buyer acquires the property as Buyer's residence and the price does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code § 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller



signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

6. **FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code § 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's investigation contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.
7. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to § 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov/>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers, in any, are required to check this website. If Buyer wants further information, Buyer should obtain information directly from this website.) Brokers do not have expertise in this area.
8. **NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL; ACCURATE SALES PRICE REPORTING:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following notice to the Buyer:

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

The supplemental tax bills are not mailed to your lender. Even if you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your Tax Collector's Office."

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

9. **ZONE MAPS MAY CHANGE:** Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA. Brokers do not have expertise in this area.
10. **ELECTRIFICATION OF ENERGY SOURCE:** Several local jurisdictions in California have enacted laws which prohibit the use of natural gas appliances in new construction. Other local jurisdictions, and State of California, are considering bans, and may even prohibit the replacement, sale or installation of appliances that use any fuel source other than electricity. Brokers do not have expertise in this area.

E. Contract Related Issues and Terms

1. **SIGNING DOCUMENTS ELECTRONICALLY:** The ability to use electronic signatures to sign legal documents is a great convenience, however Buyers and Sellers should understand they are signing a legally binding agreement. Read it carefully. Although electronic signature programs make it easy to skip from one signature or initial line to another, Buyers and Sellers are cautioned to only sign if they have taken the time necessary to read each document thoroughly, understand the entire document, and agree to all of its terms. Do not just scroll through or skip to the next signature or initial line, even if you have reviewed an earlier draft of the document. If you have questions or do not understand a provision, before you sign ask your Broker, Agent or legal advisor about the contract term and sign only if you agree to be bound by it. Some signature or initial lines are optional, such as for the liquidated damages and arbitration clauses. Consider your decision before signing or initialing. See below for more information on the liquidated damages and arbitration clauses. If there are more than one buyer or seller, each must sign or initial on their own. Do not sign or initial for anyone else unless you have a power of attorney for that person or are otherwise legally authorized, in writing, to



sign or initial for another. Print or electronically store a copy of the document for your own records. Brokers do not have expertise in this area.

2. **LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form DID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.
3. **MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails. Brokers do not have expertise in this area.
4. **ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.
5. **ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code § 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.
6. **HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.
7. **IDENTIFICATION OF NATURAL PERSONS BEHIND SHELL COMPANIES IN ALL-CASH TRANSACTIONS:**
The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) has issued Geographic Targeting Orders (GTOs) targeting alleged money laundering risk in the real estate sector. The GTOs will temporarily require U.S. title insurance companies to identify the natural persons behind shell companies used to pay "all cash" for high-end residential real estate in certain major metropolitan areas. FinCEN explained that it remains concerned that all-cash purchases (i.e., those without bank financing) may be conducted by individuals attempting to hide their assets and identity by purchasing residential properties through limited liability companies or other similar structures. Since the original issuance, the GTOs have been renewed and may continue to be renewed. The GTOs cover the following areas in California: Los Angeles, San Francisco, San Mateo, Santa Clara and San Diego Counties. The monetary thresholds for each county is \$300,000. GTOs have helped law enforcement identify possible illicit activity. FinCEN reported that a significant portion of covered transactions have dictated possible criminal activity associated with the individuals reported to be the beneficial owners behind shell company purchasers. Brokers do not have expertise in this area.
8. **NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form NDA). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller. Brokers do not have expertise in this area.
9. **ONLINE OR WIRE FUNDS TRANSFERS:** Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers,



verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed. See C.A.R. Form WFA for further information. Brokers do not have expertise in this area.

F. Other Factors Affecting Property

1. **COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations § 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.
2. **GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION:** Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces; Whirlpool Microwave Hood Combination; RE-Con Building products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene PEX, KITEC® and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at <http://www.cpsc.gov/> during Buyer's investigation contingency period. Another source affiliated with the CPSC is <http://saferproducts.gov/> which allows a Buyer to search by product type or product name. Buyer may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyer satisfy themselves regarding recalled or defective products. Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. Brokers do not have expertise in this area.
3. **HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL:** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4745. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.

