

00330799

REO # 00330799

Countrywide Home Loans, Inc.

**REAL ESTATE PURCHASE ADDENDUM**

This Real Estate Purchase Addendum ("Addendum") is to be made part of, and incorporated into, the Real Estate Purchase Contract dated Tuesday, April 07, 2009 ("Contract") between Countrywide Home Loans, Inc. ("Seller" and the term "Seller" shall also include Countrywide Home Loans, Inc.) and David Badgerow ("Buyer") for the property and improvements located at the following address: 4705 KESTER AVENUE #211 SHERMAN OAKS CA 91403 ("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".

The Seller and the Buyer agree as follows:

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

BUYER UNDERSTANDS AND ACKNOWLEDGES THAT SELLER HAS ACQUIRED THE PROPERTY THROUGH FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, OR SIMILAR PROCESS, SELLER HAS NEVER OCCUPIED THE PROPERTY, AND SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE ABOUT THE CONDITION OF THE PROPERTY. BUYER AGREES THAT BUYER IS BUYING THE PROPERTY "AS IS" (AS MORE FULLY SET FORTH IN SECTION 13 OF THIS ADDENDUM).

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 CLAIMS (AS THE TERM IS DEFINED IN SECTION 26 OF THIS ADDENDUM, AND ALL REFERENCES IN THIS ADDENDUM TO "CLAIMS," "CLAIM," "Claims," or "Claim" SHALL HAVE SUCH MEANING) ARISING OUT OF OR RELATING IN ANY WAY TO THE AGREEMENT OR THE SALE OF THE PROPERTY TO BUYER INCLUDING, BUT NOT LIMITED TO, SELLER'S BREACH OR TERMINATION OF THE AGREEMENT, 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:

- (A) A RETURN OF BUYER'S EARNEST MONEY DEPOSIT IF THE SALE TO BUYER DOES NOT CLOSE; AND
- (B) THE LESSER OF BUYER'S ACTUAL DAMAGES OR \$5,000.00 IF THE SALE TO BUYER CLOSSES.

BUYER SHALL NOT BE ENTITLED TO A RETURN OF BUYER'S EARNEST MONEY DEPOSIT IF BUYER MATERIALLY BREACHES THE AGREEMENT.

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 STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, THEORY, OR CAUSE OF

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**ACTION ARISING OUT OF OR RELATED IN ANY WAY TO ANY CLAIM, INCLUDING, BUT NOT LIMITED TO, THE AFOREMENTIONED CLAIMS.**

**ANY REFERENCE TO A RETURN OF THE 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 THE BUYER UNDER THE AGREEMENT AND LESS FEES AND COSTS PAYABLE FOR SERVICES AND PRODUCTS PROVIDED DURING ESCROW AT THE BUYER'S REQUEST. TO THE FULLEST EXTENT PERMITTED BY LAW THE BUYER WAIVES ANY CLAIMS THAT THE PROPERTY IS UNIQUE AND THE BUYER ACKNOWLEDGES THAT A RETURN OF ITS EARNEST MONEY DEPOSIT CAN ADEQUATELY AND FAIRLY COMPENSATE THE BUYER FOR ALL CLAIMS. UPON RETURN OF THE EARNEST MONEY DEPOSIT TO THE BUYER, THE AGREEMENT SHALL BE TERMINATED, AND THE BUYER AND THE SELLER SHALL HAVE NO FURTHER LIABILITY, OBLIGATION, OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THE AGREEMENT. IF THE SALE TO BUYER CLOSES AND SELLER COMPENSATES BUYER AS PROVIDED ABOVE FOR BUYER'S ACTUAL DAMAGES, IF ANY, THEN THE BUYER AND THE SELLER SHALL HAVE NO FURTHER LIABILITY, OBLIGATION, OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THE AGREEMENT.**

**SELLER'S LIMITATION OF LIABILITY AND BUYER'S WAIVERS PROVIDED IN THE AGREEMENT ARE A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THE AGREEMENT AS NEGOTIATED AND AGREED TO BY THE BUYER AND THE SELLER.**

**THE BUYER FURTHER WAIVES THE FOLLOWING, TO THE FULLEST EXTENT PERMITTED BY LAW:**

- (A) ALL RIGHTS TO FILE AND MAINTAIN AN ACTION AGAINST THE SELLER FOR SPECIFIC PERFORMANCE;**
- (B) RIGHT TO RECORD A LIS PENDENS AGAINST THE PROPERTY OR TO RECORD THE AGREEMENT OR A MEMORANDUM THEREOF IN THE REAL PROPERTY RECORDS;**
- (C) RIGHT TO INVOKE ANY EQUITABLE REMEDY THAT WOULD PREVENT THE SELLER FROM CONVEYING THE PROPERTY TO A THIRD PARTY BUYER;**
- (D) 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;**
- (E) ANY REMEDY OF ANY KIND THAT THE BUYER MIGHT OTHERWISE BE ENTITLED TO AT LAW OR EQUITY (INCLUDING, BUT NOT LIMITED TO, RESCISSION OF THE AGREEMENT), EXCEPT AS EXPRESSLY PROVIDED IN THIS ADDENDUM;**
- (F) ANY RIGHT TO A TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED IN ANY WAY TO THE AGREEMENT;**
- (H) ANY RIGHT TO AVOID THE SALE OF THE PROPERTY OR REDUCE THE PRICE OR HOLD THE 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;**

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(J) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO 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

(K) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO THE SQUARE FOOTAGE, SIZE, OR LOCATION OF THE PROPERTY, OR ANY INFORMATION PROVIDED ON THE MULTIPLE LISTING SERVICE, OR BROCHURES OR WEB SITES OF SELLER OR SELLER'S AGENT OR BROKER.

References to the "Seller" in this Section 1 of this Addendum shall include the Seller and the Indemnified Parties (as defined in Section 26 of this Addendum, and all references in this Addendum to "Indemnified Parties" or "INDEMNIFIED PARTIES" shall have the meaning set forth in Section 26).

Buyer initials DB

2. 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 Agreement shall be null and void if the Agreement signed by the Buyer is not actually received by the Seller before the Seller accepts a competing offer, or gives verbal or written notice of revocation to the Buyer, the Buyer's agent or attorney, or the listing agent. The Agreement must be approved by the Seller's management, and it must be signed by all parties in order to be binding.

3. Purchase Price:

Purchase Price:	<u>\$190000</u>
Down Payment:	<u>\$38000</u>
Loan Amount (nte):	<u>\$152000</u>

4. Earnest Money Deposit:

If applicable, escrow will be opened by both parties immediately following the Effective Date with an escrow/closing agent acceptable to the Seller. The Buyer's earnest money deposit of \$5700 is to be delivered to Seller's listing agent to be held pursuant to local law and custom, within 24 hours of the Effective Date.

5. Financing: The Agreement (check one):  is  is not contingent on the Buyer obtaining financing for the purchase of the Property. If the Agreement is contingent on financing, the type of financing shall be the following (check one):

- Conventional  
 FHA  
 VA  
 Other (specify: \_\_\_\_\_)

(a) If the Agreement is contingent on financing, the Buyer shall apply for a loan in the amount of \$152000 with a term of \_\_\_\_\_ years, at prevailing rates, terms and conditions. The 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) calendar days from the said date. If, despite the Buyer's diligent efforts, the Buyer cannot obtain a mortgage loan commitment by the specified date, then either the Buyer or the Seller may terminate the Agreement by giving written notice to the other Party. The 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 under this paragraph, the earnest money deposit shall be returned to the Buyer and the parties shall have no further obligation to each other under the Agreement. The Buyer agrees

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to cooperate and comply with all requests for documents and information from the Buyer's chosen lender during the loan application process. Failure of the 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 the Seller shall be entitled to retain any earnest money deposited by Buyer.

If the Agreement is contingent on financing, as a sales condition, Buyer must obtain a pre-approval letter from a branch office of Countrywide Home Loans, Inc. ("CHL") for a mortgage loan in an amount and under terms sufficient for Buyer to perform its obligations under the Agreement, and such letter must accompany the Agreement. The 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, loan pre-approval as Seller may direct. Notwithstanding any Seller required pre-approval, Buyer is not required to obtain financing from CHL or Seller. Buyer may obtain financing from any source. As an incentive for the Buyer to obtain financing from CHL, CHL will offer a free appraisal and a free credit report if the Buyer finances and closes the purchase of the Property through financing from CHL.

- (b) 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 within three (3) business days of the Effective Date and shall be subject to Seller's approval. The Property shall remain on the market until such proof of funds is accepted by Seller. Notwithstanding the terms provided in Section 12 for inspection of the Property, in the event of a noncontingent cash offer all inspections shall be completed and any notice of disapproval shall be given to Seller within seven (7) calendar days of the Effective Date. Failure to timely notify Seller of any 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 contingency, unless specifically described in Section 10 of this Addendum.
- (c) The Buyer is aware that the price and terms of this transaction were negotiated on the basis of the type of financing selected by the 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.

6. Other Financial Terms:

Requested Closing Costs to Be Paid by Seller on Behalf of Buyer:

(limited to loan guidelines)	
FHA/VA Allowable Costs:	\$ _____
Other Loan Types Non Allowable:	\$ _____
Property Transfer Taxes:	\$ _____
Home Protection Policy:	\$315 _____
Other: <u>Buyer Closing Cost</u>	\$ _____
Other: _____	\$ _____
<b>TOTAL:</b>	<b>\$315 _____</b>

Requested Repairs:

By Buyer/Lender (nte):	\$ _____
Fumigation/Chemical only:	\$ _____
Termite Repairs (nte):	\$ _____
Pest Report Fee (nte):	\$100 _____
Other: _____	\$ _____
<b>TOTAL:</b>	<b>\$100 _____</b>

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Notwithstanding any provision in the Agreement to the contrary, if Seller agrees in the Agreement to pay any of Buyer's closing costs, then Seller shall only pay the lesser of Buyer's actual closing costs and the closing costs that Seller has agreed to pay in the Agreement. Section 17 has additional provisions pertaining to closing costs.

7. Time 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 shall take place on or before 05 22 2009, or within five (5) calendar days of final loan approval by the lender, whichever is earlier ("Closing Date"), unless the Closing Date is extended in writing signed by the Seller and the Buyer, or extended by the Seller under the terms of the Agreement. The closing shall be held in the offices of the Seller's attorney or agent, or at a place so designated and approved by the 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 7 of this Addendum or in any extension, the Agreement is automatically terminated and the Seller shall retain any earnest money deposit as liquidated damages.

8. Extension of Closing Date; Per Diem Interest: Any request for extension of the Closing Date by Buyer must be in writing and approved by the Seller, and the Buyer agrees to pay to the Seller a per diem of one-tenth (1/10<sup>th</sup>) of one percent (1%) of the purchase price, but not less than \$50.00 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, the Seller may retain the earnest money deposit 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 by Seller.

Buyer initials \_\_\_\_\_

9. The Buyer (check one):  does  does not intend to use and occupy the Property as Buyer's primary residence.

10. Additional Terms or Conditions:

11. Attachments:

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12. Inspections:

- (a) On or before ten (10) calendar days (seven days for noncontingent cash offers as indicated in Section 5 (b) above) from the Effective Date, the Buyer 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. The Buyer shall keep the Property free and clear of liens and indemnify and hold the Seller and the Indemnified Parties harmless from all Claims arising out of or relating in any way to the Buyer's inspections, and the Buyer shall repair the Property, at Buyer's sole expense, for all such Claims. The 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 the Seller, unless required by law, in which case, the Buyer shall provide reasonable notice to the Seller prior to any such inspection. If the Seller has winterized the Property and the Buyer desires to have the Property inspected, the listing agent will have the Property dewinterized prior to inspection and rewinterized after inspection. The Buyer agrees to pay this expense in advance to the listing agent. The amount paid under this provision shall be nonrefundable.

Within five (5) calendar days of receipt of any inspection report prepared by or for the Buyer, but not later than ten (15) calendar days (seven days for noncontingent cash offers as indicated in Section 5 (b) above) from the Effective Date, whichever first occurs, the Buyer shall provide written notice to the Seller of any items disapproved or problems with the condition of the Property. The Buyer's failure to provide such written notice to Seller shall be deemed as Buyer's acceptance of the condition of the Property. The Buyer shall immediately provide to the Seller, at no cost, upon request by the Seller, complete copies of all inspection reports upon which the Buyer's disapproval of the condition of the Property is based. In no event shall the Seller be obligated to make any repairs or replacements, or correct any problems or defects that may be indicated in the Buyer's inspection reports. The Seller may, at its sole discretion, make such repairs, replacements, or corrections to the Property. If the Seller elects not to repair or correct the Property, the Buyer may cancel the Agreement within five (5) calendar days of receiving notice from Seller that Seller elects not to repair or correct the Property. If Buyer timely notifies Seller of such cancellation, then Buyer shall receive all earnest money deposited. If the Seller elects to make any such repairs or corrections to the Property, the Seller shall notify the Buyer after completion of the repairs or corrections and the Buyer shall have five (5) calendar days from the date of such notice, to inspect the repairs or corrections and notify the Seller of any items disapproved. The Buyer's failure to notify Seller of any items disapproved shall be deemed acceptance by Buyer of the condition of the Property.

