



ADDENDUM AND PRELIMINARY TITLE REPORT ADVISORY TO RESIDENTIAL PURCHASE AGREEMENT

THIS IS INTENDED TO BE A LEGALLY BINDING DOCUMENT - READ IT CAREFULLY

The following terms and conditions are incorporated in, and made a part of, the Residential Purchase Agreement dated _____ on the property known as _____ (the "Property") in which _____ is referred to as Buyer and _____ is referred to as Seller.

1. Roof Inspection: Buyer herein acknowledges that Broker(s) are not licensed roofers. Roofing may leak for various reasons, including, but not limited to, damage, age, disrepair, wind, rain, sun and other elements, improper maintenance or construction. Buyer is advised to obtain a professional roof inspection, at Buyer's expense, in conjunction with Buyer's physical investigation contingency period.
2. Earthquake Disclosure: Southern California has experienced various earthquakes in the past. Damage caused by an earthquake may not be discoverable by Buyer's or Brokers' visual inspection. Thus, inspection by licensed, qualified professionals is strongly recommended to determine the structural integrity and safety of all structures and improvements to the Property. If the Property is a condominium (or a unit in some other 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. In light of the potential for more earthquakes in the future, Buyer should consider obtaining earthquake insurance.
3. Landfill Disclosure: Buyer is advised that the Property may be in the vicinity of a landfill site. Buyer agrees to make own investigation of this fact and its effect, if any, on the value and the Buyer's use and enjoyment of the Property.
4. Future Development, Land Use, Neighborhood Conditions: Buyer is aware that the Property may be affected by future development of property in the neighborhood or surrounding areas and that the Property may be subject to building and development restrictions and conditions. Buyer agrees to investigate such matters with appropriate government agencies. Buyer also agrees to fully investigate neighborhood and other conditions affecting the Property including, without limitations, whether or not the Property may be designated a historical landmark or may be located in a specified protected historical conservancy area (which could place limitations and restrictions on the potential remodeling or development of the Property), the proximity of hospitals and fire protection services, and any other conditions which may affect the use or enjoyment of the Property by Buyer. Buyer agrees that Seller and Broker(s) make no representation as to the preservation of existing/future views, and the present/future views may be affected by future development/construction/alteration of neighboring property, the growth of trees, shrubs and vegetation and other impairments. Buyer is also advised that the traffic in the neighborhood may be heavier during commuter hours especially on streets considered "cut through" streets. It is recommended that Buyer thoroughly investigate and familiarize himself or herself with the traffic patterns in the area, as well as the noise generated by traffic and other sources of noise. Buyer is advised to consult with appropriate government agencies and shall rely solely upon Buyer's own investigation to determine neighborhood conditions, future development or planning and its potential impact on the Property.

5. Flooring Disclosure: Neither Seller nor Broker make any representation or guarantee as to the type or condition of the flooring located underneath existing carpeting or other floor covering, except as may be noted in writing by Seller. Buyer is advised to do an independent investigation of the flooring during Buyer's physical inspection period, if this is an important factor to Buyer. Buyer understands that any investigation of the flooring must be done in a manner that

Buyer Initials _____ Seller Initials _____

Buyer and Seller Acknowledge receipt of this page, which constitutes Page 1 of 5 Pages of this Addendum.

will not damage the existing floor covering. Seller is required to disclose any adverse conditions regarding flooring underneath the existing floor covering that are known to Seller, however, Buyer understands that Seller is NOT responsible for damaged flooring underneath existing floor covering unless Seller was aware of such condition. If Buyer is informed that “hardwood floors” exist at Property, Buyer understands that this is NOT a representation or guarantee that all flooring is hardwood and is not a representation or guarantee as to the condition of said flooring.