Although unenforceable, it is possible the CC&Rs, deed or other document on title may contain a covenant which at one time may have purported to discriminate against persons based on race, religion or other protected class or characteristics. You have the right to request the assistance of the title or escrow company to help you prepare a form which will be provided to the County and may result in the discriminatory language being removed from the public record. You may also get a notice informing you of these rights from the Broker or title or escrow company. For more information Buyer may request from Broker the C.A.R. Legal Quick Guide titled: "Agent Disclosure of Discriminatory Covenants Based on Actual Knowledge."
4. **LEGAL ACTION:** Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the



legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters. Brokers do not have expertise in this area.

5. **MARKETING; INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA:** Buyer and Seller are advised that Broker may employ a "staging" company to assist in the presentation of the Property. The furnishings and decorations in the staging are generally not included in the sale unless specifically noted in the Agreement. Statements and inclusion in the MLS entry, flyers, and other marketing materials are NOT part of the Agreement. In addition, Broker may employ a service to provide a "virtual tour" or "virtual staging" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. While they are supposed to be an accurate representation of the property, the photos may be enhanced and not fully representative of the actual condition of the property. Further, neither the service provider nor Broker have total control over who will obtain access to materials placed on the internet or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual or commercial web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies, and it may or may not reflect the opinions or representations by the Broker. Broker will not investigate any such sites, blogs, social media or other internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Broker has no control over how long the information or photos concerning the Property will be available on the Internet or through social media, and Broker will not be responsible for removing any such content from the internet or MLS. Brokers do not have expertise in this area.
6. **PACE LOANS AND LIENS:** The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on a property for the amount owed plus interest. A property owner repays the entity for the improvements as a special tax assessment on the property tax bill over a period of years. A PACE lien is similar to a property tax lien in that it has "super priority." Sellers are obligated to disclose, pursuant to the C.A.R. Residential Purchase Agreement (C.A.R. Form RPA), whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.
7. **RE-KEYING:** All locks should be re-keyed immediately upon close of escrow so as to ensure the Buyer's safety and security of their persons as well as their personal belongings. Alarms, if any, should be serviced by professionals and codes should be changed. Garage door openers and remotes should be re-coded. In the event of a lease back to Seller after the close of escrow, Seller is advised that the Buyer is entitled to the keys as the Owner of the Property even though the Seller stays in possession of the Property as provided in the RPA. Brokers do not have expertise in this area.
8. **SOLAR PANELS AND NET ENERGY METERING:** Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Sellers are required to provide material information about solar panels (C.A.R. form SOLAR may be used). Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Assumption of the lease may require Buyer to provide financial information to the leasing company who may require a credit report be obtained on the Buyer. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. Buyer's willingness to assume any such lease is a contingency in favor of Seller. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Solar panel systems may have net energy metering. Payback rates from utilities to property owners with their own source of energy (such as rooftop solar panels) who contribute electricity back to the grid may change from those currently in place and may differ upon change of ownership in the property. Fees for new solar installation may be added or changed. Buyers should discuss with the applicable utility if applicable to the property. Brokers do not have expertise in this area.
9. **RECORDING DEVICES:** Audio or video recording devices or both may be present on the Property, whether or not notice of any such devices has been posted. Seller may or may not even be aware of the capability of such devices. Brokers do not have expertise in this area.
10. **WOOD BALCONIES, STAIRS AND OTHER STRUCTURES:** Prior to January 1, 2025, and periodically thereafter, buildings with three units or more, may be required to obtain an inspection of exterior balconies, stairways, walkways, or decks that are supported



in whole or in substantial part by a wood or wood-based materials. For condos, the HOA will be responsible for the inspections per its governing documents. For other buildings, it is the owner's responsibility. An inspection report must be incorporated into a condo HOA's study of reserve account requirements. This could in turn affect lender certification requirements as well as future dues and assessments. A balcony report that identifies an immediate threat to the safety of the occupants will require the condo HOA or owner to prevent access to the balcony further impacting a property's marketability.