In situations that are applicable, a structural, electrical, mechanical or termite inspection report may have been prepared for the benefit of the Seller. Upon Buyer's request, the Buyer may review such reports, but the Buyer acknowledges that such inspection reports were prepared for the sole use and benefit of the Seller. Buyer shall not rely upon any such inspection reports obtained by the Seller in making a decision to purchase the Property, and such reports shall not serve as a basis for Buyer to terminate the Agreement.

- (b) If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Buyer, at the Buyer's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions, and bylaws of the condominium or planned unit development or cooperative within ten (10) calendar days of the Effective Date. The Seller agrees to use reasonable efforts, as determined at the Seller's sole discretion, to assist the Buyer in obtaining a copy of the covenants, conditions and restrictions, and bylaws. The Buyer will be deemed to have accepted the covenants, conditions and restrictions, and bylaws if the Buyer does not notify the Seller in writing within fifteen (15) calendar days of the Effective Date of the Buyer's objection to the covenants, conditions and restrictions, and/or bylaws.

13. **CONDITION OF PROPERTY: THE BUYER UNDERSTANDS THAT THE SELLER ACQUIRED THE PROPERTY BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE, OR SIMILAR PROCESS, AND CONSEQUENTLY, THE SELLER HAS LITTLE OR NO DIRECT KNOWLEDGE CONCERNING THE CONDITION OF THE PROPERTY. AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THE AGREEMENT AS NEGOTIATED AND AGREED TO BY THE BUYER AND THE SELLER, THE BUYER ACKNOWLEDGES**

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AND AGREES TO ACCEPT THE PROPERTY IN "AS IS" CONDITION AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY HIDDEN DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN, WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. THE BUYER ACKNOWLEDGES THAT THE SELLER, AND ITS AGENTS, BROKERS, AND REPRESENTATIVES HAVE NOT MADE, AND THE SELLER SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS, OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN, WITH RESPECT TO:

- (A) 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;
- (B) 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;
- (C) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, INCLUDING REDHIBITORY VICES AND DEFECTS, APPARENT OR 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
- (D) THE EXISTENCE, LOCATION, SIZE, OR CONDITION OF ANY OUTBUILDINGS OR SHEDS ON THE PROPERTY.

Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in the Agreement 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 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: (A) Buyer accepts full responsibility and liability for all hazards, and Claims that may result from the presence of Mold in or around the Property; (B) 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 (C) Buyer has not, in any way, relied upon any representations or warranties of Seller, or Seller's employees, officers, directors, contractors, representatives, brokers, or agents concerning the past or present existence of Mold or any environmental hazards in or around the Property.

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In the event the Property is affected by an environmental hazard either Party may terminate the Agreement. In the event the Seller decides to sell the Property to the Buyer and the Buyer agrees to purchase the Property (as evidenced by Buyer and Seller proceeding to close) despite the presence of an environmental hazard, the Buyer releases the Seller and the Indemnified Parties from any Claims arising out of or relating in any way to the environmental hazard or conditions of the Property, and Buyer agrees to also execute an additional general release at closing, in a form acceptable to Seller, related to the environmental hazard if Seller so requests. In the event the Buyer elects not to execute the additional release, Seller may, at the Seller's sole discretion, terminate the Agreement upon notice given to Buyer.

In the event the Seller has received official notice that the Property is in violation of building codes or similar laws or regulations, the Seller may terminate the Agreement or delay the date of closing or the Buyer may terminate the Agreement. In the event the Agreement is terminated by either Buyer or Seller pursuant to this Section 13, any earnest money deposit will be returned to the Buyer. If there is an enforcement proceeding arising from allegations of such violations before an enforcement board, special master, court or similar enforcement body, and neither the Buyer nor the Seller terminate the Agreement, the Buyer agrees (A) to accept the Property subject to the violations, and (B) 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 deficiencies as soon as possible after the closing.

The closing of this sale shall constitute acknowledgement by the 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 the Buyer at the time of closing. The Buyer agrees that Seller and the Indemnified Parties shall have no liability for any Claims that the Buyer or the 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.

The 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 the law requires the waiver to be in a separate form.

Buyer initials DB

14. **Repairs:** All treatments for wood infesting organisms and all repairs shall be completed by a vendor approved by the Seller, and shall be subject to the Seller's satisfaction only. If the Seller has agreed to pay for treatment of wood infesting organisms, the Seller shall treat only active infestation. Neither the 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 the Seller. To the extent that the Buyer, or its representatives, make repairs and/or treatments to the Property prior to closing, the Buyer hereby agrees to release and indemnify the Seller and the Indemnified Parties from and against any and all Claims related in any way to the repairs and/or treatments, and Buyer further agrees, at Seller's request, to execute a separate release and indemnification in a form acceptable to the Seller prior to the commencement of any such repairs or treatments. The Buyer acknowledges that all repairs and treatments are done for the benefit of the Seller and not for the benefit of the Buyer unless and until the sale of the Property closes in accordance with the Agreement, and if Buyer closes Buyer acknowledges that the Buyer has inspected or has been given the opportunity to inspect all repairs and treatments. Any repairs or treatments made, or caused to be made, by the Seller shall be completed prior to the closing. Under no circumstances shall the Seller be required to make any repairs or treatments after the Closing Date. The Buyer acknowledges that closing on this transaction shall be deemed to be the Buyer's reaffirmation that the Buyer is satisfied with the condition of the Property and with 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 shall be performed for functional purposes only and exact restoration of appearance or cosmetic items following any repairs or treatments shall not be required. The Seller shall not be obligated to obtain or provide to the Buyer any receipts for repairs or treatments, written statements indicating dates or types of repairs

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and/or treatments, copies of such receipts or statements, or any other documentation regarding any repairs and treatments to the Property. **THE SELLER DOES NOT WARRANT OR GUARANTEE ANY WORK, REPAIRS, OR TREATMENTS TO THE PROPERTY.**

15. Occupancy Status of Property: The Buyer acknowledges that neither the 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 unless otherwise noted in Section 10 of this Addendum. The 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 unless otherwise noted in Section 10 of this Addendum.

The Buyer further acknowledges that, to the best of the Buyer's knowledge, the 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 the Buyer as part of this transaction. The Buyer further agrees to assume all responsibility and liability for the refund of 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 according to the provisions of Section 17 of this Addendum.

The Buyer acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The 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 the Buyer's sole responsibility.

Buyer understands that the Property may be subject to 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 the right of redemption is exercised.

16. 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 this sale or the purchase price unless the personal property is specifically described and referenced in Section 10 of this Addendum. 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. The 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. The Buyer assumes responsibility for any personal property remaining on the Property at the time of closing.

17. Closing Costs and Adjustments:

- (a) The Buyer and the 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 the 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 the Buyer and the Seller as of the Closing Date with payments not yet due and owing to be assumed by the 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. The 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. If the Property is heated by, or has storage tanks for fuel oil, liquefied petroleum gases, or similar fuels, the Buyer will buy the fuel in the tank at closing at the current price as calculated by the supplier. In the event the 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

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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 the Seller.

- (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 6, and Buyer shall pay all remaining fees and costs. Notwithstanding the foregoing, FHA/VA allocation of closing costs shall apply when applicable.
- (c) The Seller shall pay the real estate commission per the listing agreement between the Seller and the 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.
18. Delivery of Funds: Regardless of local custom or practice, Buyer shall deliver all funds due the Seller from the sale by wire transfer or in the form of cash, bank check, or certified check to the closing agent prior to delivery of the deed by the Seller to the Buyer.
19. 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, the Buyer understands that the Seller requires the Certificate of Occupancy to be obtained by the Buyer at the Buyer's sole cost and expense. The Buyer shall make application for all required Certificates of Occupancy within ten (10) calendar days of the Effective Date. The Buyer shall not have the right to delay the closing due to the Buyer's failure or inability to obtain any required Certificate of Occupancy. Failure of the Buyer to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement.
20. Delivery of Possession of Property: The Seller shall deliver possession of the Property to the Buyer at closing and funding of the sale. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 15 of this Addendum. If the 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 funding without the prior written consent of the Seller, then: (A) Such event shall constitute a material breach by the Buyer under the Agreement; (B) The Seller may terminate the Agreement; (C) The Buyer shall be liable to the Seller for all Claims caused by any such alteration or occupation of the Property prior to closing and funding; and (D) Buyer waives all Claims for improvements made by the Buyer to the Property including, but not limited to, any Claims for unjust enrichment.
21. Deed: The deed to be delivered at closing shall be a deed that covenants that grantor grants only that title that grantor may have and that grantor will only defend title against persons claiming by, through, or under the grantor, but not otherwise (which deed may be known as a Special Warranty, Limited Warranty, Quitclaim or Bargain and Sale Deed). Any reference to the term "deed" or "Special Warranty Deed" herein shall be construed to refer to such form of deed.
22. Defects in Title: If the Buyer raises an objection to the Seller's title to the Property, which, if valid, would make title to the Property uninsurable, the Seller shall have the right unilaterally to terminate the Agreement by giving written notice of the termination to the Buyer. However, if the Seller is able to correct the problem through reasonable efforts, as the Seller determines, at its sole and absolute 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 title objections, then the Agreement shall remain in full force and the Buyer shall perform pursuant to the terms set forth in the Agreement. The Seller is not obligated to (A) remove any exception, (B) bring any action or proceeding or bear any expense in order to convey title to the Property, or (C) make the title marketable or insurable. Any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. The Buyer acknowledges that the Seller's title to the Property may be subject to court approval of foreclosure or to a mortgagor's right of redemption. In the event the 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 deposit will be returned to the Buyer as the Buyer's sole remedy at law or equity.

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23. Representations and Warranties

In addition to Buyer's representations and warranties made elsewhere herein, such as those found in Section 13 of this Addendum, the Buyer represents and warrants to the Seller the following:

- (a) The 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 the Seller, its servicers, representatives, brokers, employees, agents, or assigns, including, but not limited to, any information provided on any brochures or web sites of Seller or Seller's agents or brokers, or any information on the Multiple Listing Service;
- (b) Neither the 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, except as expressly set forth in Section 10 of this Addendum;
- (c) The Buyer has not relied on any representation or warranty from the Seller, or Seller's agents or brokers regarding the nature, quality, or workmanship of any repairs made by the Seller;
- (d) The Buyer will not occupy, or cause or permit others to occupy, the Property prior to closing and funding, 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) Buyer is not an officer, an employee, a director, or a Business Partner (as defined below) of Countrywide Home Loans, Inc., or its parent company, subsidiaries, or affiliated companies. Buyer understands and acknowledges that Seller prohibits such persons from purchasing the Property, directly, indirectly, or through a family member or an interest in a partnership, corporation, joint venture, trust, or other entity. "Business Partner" shall mean any agent, broker, appraiser, attorney, trustee, property inspection or preservation company, title company, representative, or vendor of Countrywide Home Loans, Inc., or its parent company, subsidiaries, or affiliated companies.

Buyer initials DB

24. Conditions to the Seller's Performance: The Seller shall have the right, at the 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) the 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 of or repurchase 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) the Buyer is the former mortgagor of the Property whose interest was foreclosed, or is related to or affiliated in any way with the former mortgagor, and the Buyer has not disclosed this fact to the Seller prior to the Seller's acceptance of the Agreement. Such failure to disclose shall constitute a material breach under the Agreement,

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entitling the Seller to exercise any of its rights and remedies, including, without limitation, retaining the earnest money deposit; or

- (g) the Seller, at the Seller's sole discretion, determines that the sale of the Property to the Buyer, or any related transactions, are in any way associated with illegal activity of any kind.

In the event the Seller elects to terminate the Agreement as a result of (a), (b), (c), (d), (e) or (g) above, the Seller shall return the Buyer's earnest money deposit and the parties shall have no further obligation under the Agreement, except as to any provision that survives termination pursuant to Section 30 of this Addendum.

25. 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, (1) the Seller, at its option, may retain the earnest money deposit and any other funds then paid by the Buyer as liquidated damages and/or invoke any other remedy expressly set out in the Agreement or available under applicable law, (2) the Seller is automatically released from the obligation to sell the Property to the Buyer, and (3) Seller and the Indemnified Parties shall not be liable to the Buyer for any Claims arising out of or relating in any way to the Seller's failure to sell and convey the Property to Buyer.