6. Rented Equipment: If Seller has a Solar System, Water Softening Device, Burglar Alarm System, or Satellite Dish installed on the property, Buyer should investigate with Seller the status of the ownership or rental of these units. Units rented to the seller will not be transferred to the Buyer without Buyer making a separate rental agreement with the various rental companies involved.
7. Pest Control Reports: In the event that Seller obtains more than one Pest Control report pursuant to the current sale of Property, Seller is required to provide copies of all such reports to Buyer. Seller’s ability to comply with the Pest Control provisions of the Purchase Contract may be impacted by the existence of any discrepancies contained within said reports. Buyer is aware that the Structural Pest Control Report deals with wood destroying pests (termites) and does not apply to the presence or absence of rodents, animals, insects, or any other such “pests”. Information contained in a wood/pest report is beyond the scope of knowledge of the seller, agent or broker. Receipt of the wood/pest report insulates the seller, broker and agent from any liability concerning said reports.
8. Sale Contingency/Disapproval: This sale is contingent upon Buyer’s independent investigation and approval of all items listed in this addendum, within the same number of days from acceptance of offer and in the same manner as agreed to between Buyer and Seller in the Agreement for the physical investigation contingency, if any.
9. Death on Property: Buyer and Seller are aware of California Civil Code Section 1710.2 that requires the seller to disclose a death that occurred at Property within three years of Purchase Contract date, and further requires Seller to disclose a death occurring beyond three years of the Purchase Contract date, if Buyer makes a direct Inquiry of Seller regarding same. Notwithstanding the above, pursuant to said code section, an occupant’s affiliation with, or death related to the AIDS virus, is not considered a material fact requiring disclosure.
10. Purchase or sale by One Spouse: If one spouse is purchasing or selling the Property as his or her sole and separate property, the other spouse may be required to Sign appropriate documentation as required by the title company, or the other party to the transaction may not have the ability to close.
11. Lender Information: Seller agent is authorized to contact Buyer’s lender regarding progress of loan. Buyer instructs buying agent to provide seller agent with name and telephone number upon request.
12. California Fair Plan Insurance: Buyer is aware certain hillside and brush area properties may require California Fair Plan Insurance (CFP) Coverage. Buyer should allow approximately 4 weeks for processing of this insurance application. Buyer is advised that the cost of CFP insurance may be greater than the cost of conventional insurance and coverage may be limited.
13. Value: Buyer and Seller acknowledge and agree that while Broker(s) often provide information regarding comparable property value, the value of the property is subjective and any such information is not a Broker(s) guarantee the current market value of the Property. Further, Broker(s) make no representation of any kind as to the future value of said property.
14. Escrow Process Complexity: The Purchase Agreement indicates a specific closing date, however, the complexity of a real estate transaction may necessitate an extension of this closing date. Any such extension must be in writing signed by Buyer and Seller. In addition, California law may, in some circumstances, permit a reasonable period beyond the

Buyer Initials _____

Seller Initials _____

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date set for close of escrow for one or the other party to comply with the terms of escrow and sale beyond the control of the parties. Due to these possibilities, it is suggested that Buyer and Seller remain as flexible as possible with regard to all plans based on the exact closing date.