G. Local Disclosures and Advisories

LOCAL ADVISORIES OR DISCLOSURES (IF CHECKED):

The following disclosures or advisories are attached:

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

Buyer and Seller are encouraged to read all 15 pages of this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has received a copy of all 15 pages of this Statewide Buyer and Seller Advisory, and each has read and understands its terms.

BUYER	☒ <u>Camelia Ossaian</u>	<u>Universal Air Properties LLC</u>	Date ☒ <u>11/19/2025</u>
BUYER	_____	_____	Date _____
SELLER	_____	_____	Date _____
SELLER	_____	_____	Date _____

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SBSA REVISED 6/24 (PAGE 15 OF 15)



STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 15 OF 15)

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Untitled



WATER HEATER AND SMOKE ALARM STATEMENT OF COMPLIANCE

(C.A.R. Form WHSD, Revised 12/23)

Property Address: **321 E. Country Club Blvd, Big Bear City, Ca 92314**

NOTE: For use only for REO sales with Exempt Seller Disclosure (ESD). A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

WATER HEATER STATEMENT OF COMPLIANCE

- STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code § 19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
- TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code § 19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development.
- CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code § 19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller _____ Date _____
 Seller _____ Date _____

The undersigned hereby acknowledge(s) receipt of a copy of this document.

Buyer ☒ Camelia Ossaian Universal Air Properties LLC Date 11/19/2025
 Buyer ☐ _____ Date _____

SMOKE ALARM STATEMENT OF COMPLIANCE

- STATE LAW:** California Law requires that (i) every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke alarm, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations (Health and Safety Code § 13113.8) and (ii) all used manufactured or mobilehomes have an operable smoke alarm in each sleeping room.
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke alarm requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke alarm requirements for your property.
- TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code § 13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke alarms. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development (HCD).
- EXCEPTIONS:** Generally, a written statement of smoke alarm compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
- CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with the law by having operable smoke alarm(s) (i) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations Health and Safety Code § 13113.8 or (ii) in compliance with Manufactured Housing Construction and Safety Act (Health and Safety Code § 18029.6) located in each sleeping room for used manufactured or mobilehomes as required by HCD and (iii) in accordance with applicable local ordinance(s).

Seller _____ Date _____
 Seller _____ Date _____

The undersigned hereby acknowledge(s) receipt of a copy of this Water Heater and Smoke Alarm Statement of Compliance.

Buyer ☒ Camelia Ossaian Universal Air Properties LLC Date 11/19/2025
 Buyer ☐ _____ Date _____

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WHSD REVISED 12/23 (PAGE 1 OF 1)

WATER HEATER AND SMOKE ALARM STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)

RE/MAX CHAMPIONS 121S. MOUNTAIN AVE UPLAND, CA 91786
 Oscar G. Dominguez

Phone: 9095619578 Fax: 9093488123
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Untitled



WATER HEATER STATEMENT OF COMPLIANCE

(C.A.R. Form WHS, Revised 12/23)

Property Address: **321 E. Country Club Blvd , Big Bear City, Ca 92314**

NOTE: This form to be used by sellers exempt from the TDS (other than REO sales), and it can be provided in conjunction with the Exempt Seller Disclosure. For REO sales, C.A.R. Form Water Heater and Smoke Alarm Statement of Compliance (WHSD) to be used.

WATER HEATER STATEMENT OF COMPLIANCE

- 1. STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code § 19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
- 2. LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
- 3. TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code § 19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development.
- 4. CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code § 19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller _____ Date _____

Seller _____ Date _____

The undersigned hereby acknowledge(s) receipt of a copy of this document.

Buyer X Camelia Ossaian Universal Air Properties LLC Date X 11/19/2025

Buyer _____ Date _____

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WATER HEATER STATEMENT OF COMPLIANCE (WHS PAGE 1 OF 1)

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