26. Indemnification: The 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 in law or in equity ("Claims") arising from, in connection with, or in any way relating to:

- (a) inspections or repairs made by the 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 the Buyer's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;
- (c) claims for amounts due and owed by the Seller for real property taxes, homeowner's association dues or assessment, or any other items prorated at closing under Section 17 of this Addendum, including any penalty or interest and other charges, arising from the proration of such amounts for which the Buyer received a credit at closing under Section 17 of this Addendum;
- (d) the Buyer or the 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) The Buyer's breach of or failure to comply fully with any provision in the Agreement.

Buyer initials DB

27. Risk of Loss: In the event of fire, destruction, or other casualty loss to the Property after the Seller's acceptance of the Agreement and prior to closing and funding, the Seller may, at its sole discretion, repair or restore the Property, or either Party may terminate the Agreement. If the Seller elects to repair or restore the Property, then the Seller may, at its sole discretion, limit the amount to be expended. If the Seller elects to repair or restore the Property, the 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 3 herein with no reduction for such loss, or (b) terminate the Agreement and receive a refund of any earnest money deposit.

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28. Eminent Domain: In the event that the 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 and the earnest money deposit shall be returned to the Buyer and neither Party shall have any further rights or liabilities hereunder, except as provided in Section 30 of this Addendum.
29. Keys: Buyer is aware that the property may be on a master key system. Buyer is encouraged to re-key the property 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 that occurs after the Closing Date.
30. Survival: Delivery of the deed to the Property to the Buyer by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under the Agreement. Notwithstanding anything to the contrary in the Agreement, the provisions of Sections 1, 13, 14, 15, 17, 19, 20, 23, 25, 26, 27, 28, 30, and 47 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, funding 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: The providers of title and escrow/closing services shall be designated by Seller. Seller shall pay for Standard ALTA Homeowners policy of title insurance. Buyer is hereby notified that LandSafe Title Company is an affiliate of Seller.
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 obligation to each other, except as to any provision that survives the termination of the Agreement pursuant to Section 30 of this Addendum.
34. Assignment of Agreement: The Buyer shall not assign the Agreement. The Seller may assign the Agreement at its sole discretion without prior notice to, or consent of, the 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 the Buyer and the 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.

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40. Force Majeure: Except as provided in Section 27 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, 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.
41. Attorney Review: The 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 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 the Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's listing broker or agent or Seller's attorney, at the address or fax number shown below. All notices to the Buyer shall be deemed sent or delivered and effective when sent or delivered to the Buyer or the Buyer's attorney or agent at the address or fax number shown below.
43. Dispute Resolution: At the request of either Party, any dispute arising under this Agreement shall be submitted to mediation before resorting to arbitration or court action. Mediation fees shall be divided equally and each Party shall bear his or its own attorney's fees and costs. Neither Party may require binding arbitration prior to commencement of court action, although the parties may mutually agree to such arbitration.
44. 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 OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL 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.
45. 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.
46. 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 the Buyer and the 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. ALL NEGOTIATIONS ARE MERGED INTO THE AGREEMENT, AND NO ORAL OR WRITTEN, EXPRESS OR IMPLIED, PROMISES, REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERSTANDINGS, COMMUNICATIONS, AGREEMENTS, OR INFORMATION MADE OR PROVIDED BY THE 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 THE SELLER, UNLESS EXPRESSLY INCLUDED IN THE AGREEMENT. .

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47. Attorneys' Fees, Court Costs, and Legal Expenses: In any action, proceeding, or arbitration arising out of, brought under, or relating to the terms or enforceability of the Agreement the prevailing Party shall be entitled to recover from the losing Party all reasonable attorneys' fees, costs, and expenses incurred in such action, proceeding, or arbitration.
48. **LANGUAGE IN BOLD OR CAPITALIZED: FOR EMPHASIS AND BUYER'S BENEFIT SOME PROVISIONS HAVE BEEN BOLDED AND/OR CAPITALIZED (LIKE THIS SECTION), 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.**

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

BUYER(S):

Signature: 

Date: 4-7-09

Print Name: DAVID BADGEROW

Address: 3053 S ROBERTSON BLVD #110  
LOS ANGELES CA 90034

Telephone: 310-743-9651

Fax: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

SELLER:

Countrywide Home Loans Servicing LP:

Countrywide Home Loans Servicing LP as Agent in Fact For:

By: DAN

BRALEY

Title: ASSET MANAGER

Date: 04-08-09

BUYER'S AGENT:

Buyer's Agent Name: LENA

OHANESSIAN

Address: 12930 Ventura Blvd., Ste. 202

SELLER'S AGENT:

Seller's Agent Name: SANDRA

GIBSON

Address: 15490 Ventura Blvd #100

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Studio City CA 91604  
Telephone: 8184343311  
Fax: (818) 789-4926

Sherman Oaks CA 91403  
Telephone: 8182062050  
Fax: 8189957483

**BUYER'S ATTORNEY:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_

**SELLER'S ATTORNEY:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_

**CLOSER:**

Company Name: LANDSAFE  
Contact Person: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_

**TITLE COMPANY:**

Company Name: LND Title  
Contact Person: LND TITLE  
Telephone: 2142002304  
Fax: \_\_\_\_\_

**COUNTRYWIDE CLOSING CONTACT:**

Escrow/Closing Officer Name: TBD  
Escrow/Closing Officer Phone No.: \_\_\_\_\_  
Escrow/Closing Asst. Name: \_\_\_\_\_  
Escrow/Closing Asst. Phone No.: \_\_\_\_\_

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**WATER DAMAGE, TOXIC MOLD & ENVIRONMENTAL DISCLOSURE, RELEASE AND INDEMNIFICATION AGREEMENT**

The undersigned parties to a purchase contract dated April 07, 2009, for the purchase of the property and the improvements commonly known as 4705 KESTER AVENUE #211 SHERMAN OAKS CA 91403 (the "Property") between David Badierow ("Buyer") and Countrywide Home Loans Servicing LP ("Seller"), acknowledge and agree as follows:

Seller hereby advises Buyer that the Property (including, but not limited to, the basement) is or may be affected by water or moisture damage, toxic mold, and/or other environmental hazards or conditions. Seller further advises Buyer that as a consequence of possible water damage and/or excessive moisture, the Property may be or has been irrevocably contaminated with mildew, mold, and/or other microscopic organisms. Buyer is being advised that exposure to certain species of mold may pose serious health risks, and that individuals with immune system deficiencies, infants, children, the elderly, individuals with allergies or respiratory problems, and pets are particularly susceptible to experiencing adverse health effects from mold exposure.

Buyer acknowledges that Seller has advised Buyer to make his/her own evaluation of the Property and to have the Property thoroughly inspected. Buyer has been further advised by Seller that all areas contaminated with mold, and/or other environmental hazards or conditions, should be properly and thoroughly remediated. Additionally, Buyer has been advised by Sellers that habitation of the Property without complete remediation may subject the inhabitants to potentially serious health risks and/or bodily injury. Buyer acknowledges that it is the sole responsibility of Buyer to conduct any remediation on the Property.

Buyer also acknowledges that Buyer is buying the Property AS-IS. Buyer represents and warrants to Seller that Buyer has made (or will make before closing on the purchase of the Property) his/her own inspection and evaluation of the Property to Buyer's complete satisfaction, and Buyer accepts the Property AS-IS at the time of closing. Buyer is electing to purchase the Property from Seller in an AS-IS condition with full knowledge of the potential condition of the Property, the potentially serious health risks, and the potential liability that Buyer could incur as the owner of the Property for claims, losses, and damages arising out of any toxic mold contamination, and/or other environmental hazards or conditions on the Property. Buyer agrees that the purchase price of the Property reflects the agreed upon value of the Property AS-IS taking into account the aforementioned disclosures.

Buyer understands and acknowledges that the Property was acquired by Seller through foreclosure, deed-in-lieu of foreclosure, or similar process, that Seller has never occupied the Property, and that Seller has little or no direct knowledge regarding the condition of the Property. Buyer further acknowledges that Seller has not made and does not make any express or implied representations or warranties of any kind with respect to the environmental condition of the Property or whether the Property is in compliance with applicable local, state, or federal environmental or other laws, statutes, regulations, rules, ordinances, codes, or standards ("Laws"). Buyer hereby agrees not to pursue any claims, losses, or damages, against Seller, or

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Seller's parent company, subsidiaries, affiliates, directors, officers, employees, partners, shareholders, representatives, agents, brokers, predecessors, successors, or assigns, arising out of or relating in any way to any violations of Laws, or for costs, fees, or expenses incurred in conducting investigations relating to Laws or the Property. In addition, to the fullest extent permitted by law, Buyer, for himself/herself, and for all Buyer's invitees, agents, heirs, executors, devisees, and assigns hereby forever waives and fully releases Seller, and Seller's parent company, subsidiaries, affiliates, directors, officers, employees, partners, shareholders, representatives, agents, brokers, predecessors, successors, and assigns (the "Released 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 in law or in equity arising from, in connection with, or in any way relating to any known or unknown conditions of the Property, including but not limited to, the existence of toxic mold, and/or any other environmental hazards or conditions on the Property ("Claims").

Buyer also agrees to fully indemnify, protect, defend, and hold the Released Parties harmless from and against any and all Claims.

BUYER:



Dated: 4-7-09

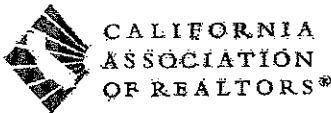
SELLER:

**Countrywide Home Loans Servicing LP**

By: Dan B

Title: Asset Manager

Dated: 4-8-09



**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**  
 For Use With Single Family Residential Property — Attached or Detached  
 (C.A.R. Form RPA-CA, Revised 11/07)

SUPERSEDES THE TERMS AND CONDITIONS OF CHL'S REAL ESTATE PURCHASE ADDENDUM ATTACHED HERETO

Date April 6, 2009 at Toluca Lake, California.

1. OFFER: A. THIS IS AN OFFER FROM David Bedaerow ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as 4705 Kester Ave., #211, Sherman Oaks CA 91403, Assessor's Parcel No. 2264-020-076, situated in Sherman Oaks, County of Los Angeles, California, ("Property").

C. THE PURCHASE PRICE offered is One hundred ninety thousand Dollars \$ 190,000.00.

D. CLOSE OF ESCROW shall occur on \_\_\_\_\_ (date) (or  30 Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2K or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \$ 5,700.00 to the agent submitting the offer (or to  \_\_\_\_\_), by personal check (or  \_\_\_\_\_), made payable to Coldwell Banker, which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or  \_\_\_\_\_), with Escrow Holder, (or  into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance, or  \_\_\_\_\_ \$ 152,000.00

C. FIRST LOAN IN THE AMOUNT OF \$ \_\_\_\_\_

(1) NEW First Deed of Trust in favor of lender, encumbering the Property, securing a note payable at maximum interest of 5.250 % fixed rate, or \_\_\_\_\_ % initial adjustable rate with a maximum interest rate of \_\_\_\_\_ %, balance due in 30 years, amortized over 30 years. Buyer shall pay loan fees/points not to exceed 1.0. (These terms apply whether the designated loan is Conventional, FHA or VA.)

(2)  FHA  VA: (The following terms only apply to the FHA or VA loan that is checked.) Seller shall pay \_\_\_\_\_ % discount points. Seller shall pay other fees not allowed to be paid by Buyer,  not to exceed \$ \_\_\_\_\_. Seller shall pay the cost of lender required Repairs (including those for wood destroying pest) not otherwise provided for in this Agreement;  not to exceed \$ \_\_\_\_\_. (Actual loan amount may increase if mortgage insurance premiums, funding fees or closing costs are financed.)

D. ADDITIONAL FINANCING TERMS:  Seller financing, (C.A.R. Form SFA);  secondary financing, (C.A.R. Form PAA, paragraph 4A);  assumed financing (C.A.R. Form PAA, paragraph 4B) \$ \_\_\_\_\_

E. BALANCE OF PURCHASE PRICE (not including costs of obtaining loans and other closing costs) in the amount of \$ 32,300.00 to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): \$ 190,000.00

G. LOAN APPLICATIONS: Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for the NEW loan specified in 2C above.

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2G) shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

I. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or  21) Days After Acceptance, Buyer shall, as specified in paragraph 14B(3), remove the loan contingency or cancel this Agreement; OR (ii) (if checked)  the loan contingency shall remain in effect until the designated loans are funded.

J. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked,  is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked,  within 17 (or \_\_\_\_\_) Days After Acceptance), Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), remove the appraisal contingency within 17 (or \_\_\_\_\_) Days After Acceptance.

K.  NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2D or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

L.  ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

3. CLOSING AND OCCUPANCY:

A. Buyer intends (or  does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Occupancy shall be delivered to Buyer at \_\_\_\_\_  AM  PM,  on the date of Close Of Escrow;  on \_\_\_\_\_; or  no later than \_\_\_\_\_ Days After Close Of Escrow. (C.A.R. Form PAA, paragraph 2.) If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement; and (ii) consult with their insurance and legal advisors.

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RPA-CA REVISED 11/07 (PAGE 1 OF 8) CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 8)

Agent: Lena Ohanessian Phone: (818) 434-3311 Fax: (818) 784-4926 Prepared using WINForms® software  
 Broker: Coldwell Banker Residential Br 12930 Ventura Blvd Studio City, CA 91604

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_  
 Buyer's Initials ( DB ) ( \_\_\_\_\_ )  
 Seller's Initials ( VL ) ( \_\_\_\_\_ )



4705 Kester Ave., #211

Date: April 6, 2009

Property Address: Sherman Oaks, CA 91403

C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or  \_\_\_\_\_) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (ii) (if checked)  Tenant to remain in possession. The attached addendum is incorporated into this Agreement (C.A.R. Form PAA, paragraph 3.);

OR (iii) (if checked)  This Agreement is contingent upon Buyer and Seller entering into a written agreement regarding occupancy of the Property within the time specified in paragraph 14B(1). If no written agreement is reached within this time, either Buyer or Seller may cancel this Agreement in writing.

D. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale and shall provide any available Copies of such warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

4. ALLOCATION OF COSTS (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service shall be by the method specified in paragraph 14B(2).

A. WOOD DESTROYING PEST INSPECTION:

(1)  Buyer  Seller shall pay for an inspection and report for wood destroying pests and organisms ("Report") which shall be prepared by \_\_\_\_\_, a registered structural pest control company. The Report shall cover the accessible areas of the main building and attached structures and, if checked:  detached garages and carports,  detached decks,  the following other structures or areas \_\_\_\_\_

\_\_\_\_\_ The Report shall not include roof coverings. If Property is a condominium or located in a common interest subdivision, the Report shall include only the separate interest and any exclusive-use areas being transferred and shall not include common areas, unless otherwise agreed. Water tests of shower pans on upper level units may not be performed without consent of the owners of property below the shower.

OR (2)  (if checked) The attached addendum (C.A.R. Form WPA) regarding wood destroying pest inspection and allocation of cost is incorporated into this Agreement.

B. OTHER INSPECTIONS AND REPORTS:

- (1)  Buyer  Seller shall pay to have septic or private sewage disposal systems inspected \_\_\_\_\_
- (2)  Buyer  Seller shall pay to have domestic wells tested for water potability and productivity \_\_\_\_\_
- (3)  Buyer  Seller shall pay for a natural hazard zone disclosure report prepared by seller's choice \_\_\_\_\_
- (4)  Buyer  Seller shall pay for the following inspection or report \_\_\_\_\_
- (5)  Buyer  Seller shall pay for the following inspection or report \_\_\_\_\_

C. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1)  Buyer  Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
- (2)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law. \_\_\_\_\_

D. ESCROW AND TITLE:

- (1)  Buyer  Seller shall pay escrow fee each pays own \_\_\_\_\_  
Escrow Holder shall be West Coast Escrow (Lisa Gaynor) \_\_\_\_\_
- (2)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 12E \_\_\_\_\_  
Owner's title policy to be issued by Equity Title \_\_\_\_\_  
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

E. OTHER COSTS:

- (1)  Buyer  Seller shall pay County transfer tax or transfer fee \_\_\_\_\_
- (2)  Buyer  Seller shall pay City transfer tax or transfer fee \_\_\_\_\_
- (3)  Buyer  Seller shall pay HOA transfer fee \_\_\_\_\_
- (4)  Buyer  Seller shall pay HOA document preparation fees \_\_\_\_\_
- (5)  Buyer  Seller shall pay the cost, not to exceed \$ 315.00 \_\_\_\_\_, of a one-year home warranty plan, issued by ANS Flex Combo \_\_\_\_\_  
with the following optional coverage: Condo \_\_\_\_\_
- (6)  Buyer  Seller shall pay for SA Report \_\_\_\_\_
- (7)  Buyer  Seller shall pay for \_\_\_\_\_

5. STATUTORY DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, deliver to Buyer, if required by Law: (i) Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"); and (ii) disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the California Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordinance location disclosure (C.A.R. Form SSD).
- (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.
- (3) In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed and paid for by Buyer.

Buyer's Initials (X DS) ( )  
Seller's Initials ( ) ( )



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Property Address: Sherman Oaks, CA 91403

Date: April 6, 2009

(4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After delivery in person, or 5 Days After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)

(5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

B. NATURAL AND ENVIRONMENTAL HAZARDS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. MEGAN'S LAW DATABASE DISCLOSURE: 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.)

6. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or  \_\_\_\_\_) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned unit development or other common interest subdivision (C.A.R. Form SSD).

B. If the Property is a condominium or is located in a planned unit development or other common interest subdivision, Seller has 3 (or  \_\_\_\_\_) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

7. CONDITIONS AFFECTING PROPERTY:

A. Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

B. SELLER SHALL, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE OTHER DISCLOSURES REQUIRED BY LAW (C.A.R. Form SSD).

C. NOTE TO BUYER: You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

D. NOTE TO SELLER: Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.

8. ITEMS INCLUDED AND EXCLUDED:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) Existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms; and
- (3) The following items: \_\_\_\_\_

(4) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(5) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: \_\_\_\_\_

9. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Buyer shall complete Buyer Investigations and, as specified in paragraph 14B, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make the Property available for all Buyer Investigations. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

Buyer's Initials ( XDB ) ( \_\_\_\_\_ )  
Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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10. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. If it is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.

11. **BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY:** Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

12. **TITLE AND VESTING:**

- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E. Buyer shall receive a CLTA/ALTA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

13. **SALE OF BUYER'S PROPERTY:**

- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
- OR B.  (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

14. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).

- A. **SELLER HAS:** 7 (or  \_\_\_\_\_) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 5A and B, 6A, 7B and 12.
- B. (1) **BUYER HAS:** 17 (or  10) Days After Acceptance, unless otherwise agreed in writing, to:
  - (i) complete all Buyer investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property); and
  - (ii) return to Seller Signed Copies of Statutory and Lead Disclosures delivered by Seller in accordance with paragraph 5A.
- (2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
- (3) By the end of the time specified in 14B(1) (or 2) for loan contingency or 2) for appraisal contingency), Buyer shall, in writing, remove the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if (i) government-mandated inspections/ reports required as a condition of closing; or (ii) **Common Interest Disclosures** pursuant to paragraph 6B are not made within the time specified in 14A, then Buyer has 5 (or  \_\_\_\_\_) Days After receipt of any such items, or the time specified in 14B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing.

C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**

- (1) **Seller right to Cancel; Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow on time may be a breach of this Agreement.
- (2) **Continuation of Contingency:** Even after the expiration of the time specified in 14B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 14C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 14C(1).
- (3) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2G; (iv) if Buyer fails to provide verification as required by 2H or 2L; (v) if Seller reasonably disapproves of the verification provided by 2H or 2L; (vi) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 5A(2); or (vii) if Buyer fails to sign or initial a separate liquidated damage form for an increased deposit as required by paragraph 16. Seller is not required to give Buyer a Notice to Perform regarding Close of Escrow.
- (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or  \_\_\_\_\_) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet a 14C(3) obligation.

Buyer's Initials ( X DP ) ( \_\_\_\_\_ )  
Seller's Initials ( DS ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





4705 Kester Ave., #211

Property Address: Sherman Oaks, CA 91403

Date: April 6, 2009

- D. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A party may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).
- 15. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 7A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
- 16. LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.
- BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT. (C.A.R. FORM RID)**

Buyer's Initials <u>DB</u> / _____	Seller's Initials <u>DB</u> / _____
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- 17. DISPUTE RESOLUTION:**
- A. MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 17B(2) and (3) below apply to mediation whether or not the Arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. ARBITRATION OF DISPUTES:** (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 17B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in California Civil Code §2986; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.
- (3) **BROKERS:** Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 17A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

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

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

Buyer's Initials <u>DB</u> / _____	Seller's Initials _____ / _____
------------------------------------	---------------------------------

Buyer's Initials ( X DB ) ( \_\_\_\_\_ )  
 Seller's Initials ( DB ) ( \_\_\_\_\_ )  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



4705 Kester Ave., #211

Property Address: Sherman Oaks, CA 91403

Date: April 6, 2009

18. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.
19. **WITHHOLDING TAXES:** Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).
20. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
21. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
22. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 17A.
23. **SELECTION OF SERVICE PROVIDERS:** If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.
24. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
25. **OTHER TERMS AND CONDITIONS, including attached supplements:**
- A.  Buyer's Inspection Advisory (C.A.R. Form BIA)
  - B.  Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: \_\_\_\_\_)
  - C.  Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
  - D.  Seller shall provide Buyer with a completed Seller Property Questionnaire (C.A.R. form SPQ) within the time specified in paragraph 14A
  - E. CB Addendum, CB Affiliated Business, CB Mold Addendum, SRAR Addendum
26. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means the terms and conditions of this accepted California Residential Purchase Agreement and any accepted counter offers and addenda.
  - C. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days, unless otherwise required by Law.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
  - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and Signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 14C(4)) to remove a contingency or perform as applicable.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
  - N. Singular and Plural terms each include the other, when appropriate.

Buyer's Initials ( X DB ) ( \_\_\_\_\_ )  
Seller's Initials ( RS ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





**27. AGENCY:**

- A. **DISCLOSURE:** Buyer and Seller each acknowledge prior receipt of C.A.R. Form AD "Disclosure Regarding Real Estate Agency Relationships."
- B. **POTENTIALLY COMPETING BUYERS AND SELLERS:** Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- C. **CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent Coldwell Banker (Print Firm Name) is the agent of (check one):  the Seller exclusively; or  both the Buyer and Seller.  
 Selling Agent Coldwell Banker (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):  the Buyer exclusively; or  the Seller exclusively; or  both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

**28. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 12, 13B, 14E, 13, 19, 24, 25B and 25E, 26, 28, 29, 32A, 33 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 29 or 32A, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or  \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraphs 29, 32A and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 29 and 32A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

**29. BROKER COMPENSATION FROM BUYER:** If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

**30. TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials ( X DB ) ( \_\_\_\_\_ )  
Seller's Initials ( DB ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Property Address: 4705 Kester Ave., #211 Sherman Oaks, CA 91403

Date: April 6, 2009

31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by \_\_\_\_\_, who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked,  by \_\_\_\_\_ (date), at \_\_\_\_\_  AM  PM).

Date April 6, 2009  
BUYER X  
David Badgerow  
(Print name)

Date \_\_\_\_\_  
BUYER \_\_\_\_\_  
(Print name)

32. BROKER COMPENSATION FROM SELLER:  
A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.  
B. If escrow does not close, compensation is payable as specified in that separate written agreement.

33. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.  
 (if checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED \_\_\_\_\_

Date 4-8-09  
SELLER \_\_\_\_\_  
Van B...  
(Print name)

Date \_\_\_\_\_  
SELLER \_\_\_\_\_  
(Print name)

(Address) \_\_\_\_\_  
CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

**REAL ESTATE BROKERS:**  
A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.  
B. Agency relationships are confirmed as stated in paragraph 27.  
C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.  
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS; or (ii)  (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) Coldwell Banker DRE Lic. # 00676212  
By Lena Ohanessian Lena Ohanessian DRE Lic. # 01204146 Date \_\_\_\_\_  
Address 12930 Ventura Blvd., #202 City Studio City State CA Zip 91604  
Telephone (818) 434-3311 Fax (818) 784-4926 E-mail Lena.Ohanessian@gmail.com

Real Estate Broker (Listing Firm) Coldwell Banker License # \_\_\_\_\_  
By Sandra Gibson License # \_\_\_\_\_ Date \_\_\_\_\_  
Address 15490 VENTURA #100 City SHERMAN OAKS State CA Zip 91403  
Telephone 818 205-2051 Fax \_\_\_\_\_ E-mail SANDRAGIBSON@REDFINING.NET

**ESCROW HOLDER ACKNOWLEDGMENT:**  
Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 28 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.  
Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_  
Escrow Holder West Coast Escrow (Lisa Gaynor) Escrow # \_\_\_\_\_  
By \_\_\_\_\_ Date \_\_\_\_\_  
Address \_\_\_\_\_  
Phone/Fax/E-mail // \_\_\_\_\_  
Escrow Holder is licensed by the California Department of  Corporations,  Insurance,  Real Estate. License # \_\_\_\_\_

(\_\_\_\_\_/\_\_\_\_\_) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) \_\_\_\_\_ (Date) \_\_\_\_\_

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.  
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SUBJECT TO THE TERMS AND  
CONDITIONS OF CHL'S REAL ESTATE  
PURCHASE ADDENDUM  
ATTACHED HERETO



00330799



CALIFORNIA ASSOCIATION OF REALTORS®

STATEWIDE BUYER AND SELLER ADVISORY (This Form Does Not Replace Local Condition Disclosures. Additional Addenda May Be Attached to This Advisory. See Paragraph 44) (C.A.R. Form SBSA, Revised 4/07)

4705 Kester Ave., #211 Sherman Oaks, CA 91403

Property Address: \_\_\_\_\_ ("Property").