15. Rent Control: Effective Jan 1 2020, the State of California passed legislation (AB 1482) which establishes a Statewide Rent Cap and Just Cause Eviction Law. This legislation may impact certain properties within cities and counties that are not covered by a Rent stabilization Ordinance. Buyers and Sellers are advised to review said legislation and consult with their own real estate attorney as to any impact said legislation may have on the subject property.
16. Mandatory Government Retrofit Items:
 - a. Smoke Detector/Water Heater Compliance: Buyer and Seller are aware of California Health & Safety Code Sections 13113.8(b) and 19211 requiring Sellers of real property to provide buyer with a written statement indicating that the Property is in compliance with the applicable local ordinance regarding installation of smoke detectors and water heater bracing, anchoring or strapping.
 - b. Carbon Monoxide Detector: As of July 1, 2011, state law requires that Carbon Monoxide Detectors are required for all single family dwellings if there are fuel burning appliances in the dwelling and/or the dwelling has an attached garage. All other dwelling/sleeping units must have Carbon Monoxide Detectors installed by January 1, 2013.
 - c. Low flow fixtures may be locally required retrofit ordinances.
17. Square Footage: Buyer has been advised that it is in Buyer's best interest and MAX ONE REAL ESTATE ("Broker") strongly recommends, that Buyer measure the entire property to personally certify the accuracy of the square footage of the land and improvements that may be advertised, marketed or disclosed by the Broker, Seller, Tax Assessors' Office or any other entity. Buyer agrees that Broker or Seller do not warrant or guarantee or make any representation concerning the accuracy of the stated or advertised square footage of the subject property, as it is obtained from sources deemed to be reliable but not guaranteed.
18. Permits and Governmental Restrictions on the Condition and Use of Property: All real property is subject to various governmental restrictions and conditions concerning the use, occupancy and construction on the property. These include, but are not limited to zoning, permits and certificates relating to the use of this property, construction on the property and the repair, alteration and remodeling of the property. References are often made in sales disclosures and in marketing materials related to items such as permits, permitted uses and potential uses. These disclosures generally are from the seller(s) of the property, but may also be contained in marketing and disclosure materials prepared by the broker(s). The buyer should not under any circumstances rely on any such information from the seller(s) or broker(s) without first verifying such information through reliable sources with appropriate credentials to verify such information. Broker(s) do not, and Seller(s) often do not, have the qualifications to analyze these governmental restrictions and make no representations concerning these matters.
19. Broker(s) Responsibilities: Buyer and Seller acknowledge and agree Broker(s) are not responsible for Buyer's and Seller's performance of the terms and conditions contained in this purchase agreement, including all addenda, and Broker(s) are not responsible for, and are not a guarantor of the condition of the property.

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Buyer Initials _____

Seller Initials _____

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20. To the fullest extent permitted by law, no legal action shall be brought, and no cause of action shall be asserted, Max One Real Estate or its agents, officers, employees, or directors after the expiration of one year from the date of accrual of such cause of action, the close of escrow for the property or the cancellation of the escrow for the Property whichever is earliest.

21. Local Disclosures and Advisories (if checked):

A.

B.

C.

D.

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

Acknowledgment of Receipt:

Buyer

Date

Buyer

Date

Seller

Date

Seller

Date

Buyer Initials _____

Seller Initials _____

Buyer and Seller Acknowledge receipt of this page, which constitutes Page 4 of 5 Pages of this Addendum.

PRELIMINARY TITLE REPORT ADVISORY

Property Address: _____

As the buyer, you have or will receive a copy of a Preliminary Title Report, which is a report prepared by the title copy setting forth the conditions under which the title company will issue title insurance. It is not a guarantee of the state of title. You will also be asked to sign a document evidencing receipt and acceptance of the Preliminary Title report.

The Preliminary Title Report contains information regarding many matters that have been record information regarding recorded documents affecting the Property and its use, including but not limited to access rights, exceptions, restrictions, and easements that could affect the property, its use and future development. For example, an easement may prevent you from building an additional structure on the property.

The Preliminary Title Report may contain links to the documents referred to in the Preliminary Title Report. It is important that you carefully review the Preliminary Title Report, and any related documents referenced in the Preliminary Title Report including copies of easements, restrictions, liens, encumbrances, other rights granted to third parties and/or judgments. It is recommended that you save the documents linked to or provided with the Preliminary Title Report and keep a copy of the Preliminary Title Report for your records.

If you believe there is a document referenced in the Preliminary Title Report that has not been provided you should request a copy of the document.

It is extremely important that you take the time to review all documents either prior to submitting a purchase agreement or during any inspection/investigation phase of the purchase depending on how your particular transaction is structured. You must ensure that that the property is suitable for your intended purpose of the property before removing any contingencies related to title or investigation.

If you have any questions regarding these documents or how they impact your plans for the property, you need to discuss the matter with a professional of your choice including but not limited to California real estate attorney, or contractors. Real estate agents and brokers cannot advise on the meaning or effect of such documents.

Acknowledgment of Receipt:

Buyer

Date

Buyer

Date

Seller

Date

Seller

Date

Buyer Initials _____

Seller Initials _____

Buyer and Seller Acknowledge receipt of this page, which constitutes Page 5 of 5 Pages of this Addendum.