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 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.
You have the right to request that the Seller make repairs, corrections or take other actions based on inspections or disclosures.
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 terms of the purchase agreement and any counter offers and addenda establish your rights and responsibilities.
YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

SELLER RIGHTS AND DUTIES:

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
You are obligated to make the Property available to the Buyer for inspections allowed by the contract.
This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaire or disclosure.
The terms of the Purchase Agreement and any Counter Offers and Addenda establish your rights and responsibilities.

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 Broker gives a referral to another professional, Broker does not guarantee that person's performance. You may select any professional of your own choosing.
Any written agreement between Broker and Buyer or Seller establishes the rights and responsibilities of those parties.

1. INSPECTIONS: Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not have expertise in these areas. 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.

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SBSA REVISED 4/07 (PAGE 1 OF 10)

Buyer's Initials (X DB) ( )
Seller's Initials ( ) (DB)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 10)

Agent: Lena Ohanessian Phone: (818) 434 - 3311 Fax: (818) 784 - 4926 Prepared using WINForms® software
Broker: Coldwell Banker Residential Br 12930 Ventura Blvd Studio City, CA 91604

4705 Kester Ave., #211

Property Address: Sherman Oaks, CA 91403

Date: April 6, 2009

**2. SQUARE FOOTAGE, LOT SIZE AND BOUNDARIES:** 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. Brokers have not verified any such representations. Brokers do not have expertise in this area. If Buyer wants information about the exact square footage, lot size or location of Property corners or boundaries, Broker recommends that Buyer hire an appraiser or licensed surveyor to investigate these matters during Buyer's inspection contingency period.

**3. SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may have known or unknown mines, mills, caves or wells. Brokers do not have expertise in this area. 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.

**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 Buyer's or Brokers visual inspection. 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 Homeowners 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. Brokers do not have expertise in this area. 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.

**5. 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, 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. 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. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. 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."

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

Buyer's Initials (X DS) ( ) ( )  
Seller's Initials ( ) ( ) ( )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**7. 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.

**8. SEPTIC SYSTEM(S):** Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Brokers do not have expertise in this area. 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.

**9. 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 recommends that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**10. WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of, or other 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. Brokers do not have expertise in this area. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation by a registered structural pest control company during Buyer's inspection contingency period.

**11. 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, advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Brokers have not verified any such representations. If Buyer wants further information Buyer is advised and Broker recommends that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.

Buyer's Initials (X DB) ( )  
Seller's Initials ( ) ( )

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**12. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Brokers do not have expertise in this area. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones.

**13. 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 Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Brokers do not have expertise in this area. Buyer is advised that there is a potential for fires even outside designated zones.

**14. 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, or an area of Potential Flooding pursuant to California Government Code Section 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 recommends that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer is advised that there is a potential for flooding even outside designated zones.

**15. 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. 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 of the Property, its development and size. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**16. 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. Broker makes no representation regarding the preservation of existing views. If Buyer wants further information, Broker recommends that Buyer review Covenants, Conditions and Restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**17. FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or remodels of portions 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 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. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). 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 <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**18. ERRANT GOLF BALLS:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course there is a possibility that golf balls may damage the Property or injure persons or pets on it. Additionally, persons playing golf may enter the Property to retrieve errant golf balls or for other purposes. Broker recommends that Buyer investigate this possibility during Buyer's inspection contingency period. Brokers do not have expertise in this area.

Buyer's Initials (XDB) \_\_\_\_\_  
Seller's Initials (AD) \_\_\_\_\_

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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**19. 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 that Buyer is interested in. Broker recommends that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**20. 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 airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include traffic on streets and highways, 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.

**21. 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 contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and may not be eliminated by cleaning or replacing carpets or other cleaning. 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 recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**22. SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, access alarms, self-latching mechanisms 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. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer contact local government agencies about these restrictions and other requirements.

**23. RETROFIT:** Buyer and Seller are advised that state and local Law may require the installation of operable smoke detectors, bracing or strapping of water heaters, and completion of a corresponding written statement of compliance that is delivered to Buyer. Some city and county governments may impose additional retrofit standards, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, and tempered glass. Brokers do not have expertise in this area. Broker recommends 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.

**24. 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.

**25. NEIGHBORHOOD, AREA; PERSONAL FACTORS:** 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 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, 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.

Buyer's Initials (X DB) ( )  
Seller's Initials ( AS ) ( )  
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**26. INSURANCE:** 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. Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker recommends that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer 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 recommends 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). Brokers do not have expertise in this area.

**27. 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 recommends that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

**28. 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 on Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker recommends that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

**29. 1915 BOND AND MELLO-ROOS COMMUNITY AND OTHER FACILITIES DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915 and/or a levy of a special tax pursuant to a Mello-Roos community facilities or other district. 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. Brokers do not have expertise in this area.

**30. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs):** 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 of Covenants, Conditions and Restrictions (CC&Rs) 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. 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. 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. See paragraph 26 for further information regarding insurance. Brokers do not have expertise in this area.

**31. 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 fees, over and above any stated association fees. Private transfer fees: (A) may last for a fixed period of time or in perpetuity, (B) are typically calculated as a percentage of home's sales price, and (C) may have private parties, charitable organizations or interest-based groups as their recipients. Brokers do not have expertise in this area.

Buyer's Initials (XDB) \_\_\_\_\_  
Seller's Initials (WS) \_\_\_\_\_  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





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**32. 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. 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 below, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> during Buyer's inspection contingency period. The following are examples of recall/defective products/class action information. The information is not exclusive. If Buyer wants further information, Broker recommends that Buyer contact the sources below. Brokers do not have expertise in this area and will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. (NOTE: While the information below is believed to be current as of the revision date of this form, phone numbers and web addresses may change or be discontinued.)

**A. FURNACES:** Buyer is advised that the CPSC has issued a warning regarding certain gas-fired horizontal forced-air furnaces that present a substantial risk of fire. The furnaces in question were manufactured from 1983 to 1994 by Consolidated Industries and were marketed under many different brand names. Homes built before 1983 or after 1994 could still have the furnaces in question due to replacements or remodeling. If Buyer wants further information, Broker recommends that Buyer contact CPSC's hotline at (800) 638-2772.

**B. WHIRLPOOL MICROWAVE-HOOD COMBINATION:** Buyer is advised that Whirlpool Corporation has voluntarily recalled approximately 1.8 million microwave-hood combinations that have been known to overheat and catch fire. The units at issue are installed above ranges and are sold under the Whirlpool, KitchenAid and Kenmore brand names. If Buyer wants further information, Broker recommends that Buyer contact Whirlpool by phone at (800) 785-8897 or at its website, <http://www.repair.whirlpool.com>.

**C. ROOF TILES:** Buyer is advised that there is a class action lawsuit concerning certain fire free tiles and quantum panels manufactured and installed by RE-Con Building Products, Inc. from December 1993 to November 1997. If Buyer wants further information, Broker recommends that Buyer call (800) 966-3696 or view the website at <http://www.firefreeclaims.com>.

**D. FIRE SPRINKLER:** Buyer is advised that Central Sprinkler Company is recalling 35 million fire sprinkler heads that may be defective. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or Central Sprinkler Company at (866) 506-8553 or <http://www.sprinklerreplacement.com>.

**E. WATER HEATER:** Buyer is advised that certain water heaters manufactured by a variety of companies between 1993 and 1997 may be defective. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water heater on the Property is defective.

**F. ALUMINUM WIRING:** Buyer is advised that some properties in California are wired in whole or in part with aluminum wiring which was approved at the time of construction but subsequently determined to be a potential hazard. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the wiring on the Property is defective.

**G. GALVANIZED, ABS, POLYBUTYLENE AND COPPER PIPE:** Buyer is advised that galvanized steel water pipes may corrode and leak after several years and that ABS plastic drain waste and vent pipe may be subject to failure. Buyer is also advised that the adhesive used in the installation of polybutylene pipe has been subject to failure. Additionally, copper pipe installed in slabs may develop leaks as result of reaction to certain soils. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water pipes and drains on the Property are defective.

**H. WATER HEATER GAS CONTROL VALVES:** Buyer is advised that the CPSC in cooperation with Robertshaw Controls Company has announced a voluntary recall of approximately 178,000 gas control valves installed on water heaters manufactured between July 2005 and August 2005 with production date codes 5-31 through and including 5-33 under brand names American Proline, Bradford White, GE, GSE, Hotpoint, Jetglas, John Wood, Lochinvar, Premire Plus, Powerflex, Rheem, Richmond, Ruud, Vanguard, Whirlpool and U.S. Craftsman.

Further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or contact Robertshaw Controls at (888) 225-1071 or <http://www.robertshaw.com>.

Buyer's Initials (x) DB \_\_\_\_\_  
Seller's Initials WJ \_\_\_\_\_  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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**I. ARC-FAULT CIRCUIT BREAKER:** Buyer is advised that the CPSC in cooperation with Schneider Electric has announced a voluntary recall of approximately 700,000 Square D QO and Homeline® AFCI circuit breakers manufactured by Schneider Electric North American Operating Division. The recalled arc-fault interrupter circuit breakers are designed for use in 15 and 20-amp branch circuits; have a blue test button and were manufactured between March 2004 and September 2004. Tests show that these circuit breakers may not provide the arc-fault protection required by the 2001 California Electrical Code, Section 210-21. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or contact Schneider Electric at (877) 202-9064 or <http://www.us.squared.com/recallafci>.

**33. RENTAL PROPERTY RESTRICTIONS:** Buyer and Seller are advised that some cities and counties impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property and the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker recommends that Buyer investigate the issue with an appropriate government authority during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**34. 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 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. 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.

**35. 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. Broker recommends that Buyer review the policy for details. Brokers do not have expertise in this area.

**36. INTERNET ADVERTISING:** Buyer and Seller are advised that Broker may employ a service to provide a "virtual tour" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. Neither the service provider nor Broker has control over who will obtain access to the service or what action such persons might take. Buyer and Seller are advised that Brokers have no control over how long the information concerning the Property will be available on the Internet. Brokers do not have expertise in this area.

**37. ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code section 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 definitions of "good funds." Broker recommends that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All drafts and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to the escrow holder's account. Brokers do not have expertise in this area.

**38. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL:** 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 of Your Supplemental Property Tax Bill" 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. 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. 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. If Buyer wants further information concerning these matters, Broker recommends that Buyer discuss the issue with the County Assessor or Tax Collector. Brokers do not have expertise in this area.

Buyer's Initials: (X) DB \_\_\_\_\_  
Seller's Initials: \_\_\_\_\_

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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Date: April 6, 2009

**39. 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. 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.

**40. FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code section 1445 requires a Buyer to withhold and remit to the Internal Revenue Service 10% of the purchase price if Seller is a non-resident alien, unless an exemption applies. 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 include Seller's tax identification number. Buyer can also avoid the federal withholding requirement 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 Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price 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 exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

**41. 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 the Buyer breaches the agreement, and generally must be separately initialed by both parties 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. However, if the Property contains from 1 to 4 units, one of which the 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 the Buyer's deposit to the 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.

**42. MEDIATION:** Buyer and Seller are advised that mediation is a process in 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-CA; (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 first attempting to mediate the dispute, that party risks losing the right to recover attorney fees even if he or she prevails.

**43. ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a 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 on the public record. By agreeing to arbitration the parties give up the right to a jury trial and to appeal. 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 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.

Buyer's Initials (x DB) ( )  
Seller's Initials ( WS ) ( )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



4705 Kester Ave., #211  
Property Address: Sherman Oaks, CA 91403

Date: April 6, 2009

**44. LOCAL ADDENDA (IF CHECKED):**

The following local disclosures or addenda are attached:

- A.
- B.
- C.
- D.

Buyer and Seller acknowledge and agree that Broker: (i) does not decide what price Buyer should pay or Seller should accept; (ii) does not guarantee the condition of the Property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

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

Date 04/06/2009

Date \_\_\_\_\_

BUYER X

BUYER \_\_\_\_\_

David Badgerow  
(Print name)

\_\_\_\_\_  
(Print name)

(Address) \_\_\_\_\_

Date 4-8-09

Date \_\_\_\_\_

SELLER Dan B

SELLER \_\_\_\_\_

(Print name)

(Print name)

(Address) \_\_\_\_\_

Real Estate Broker (Selling Firm) Coldwell Banker DRE Lic. # 00616212

By Lena Ohanessian Lena Ohanessian DRE Lic. # 01204146 Date 04/06/2009

Address 12930 Ventura Blvd., #202 City Studio City State CA Zip 91604

Telephone \_\_\_\_\_ Fax (818) 784-4926 E-mail Lena.Ohanessian@gmail.com

Real Estate Broker (Listing Firm) Coldwell Banker DRE Lic. # \_\_\_\_\_

By Sandra Ellen Sanda Gibson DRE Lic. # \_\_\_\_\_ Date 4-8-09

Address 15790 VENTURA #600 City SHERMAN OAKS State CA Zip 91409

Telephone 818 205-2051 Fax \_\_\_\_\_ E-mail SANDAGIBSON@EARTHLINK.NET

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SUBJECT TO THE TERMS AND  
CONDITIONS OF CNL'S REAL ESTATE  
PURCHASE ADDENDUM  
ATTACHED HERETO

SOUTHLAND REGIONAL



ASSOCIATION OF REALTORS®, INC.

**ADDENDUM TO RESIDENTIAL PURCHASE AGREEMENT**  
**THIS IS INTENDED TO BE A LEGALLY BINDING DOCUMENT - READ IT CAREFULLY**  
**FOR USE WITH PROPERTIES LOCATED IN THE SAN FERNANDO VALLEY**

The following terms and conditions are incorporated in, and made a part of, the Residential Purchase Agreement dated \_\_\_\_\_ on the property known as 4705 KESTER AVE., # 211, SHERMAN OAKS, CA 91403 (the "Property") in which DAVID BADGEROW is referred to as Buyer and COUNTRYWIDE is referred to as Seller.

- 1. Certificates of Occupancy:** Buyer is advised that the City of Los Angeles issues permits authorizing the construction of improvements, additions and modifications to property. The simple fact that a building permit has been issued does not, by itself, indicate that the work in question has been completed in accordance with City specifications. Parties are advised to look in City records for a "Certificate of Occupancy" which is typically issued after the City inspects the property and verifies that construction has been completed in accordance with City specifications.
- 2. Airport Noise:** Buyer is aware of the existence and proximity of both the Van Nuys Municipal Airport and Burbank/Glendale/Pasadena Airport (Bob Hope Airport) to the subject property. Buyer is aware that airport noise exists throughout much of the San Fernando Valley. Buyer has been informed that Van Nuys Municipal Airport has a plan for expansion. For further information regarding this plan Buyer is advised to visit website [www.vnymasterplan.org](http://www.vnymasterplan.org) or call the Department of Airports at (818)785-8838. Buyer is aware that Burbank/Glendale/Pasadena Airport Authority has submitted a Noise Exposure Map for the area surrounding this airport. The map constitutes notice to prospective purchasers of property surrounding the airport of noise attributable to the Airport. For more information regarding this Buyer is advised to contact the Burbank/Glendale/Pasadena Airport Authority at (818)840-8340 or its website [www.burbankairport.com](http://www.burbankairport.com).
- 3. Boeing Rocketdyne Santa Susana Facility:** Buyer is aware that there is a former Rocketdyne testing facility located in the Santa Susana Mountains between Chatsworth and Simi Valley. The U.S. Department of Energy has indicated that there are some radioactive materials and industrial solvents on this site, which are in the process of clean-up. Lawsuits have been filed alleging that the Rocketdyne facility has caused environmental contamination beyond the site. Two recent studies by UCLA and the University of Michigan have indicated that residents living within two miles of this facility may have been exposed to toxic chemicals and have slightly higher cancer rates than people in communities farther from the lab. However, authors of both reports have warned the results of these studies do not conclusively show that contamination from this facility caused cancer or other illnesses in the surrounding community. The Seller and Real Estate Brokers are unable to give any definitive answers regarding potential health hazards that may result from the proximity of the property to this former testing facility. It is strongly recommended that Buyer have a soil test conducted of the Subject Property to determine any potential contamination. For further information, Buyer should contact the U.S. Department of Energy, San Francisco, California, or Buyer's State or Federal Legislator.
- 4. Rent Control:** Buyer has been informed that Los Angeles City is subject to a rent control ordinance. Currently, all single family residences are exempt from this ordinance. In addition, multi-units, including townhomes and condominiums where the original Certificate of Occupancy was issued after October 1, 1978, are exempt. Buyer's ability to increase rent, evict tenants, and other related matters may be restricted by said ordinance. Buyer may also be required to pay monetary relocation assistance to any tenants who are evicted by Buyer for any reason. This relocation assistance may amount to several thousand dollars based upon the category of tenant involved. Broker(s) strongly recommend Buyer contact the City of Los Angeles Housing Department at 800-994-4444 to determine the effect of the local ordinance on subject property. If the Property is located outside the City of Los Angeles, Buyer is advised to check with the appropriate governmental entity to determine the existence of any Rent Control Ordinance.
- 5. Valley Transit Project:** Buyer is informed that Property may be situated in or near one of the areas where the Metropolitan Transit Authority (MTA) has constructed an east-west busway across the San Fernando Valley. The busway (Metro Orange Line) follows the Burbank and Chandler Boulevard railroads right-of-way from the North Hollywood subway station to Warner Center in Woodland Hills. This busway could adversely or beneficially affect the value or desirability of the Property. Further, Buyer is aware that there will be an increased noise factor as a result of the operation of this busway. A map and additional information regarding the Metro Orange Line is available at [www.mta.net](http://www.mta.net). Buyer is advised to contact the MTA at (213) 620-7245 for additional information.
- 6. Baseline Mansionization Ordinance:** Buyer is advised that the City of Los Angeles has adopted a Baseline Mansionization Ordinance (Los Angeles City Ordinance #179883) which may affect Buyer's intended use of the subject property. For those properties subject to the Ordinance (generally all single-family residentially zoned properties not located in a Hillside area or Coastal Zone) the Ordinance imposes restrictions on the square footage allowable for both new construction and additions to existing structures on the property. Buyer is advised to obtain a copy of this ordinance and to contact the appropriate City agency directly to determine its impact, if any, on the subject property. Buyer may also visit the following website: <http://zimas.lacity.org>. In addition to the above referenced ordinance, the City of Los Angeles has adopted interim ordinance #179184 potentially impacting square footage requirements for single-family residentially zoned properties in the Sunland-Tujunga area. Buyers purchasing in this area are advised to obtain a copy of this ordinance and to contact the appropriate City agency to determine its impact, if any, on the subject property. Broker does not have expertise in this area and strongly recommends that Buyer verify, prior to removing inspection contingencies, whether these Ordinances will have any effect on the Buyer's intended use of the subject property.

Buyers and Seller acknowledge receipt of this page, which constitutes Page 1 of 3 Pages of this Addendum

Buyer Initials DB

Seller Initials DS



SUBJECT TO THE TERMS AND  
CONDITIONS OF CHL'S REAL ESTATE

PURCHASE ADDENDUM

7. **Hillside Ordinance:** Buyer is advised that Hillside Property in the city of Los Angeles and other cities may be subject to and impacted by local ordinances providing for special Hillside Property requirements. If the Property is a Hillside Property, Buyer is advised to obtain a copy of these ordinances to determine their impact, if any, on the Property. Information regarding the Los Angeles Hillside Property ordinances can be obtained from the City of L.A., Dept of Building and Safety.
8. **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 effects, if any, on the value and the buyer's use and enjoyment of the property. Buyer is specifically advised that the Property is in the vicinity of the Sunshine Lopez Chiquita Other \_\_\_\_\_ landfill site, Buyer is advised that there is a proposal to extend the Sunshine Canyon Landfill located in the North San Fernando Valley above Granada Hills. For further information regarding this issue Buyer may contact BFI Industries of California at (888)742-5234, or the 12<sup>th</sup> District City Council office.
9. **Future Development:** Buyer is aware that the Property may be affected by future development of property in the neighborhood or surrounding areas and the Property may be subject to building and development restrictions and conditions. Buyer is advised to consult with appropriate government agencies and shall rely solely upon Buyer's own investigations to determine future development or planning and its potential impact on the Property. Buyer is advised that the Universal Studios and Porter Ranch areas are in the process of major expansion at this time as are other areas located within City and County jurisdiction.
10. **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 his own 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 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 and failed to disclose this to Buyer. If Buyer is informed that "hardwood floors" exist at Property, Buyer understands that this is NOT a representation or guarantee that all flooring underneath existing carpeting is hardwood and is not a representation or guarantee as to the condition of said hardwood.
11. **High Winds Disclosure:** Buyer is aware that certain areas located in the San Fernando Valley (especially in the Northern portion of the San Fernando Valley) and numerous areas located in Santa Clarita Valley experience high winds, especially in winter months. Buyer is advised to make an independent investigation of this during Buyer's physical inspection contingency period, if this is a matter of concern to Buyer.
12. **Rented Equipment:** If Seller has a Water Softening Device, Burglar Alarm System, or Satellite Dish installed on the property, Buyer to 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.
13. **Potable Water to Support Future Improvement to Property:** Buyer is made aware in the County of Los Angeles there are new requirements effective January 1, 2003, for the expansion and development of real estate. Buyer is advised to do an independent investigation of the "Potable Water Availability Requirements for Residential and Commercial Development" including whether "public" or "certified well water" source is available and the performance of soil evaluation "percolation" tests for private sewerage disposal. Buyers in unincorporated areas of the County of Los Angeles should contact the County of Los Angeles, Department of Health Services Environmental Health or the Los Angeles County Department of Public Works (website [www.Ladpw.org](http://www.Ladpw.org)).
14. **Mulholland Scenic Parkway Specific Plan:** Buyer is aware that all property situated in the City of Los Angeles bounded on the East by the Hollywood Freeway, on the West by the Los Angeles City/County boundary line, and within approximately one-half mile North or South of Mulholland Drive is subject to the Mulholland Scenic Parkway Specific Plan (City of Los Angeles Ordinance #167943). If the Property lies within this Specific Plan area, Buyer is strongly advised to obtain a copy of the ordinance and to investigate the impact the Specific Plan may have on subject Property. Buyer may obtain an official copy of the ordinance by contacting the Los Angeles City Ordinance Division at (213) 978-1133.
15. **Protected Tree Preservation:** Buyer is aware of the existence of a Los Angeles City Ordinance (Ordinance # 177404) that regulates and encourages the preservation of oak trees and other "protected trees" within the City of Los Angeles. For more information regarding which trees fall within the category of "protected trees" and what restrictions apply to such trees and before removing, relocating or altering any trees on subject property, Buyer is advised to contact the City of Los Angeles, Urban Forestry Division at (213) 485-5675. A permit is generally required to relocate, remove or alter any protected tree. Buyer is advised to contact the Bureau of Street Services at (800) 995-2489 regarding the issuance of a permit. The Seller and Real Estate Brokers are not experts in this area and cannot give specific advice to Buyer with regard to this matter. Buyer may also visit [www.cityofla.org](http://www.cityofla.org) for additional information.
16. **Sale Contingency/Disapproval:** This sale is contingent upon Buyer's independent investigation and approval of Items 1 thru 15 above, 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.
17. **Lender Information:** Listing agent is authorized to contact Buyer's lender regarding progress of loan. Buyer instructs selling agent to provide listing agent with name and telephone number of lender immediately upon submission of loan application.
18. **Value:** Buyer and Seller acknowledge and agree that while Broker(s) often provide information regarding comparable properties to the Property, the value of the property is subjective and Broker(s) cannot 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.

Buyers and Seller acknowledge receipt of this page, which constitutes Page 2 of 3 Pages of this Addendum

Buyer Initials DB

Seller Initials DD

RESET FORM

PRINT



SUBJECT TO THE TERMS AND  
CONDITIONS OF CHL'S REAL ESTATE  
PURCHASE ADDENDUM

ATTACHED HERETO

19. **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, insects, or any other such "pests".
20. **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 should be in writing signed by Buyer and Seller. In addition, California law may, in some circumstances, permit a reasonable period of time beyond the date set for close of escrow for one or the other party to comply with the terms of escrow and sale. 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.

**21. Mandatory Government Retrofit Items:**

- a) **Water Conservation Certificate of Compliance (for property located in the City of L.A.):** Buyer and Seller are aware of Los Angeles Municipal code Section 122.03 requiring the Seller of Residential property to provide Buyer with a Certificate of Compliance that all applicable items have been retrofitted with the water saving devices specified in said code section. Property shall have ultra low flow toilets in all bathrooms prior to close of escrow, as well as required flow restrictor showerheads per city ordinance.
- b) **Impact Hazard Glazing (for property located in the City of L.A.):** Buyer and Seller are aware of City of Los Angeles Ordinance No. 161.136 requiring that all external sliding glass doors (the sliding part only) must be tempered glass or "impact hazard glazed" with a safety film approved by the City of Los Angeles prior to the close of escrow.
- c) **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. Los Angeles City ordinance requires installation of smoke detectors in every bedroom and hallway adjacent to bedroom. Single family residences may have battery operated smoke detectors, but all multi dwelling units, including condominiums and townhomes, must be hardwired. Los Angeles City ordinance requires all water heaters to be double strapped as per city ordinance specifications.
- d) **Gas Shutoff Valve Ordinance (for property located in the City of Los Angeles):** Buyer and Seller are aware of the Los Angeles City ordinance that requires the installation of a Seismic Gas shutoff Valve on residential and commercial buildings prior to the close of escrow. Said ordinance requires a permit from the Department of Building and Safety as well as an inspection by the Department. Questions concerning this ordinance should be directed to the Los Angeles Department of Building and Safety at their toll free number (888) 524-2845

22. **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 shall sign appropriate documentation within ten (10) calendar days of execution of this Agreement, or the other party to the transaction shall have the right to cancel this transaction at his/her sole discretion with written notification to Escrow.

23.  (Check if applicable) **Selection of Service Providers:** All parties are aware that Broker(s) have a financial interest in \_\_\_\_\_ Buyer and Seller are not obligated to use said service(s). (Broker(s) are advised that they are required to provide Buyer and Seller with the appropriate Affiliated Business Arrangement disclosure form pursuant to RESPA guidelines with regard to any services referenced in this paragraph).

24. **Report of Residential Property Records and Pending Special Assessment Liens:** If the subject property is residential and located in the City of Los Angeles, Seller shall pay for and deliver to Buyer, prior to close of escrow, a "Report of Residential Property Records and Pending Special Assessment Liens" in accordance with Los Angeles City Ordinance No. 144.942. Buyer and Seller acknowledge that Broker(s) is not responsible for the timely delivery of said report.

**NOTICE:** The amount or rate of real estate commissions is not fixed by law. They are set by each broker individually and may be negotiable between the Broker and the party paying the commission. (This notice applies to Paragraph 25 and 26)

25.  (Check if applicable) **Professional Services Fee:** At the close of escrow of Property, Buyer shall be responsible for the payment of a Professional Services Fee to Buyer's Broker in the amount of \$ \_\_\_\_\_ as reimbursement to said Broker for a portion of its administrative costs, including costs of preparing and processing documents. Said amount shall be payable only if Property closes escrow. Nothing in this paragraph shall be construed to alter any such fee owing from Seller to Seller's Broker pursuant to Seller's Listing Agreement or other written arrangement with Seller's Broker.

26. **Buyer's Subsequent Purchase:** In the event this transaction is not concluded and within twelve (12) months following the date of this offer, should Buyer or any related person, acting directly or indirectly, acquire the Property or any interest in the Property from Seller, Seller agrees to pay commission as set forth in Seller's Listing Agreement or, if there is no listing agreement, as specified in the original Purchase Agreement between Seller and Buyer. For purposes of this Agreement, "related person" includes any person related by blood, marriage, or business relationship, and any entity that controls or is controlled by Buyer or any related person excluding Brokers herein.

**NOTE:** It is agreed by Buyer and Seller that the inclusion of Paragraphs 25 and 26 above shall not be interpreted as causing Broker(s) to be considered as parties to the remainder of this Addendum or the Purchase Agreement.

Buyer and Seller acknowledge receipt of this page, which constitutes Page 3 of 3 Pages of this Addendum.

DATE 4/7/09 BUYER [Signature] BUYER \_\_\_\_\_  
DATE 4-8-09 SELLER [Signature] SELLER \_\_\_\_\_





CALIFORNIA  
ASSOCIATION  
OF REALTORS®



**REO ADVISORY**

For Properties Being Sold by a Lender After Foreclosure  
(G.A.R. Form REO, 4/08)

Property Address: 4705 KESTER AVE., # 211, SHERMAN OAKS, CA 91403 ("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 many obligations, Seller must still comply with many others. Further, even though a Seller may be exempt from certain obligations, a real estate broker's obligations may still apply. This Advisory is intended to inform Buyer and Seller of their rights and obligations independent of those established by the contract between them.

**EXEMPTIONS:**

1. **TDS, NHD, Mello-Roos, Improvement Bond Act, Supplemental Property Taxes, Private Transfer Fee:** Seller is exempt from providing Buyer with the Real Estate Transfer Disclosure Statement (TDS), Natural Hazard Disclosure Statement (NHD), a Mello-Roos district lien disclosure, an Improvement Bond Act of 1915 notice, a Supplemental Property Tax notice, and a Notice of Private Transfer Fee pursuant to California Civil Code §§ 1102 et seq.
2. **Earthquake Guides:** Seller is exempt from providing either a Homeowner's or Commercial Property Owner's Guide to Earthquake Safety.

**REQUIREMENTS:**

1. **Disclosures:** Seller is not exempt from common law and statutory duties concerning fraud and deceit, even though the specific TDS Form is not required to be completed. Seller remains obligated to disclose known material facts affecting the value and desirability of the Property.
2. **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.
3. **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.
4. **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.
5. **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 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.

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Buyer's Initials ( DB ) ( \_\_\_\_\_ )  
Seller's Initials ( DB ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



REO 4/08 (PAGE 1 OF 2)

**REO ADVISORY (REO PAGE 1 OF 2)**

Agent: Sandra Gibson	Phone: (818)995-2424	Fax: (818)995-7483	Prepared using WINForms® software
Broker: Coldwell Banker	15490 Ventura Blvd #100, Sherman Oaks	CA 91403	



4705 KESTER AVE., # 211, SHERMAN OAKS, CA

Property Address: 91403

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

- 6. **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.)
- 7. **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 either qualified 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.
- 8. **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 AVJD.
  - 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.

**OTHER CONSIDERATIONS:**

- 1. **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.
- 2. **Amendments to Contract:** Lender-prepared addenda, amendments, or counter-offers to a Buyer and Seller Agreement, or a Lender-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 lender-prepared documents are permissible under California Law; or, (iii) in the event of a discrepancy between the Lender-prepared documents and the Buyer-Seller Agreement, which document or which terms may supersede the other. Buyer is advised to seek legal counsel to discuss the applicability and interpretation of any lender-prepared documents prior to signing any such documents.

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

Buyer DAVID BADGEROW Date 4/7/09

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Seller COUNTRYWIDE Date 4-8-09

Seller \_\_\_\_\_ Date \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SUBJECT TO THE TERMS AND  
CONDITIONS OF CHL'S REAL ESTATE  
PURCHASE ADDENDUM  
ATTACHED HERETO



## DISCLOSURE FOR THE CITY OF LOS ANGELES SEISMIC GAS SHUTOFF VALVE ORDINANCE AND ULTRA LOW FLOW TOILET RETROFIT ORDINANCE

Property Address: 4705 KESTER AVE., # 211, SHERMAN OAKS, CA 91403

### 1. SEISMIC GAS SHUTOFF VALVE ORDINANCE

**SALE OF RESIDENTIAL PROPERTY.** The City of Los Angeles has enacted the modified version of Ordinance Number 171874, Section 94.1219.23 of the Los Angeles Municipal Code, which requires residential buildings situated in the City of Los Angeles, to have the seismic gas shutoff valve installed prior to the close of escrow.

**DEFINITION OF RESIDENTIAL.** A "residential building" includes any single family dwelling, duplex, apartment building, townhouse and/or condominium.

**CONDOMINIUMS.** The sale of an individual condominium unit in a building requires installation of seismic gas shutoff valves for all gas piping serving that building. If the building in which a condominium unit is located has multiple gas lines, the shutoff valve is required on the line serving the unit sold and other units served by the same line or meter.

It is strongly recommended that interested parties contact the Condominium Home Owner's Association ("HOA") in order to determine the number of gas lines servicing the building and HOA's position regarding compliance with the City of Los Angeles Seismic Gas Shutoff Valve Ordinance.

**ALTERATIONS TO RESIDENTIAL PROPERTY.** The ordinance also requires installation of a seismic gas shutoff valve in connection with any alteration or addition valued at \$10,000 or more for which a building permit for work is first issued on or after January 10, 1998 by the City of Los Angeles.

**ADDITIONAL INFORMATION.** For more information, interested parties may contact the Los Angeles Department of Building and Safety at (888) 524-2845.

### 2. ULTRA LOW FLOW TOILET RETROFIT ORDINANCE

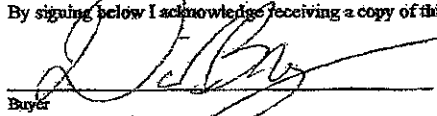
**UPON SALE OF PROPERTY.** Effective January 1, 1999 the City of Los Angeles has enacted Ordinance Number 172075 of the Los Angeles Municipal Code, which requires owners of property situated in the City of Los Angeles to retrofit water closets (toilets), urinals, and showerheads when property is sold. This ordinance, which was passed in June 1998, affects both residential and non-residential properties.

The ordinance provides, among other things, that prior to close of escrow, each "owner" shall ensure that toilets, urinals, and showerheads meeting the following maximum water use requirements are installed: toilets, a maximum of 1.6 gallons per flush; urinals, a maximum of 1.5 gallons per flush; and showerheads, a maximum of 2.5 gallons per minute.

**CERTIFICATE OF COMPLIANCE.** The Ordinance requires that at the time of sale a "Certificate of Compliance" be signed by both the Buyer and Seller and then filed with the Los Angeles Department of Water and Power.

**ADDITIONAL INFORMATION.** The Los Angeles Department of Water and Power ("DWP") indicates that an original, multi-part, serial-numbered Certificate must be used for each transaction. An original can be obtained by telephone from UTECH at (888) 284-6130 or from a plumber or commercial retrofitting service.

By signing below I acknowledge receiving a copy of this disclosure.

  
Buyer DAVID BADGEROW Date 4-7-09

  
Seller COUNTRYWIDE Date 4-8-09

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_

OFFICE USE ONLY

Reviewed by Broker or Designee \_\_\_\_\_ Date \_\_\_\_\_

©2002 Coldwell Banker Disclosure of Seismic Gas Shutoff Valve & Toilet Retrofit Ordinances CB-FD-LA200 rev 2/02  
Equal Housing Opportunity

Coldwell Banker 15490 Ventura Blvd #100, Sherman Oaks CA 91403  
Phone: (818)995-2424 Fax: (818)995-7483 Sandra Gibson

T7092905.ZFX



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**WATER HEATER AND SMOKE DETECTOR  
STATEMENT OF COMPLIANCE**  
(C.A.R. Form WHSD, Revised 11/07)



Property Address: 4705 KESTER AVE., # 211, SHERMAN OAKS, CA 91403

NOTE: 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.
- 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 *Dan B...* COUNTRYWIDE Date 4-8-09  
(Signature) (Print Name)  
Seller \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)  
The undersigned hereby acknowledges receipt of a copy of this document.  
Buyer *David Badgerow* DAVID BADGEROW Date 4-7-09  
(Signature) (Print Name)  
Buyer \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

**SMOKE DETECTOR STATEMENT OF COMPLIANCE**

- STATE LAW:** California Law requires that every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations. (Health and Safety Code §13113.8).
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke detector requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke detector 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 detectors.
- EXCEPTIONS:** Generally, a written statement of smoke detector 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 Health and Safety Code §13113.8 by having operable smoke detector(s) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations and in accordance with applicable local ordinance(s).

Seller *Dan B...* COUNTRYWIDE Date 4-8-09  
(Signature) (Print Name)  
Seller \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)  
The undersigned hereby acknowledge(s) receipt of a copy of this document.  
Buyer *David Badgerow* DAVID BADGEROW Date 4-7-09  
(Signature) (Print Name)  
Buyer \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



WHSD REVISED 11/07 (PAGE 1 OF 1)

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

Agent: Sandra Gibson Phone: (818)995-2424 Fax: (818)995-7483 Prepared using WINForms® software  
Broker: Coldwell Banker 15490 Ventura Blvd #100, Sherman Oaks CA 91403



## AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

To: Consumer  
 From: Coldwell Banker Residential Brokerage

Thank you for contacting us, your local Coldwell Banker Residential Brokerage office (hereinafter Broker), in connection with the purchase or sale of a home or other property. This is to give you notice that Broker has a business relationship with the companies listed in this Statement, in that each of the companies is wholly or partially owned either directly or indirectly by NRT LLC or by Realogy Corporation. Realogy Corporation indirectly wholly owns NRT LLC, a parent company of your local Broker and other brokerage offices throughout the nation. Realogy Corporation also owns the franchisor of the COLDWELL BANKER®, COLDWELL BANKER COMMERCIAL®, CENTURY 21®, ERA®, and Sotheby's International Realty® systems. Because of these relationships, the referral of business to these companies may provide us, our employees or other related parties noted herein a financial or other benefit.

In connection with providing real estate brokerage services, Broker may receive a commission or a cooperative brokerage referral fee for a referral to another real estate brokerage company (which is typical in the real estate brokerage industry); however, this will not affect the amount you pay to purchase or sell a property.

We have set forth below the full range of services that these companies provide, along with an estimate of the range of charges generally made for these services. You are NOT required to use the listed companies as a condition of the purchase or sale of your property. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

COMPANIES	HUD-1 DESCRIPTION/LINE DESIGNATION	ESTIMATE OF RANGE OF CHARGES GENERALLY MADE BY PROVIDER
PHH Home Loans, LLC d/b/a/ Coldwell Banker Home Loans or First Capital Provides a full range of residential first mortgage loan products and services.	Loan origination fee (801) Loan discount fee/points (802) <sup>2</sup> Application fee (800 Series) <sup>2</sup>	0 - 2% of loan amount 0 - 5% of loan amount <sup>2</sup> \$0 - \$450 <sup>2</sup>
U.S. National 1031 Exchange Acts as a qualified intermediary for IRC 1031 Tax Deferred Exchanges.	Additional settlement charges (1300 Series)	\$500 - \$3000
Barrow Escrow Services, Warranty Escrow Company, Inc. and/or West Coast Escrow. Provides expert handling of all details in transferring the property in accordance with the real estate contract.	Settlement/escrow (1101) on: \$100,000 home \$250,000 home \$500,000 home Document preparation/processing fees (1105)	\$300 - \$525 \$500 - \$800 \$900 - \$1,225 \$0 - \$500
Equity Title Company; Progressive Title Company; Guardian Title Company Provides searches of public records that bring to your attention any known problems with the property's title before closing, and insures against loss due to certain title defects.	Purchase of owner's or lender's policy (1108-1110) for: \$100,000 home \$250,000 home \$500,000 home Purchase of lender's policy simultaneously issued with buyer's policy (1108-1110) for: \$100,000 home \$250,000 home \$500,000 home	\$436 - \$685 \$714 - \$1,122 \$1,115 - \$1,752  \$312 \$431 \$597
NRT Insurance Agency Provides insurance agency services for homeowners and other types of insurance.	Hazard Insurance Premium (903)	\$2.50 - \$4.00 per thousand dollars of replacement cost of dwelling

- Actual charges may vary according to the particular circumstances underlying the transaction, including the home value, coverage and limits, other requested terms and services, unusual market conditions, government regulations, property location and features, and other similar factors. Rates may not be the lowest available and are subject to change. For a free, no obligation quote, please contact the company directly. Where required by state law, current rates for insurance are filed with the applicable state agency, and depending upon the circumstances, may vary from the rates shown above.
- The loan discount fee/points are affected by the note rate. Depending upon market conditions, the loan discount fee/points may be higher to adjust for below-market rates.
- There are other charges imposed in connection with mortgage loans. In addition, a lender may require the use of other service providers, including but not limited to an attorney, credit reporting agency or real estate appraiser chosen to represent the lender's interest. If you apply to either of these companies for a loan, you will receive additional information regarding anticipated charges.

*Buyer DB*



SUBJECT TO THE TERMS AND  
CONDITIONS OF CHL'S REAL ESTATE  
PURCHASE ADDENDUM  
ATTACHED HERETO



### COLDWELL BANKER CONTRACT ADDENDUM AND OTHER GREATER LOS ANGELES AREA DISCLOSURES

The following terms and conditions are hereby incorporated in and made a part of the:  Residential Purchase Agreement,  Manufactured Home Purchase Agreement,  Vacant Land Purchase Agreement,  Residential Income Property Purchase Agreement,  Commercial Property Purchase Agreement,  other \_\_\_\_\_

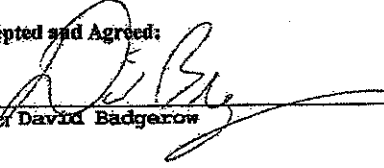
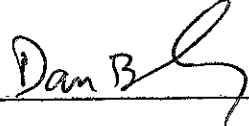
For the purchase of the property located at 4705 Kester Ave., #211 Sherman Oaks, CA 91403 dated April 6, 2009

- FINANCING:**  If checked, Buyer agrees, within three (3) days after acceptance of the offer, to apply for financing through a Coldwell Banker affiliated mortgage company in accordance with the provisions of the Agreement. The application shall be made at no cost or obligation to the Buyer unless/until Buyer authorizes the Coldwell Banker affiliated mortgage company to proceed with appraisal and final loan processing. Buyer may also apply for financing with such other lending sources as Buyer wishes, and retains the choice of lending source and loan subject to the time periods and other provisions in the Agreement.
- NOTICE:** The amount or rate of real estate commissions or other compensation paid to Broker is not fixed by law. They are set by each Broker individually and may be negotiable between Buyer and Broker.
  - A. BUYER'S SUBSEQUENT PURCHASE:** In the event this transaction is not concluded and within twelve (12) months following the date of this offer Buyer or any related person, acting directly or indirectly, executes an agreement to acquire the Property or any interest in the Property from Seller or Seller's successors-in-interest, Buyer hereby agrees to pay to Broker the commission specified in the Agreement. For purposes of this Agreement, (a) "related person" includes any person related by blood, marriage, or business relationship, and any entity which controls or is controlled by Buyer or any related person, excluding Brokers herein, and (b) "successor-in-interest" includes, without limitation, any person or entity which acquires the Property from Seller, whether through voluntary or involuntary transfer, including foreclosure, or by operation of law.
  - B. SERVICE FEE:** In addition to the commission to be paid by Seller, Buyer agrees to pay a service fee to Coldwell Banker through escrow in the sum of \_\_\_\_\_. Said sum shall be payable to Coldwell Banker only upon the closing of the transaction contemplated by this Agreement.
- VALUE:** Buyer and Seller acknowledge and agree that while Broker(s) often provide information regarding comparable properties to the Buyer, the value of the property is subjective and Broker(s) cannot 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.
- ZONE DISCLOSURES AND ADDITIONAL DISCLOSURE REPORTS:** The zone disclosure report to be provided under the Agreement shall cover the types of zones and areas identified in the Agreement for which disclosure is required. The zone disclosure report shall be considered a "substituted disclosure" for purposes of Seller's and Brokers' disclosure of these zones or areas, but shall not affect disclosure obligations with regard to other matters. As part of Buyer's inspections and investigation, Buyer may order additional written reports, at Buyer's expense, included but not limited to other types of areas, zones, risks, permits, and final approvals.
- MULHOLLAND SCENIC PARKWAY SPECIFIC PLAN:** Buyer is aware that all property situated in the City of Los Angeles bounded on the East by the Hollywood Freeway, on the West by the Los Angeles City/County boundary line, and within approximately one-half mile North or South of Mulholland Drive is subject to the Mulholland Scenic Parkway Specific Plan (City of Los Angeles Ordinance #167943). If the Property lies within this Specific Plan area, Buyer is strongly advised to obtain a copy of the ordinance and to investigate the impact the Specific Plan may have on subject Property. Buyer may obtain an official copy of the ordinance by contacting the Los Angeles City Ordinance Division at (213) 978-1133.
- PROTECTED TREE PRESERVATION:** Buyer is aware of the existence of a Los Angeles City Ordinance (Ordinance #177404) that regulates and encourages the preservation of oak trees and other "protected trees" within the City of Los Angeles. For more information regarding which trees fall within the category of "protected trees" and what restrictions apply to such trees and before removing, relocating or altering any trees on subject property, Buyer is advised to contact the City of Los Angeles, Urban Forestry Division at (213) 485-5675. A permit is generally required to relocate, remove or alter any protected tree. Buyer is advised to contact the Bureau of Street Services at (800) 996-2489 regarding the issuance of a permit. The Seller and Real Estate Brokers are not experts in this area and cannot give specific advice to Buyer with regard to this matter. Buyer may also visit [www.cityofla.org](http://www.cityofla.org) for additional information.

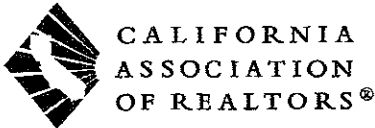
(Buyer's initials) (DB / \_\_\_\_\_) (Seller's initials) (VB / \_\_\_\_\_)

OFFICE USE ONLY	
Reviewed by Broker or Designee _____	Date _____

7. **DISCLOSURE RE: PROPOSED BASELINE MANSIONIZATION ORDINANCE:** Buyer is advised that the subject property may be impacted by the proposed Baseline Mansionization Ordinance (Los Angeles City Planning Case No. 2007-106-CA). If the proposed Ordinance or similar ordinances are passed, then there may be additional restrictions on Buyer's ability to develop, remodel and/or make improvements to or rebuild the subject property. For additional information regarding planning and zoning, among others, Buyer is urged to visit the following website: <http://zimas.lacity.org/> Broker strongly recommends that Buyer verify, prior to removing its contingencies, whether the proposed Ordinance will have any effect on the Buyer's intended use of the subject property. Brokers do not have expertise in this area.
8. **SALE CONTINGENCY/DISAPPROVAL:** This sale is contingent upon Buyer's independent investigation and approval of Items 5, 6 and 7, 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.
9. **OTHER:**

<p>Accepted and Agreed:</p> 	<p>04/06/2009 Date</p>		<p>4-8-09 Date</p>
<p>Buyer</p>	<p>Date</p>	<p>Seller</p>	<p>Date</p>

SUBJECT TO THE TERMS AND  
 CONDITIONS OF CHL'S REAL ESTATE  
 PURCHASE ADDENDUM  
 ATTACHED HERETO



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code) (C.A.R. Form AD, Revised 4/06)

00330799



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 selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. 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 associate licensees, 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, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her 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.

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 Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer [X] Seller [ ] Landlord [ ] Tenant [ ] Date 4-8-09

COUNTRYWIDE

Buyer [ ] Seller [ ] Landlord [ ] Tenant [ ] Date

Agent Sandra Gibson COLDWELL BANKER DRE Lic. #00616212

By Sandra Gibson (Salesperson or Broker-Associate) DRE Lic. #911142 Date 4-6-09

THIS FORM SHALL BE PROVIDED AND ACKNOWLEDGED AS FOLLOWS (Civil Code § 2079.14):
• When the listing brokerage company also represents Buyer, the Listing Agent shall have one AD form signed by Seller and one signed by Buyer.
• When Buyer and Seller are represented by different brokerage companies, the Listing Agent shall have one AD form signed by Seller and the Buyer's Agent shall have one AD form signed by Buyer and one AD form signed by Seller.

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



AD REVISED 4/06 (PAGE 1 OF 2)

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

Agent: Sandra Gibson Phone: (818)995-2424 Fax: (818)995-7483 Prepared using WINForms® software
Broker: Coldwell Banker 15490 Ventura Blvd #100, Sherman Oaks CA 91403



**CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13** As used in Sections 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 Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 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. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee 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 associate licensee functions. (c) "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 vendee or lessee. (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a contract between an owner 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. (f) "Listing 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 listing 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 selling agent which 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 Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 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 employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (l) "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 Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "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. (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**2079.14** Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

**2079.15** In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.17** (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller'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 selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively 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 listing 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.

**(DO NOT COMPLETE SAMPLE ONLY)** \_\_\_\_\_ is the agent of (check one):  the seller exclusively; or  both the buyer and seller.  
 (Name of Listing Agent)

**(DO NOT COMPLETE SAMPLE ONLY)** \_\_\_\_\_ is the agent of (check one):  the buyer exclusively; or  the seller exclusively; or  both the buyer and seller.  
 (Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

**2079.18** No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

**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 Section 2079.14 and Section 2079.17 are complied with.

**2079.21** A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. 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 listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**2079.23** 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.

**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.

Seller's/Landlord Initials (                      ) (                      )  
 Buyer's/Tenant's Initials (                      ) (                      )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

