



# DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)  
(C.A.R. Form AD, Revised 8/24)

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

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

## SELLER'S AGENT

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

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

To the Buyer and the Seller:

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

## BUYER'S AGENT

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

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

To the Buyer and the Seller:

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

## AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

## SELLER AND BUYER RESPONSIBILITIES

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

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

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

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

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

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

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

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ **Buyer/s** Date \_\_\_\_\_

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent \_\_\_\_\_ **TSG Premier Realty** DRE Lic. # **01888601**

Real Estate Broker (Firm)

By \_\_\_\_\_ **Serena S. Wagner** DRE Lic. # **02158017** Date \_\_\_\_\_

(Salesperson or Broker-Associate, if any)

**AD REVISED 8/24 (PAGE 1 OF 2)**

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



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

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

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

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

**2079.16** Reproduced on Page 1 of this AD form.

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

**CONFIRMATION:** (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

Seller's Brokerage Firm _____	DO NOT COMPLETE. SAMPLE ONLY _____	License Number _____
Is the broker of (check one): <input type="checkbox"/> the seller; or <input type="checkbox"/> both the buyer and seller. (dual agent)		
Seller's Agent _____	DO NOT COMPLETE. SAMPLE ONLY _____	License Number _____
Is (check one): <input type="checkbox"/> the Seller's Agent. (salesperson or broker associate) <input type="checkbox"/> both the Buyer's and Seller's Agent. (dual agent)		
Buyer's Brokerage Firm _____	DO NOT COMPLETE. SAMPLE ONLY _____	License Number _____
Is the broker of (check one): <input type="checkbox"/> the buyer; or <input type="checkbox"/> both the buyer and seller. (dual agent)		
Buyer's Agent _____	DO NOT COMPLETE. SAMPLE ONLY _____	License Number _____
Is (check one): <input type="checkbox"/> the Buyer's Agent. (salesperson or broker associate) <input type="checkbox"/> both the Buyer's and Seller's Agent. (dual agent)		

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

**2079.18** (Repealed pursuant to AB-1289)

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

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

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

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

**2079.23** A 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.





**BUYER REPRESENTATION  
AND BROKER COMPENSATION AGREEMENT**  
(Non-Exclusive unless Exclusive is checked and initialed)  
(C.A.R. Form BRBC, Revised 7/24)

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

1. **RIGHT TO REPRESENT:** \_\_\_\_\_ *Buyer/s* ("Buyer") grants \_\_\_\_\_ *TSG Premier Realty* ("Broker") the non-exclusive right (unless Exclusive is checked in **paragraph 2A(2)** and initialed in **paragraph 15**) to represent Buyer in acquiring real property or a manufactured home ("Property") for the Representation Period specified in **paragraph 2A(1)**.
2. **TERMS OF REPRESENTATION:** The items in this paragraph are contractual terms of the Agreement. Referenced paragraphs provide further explanation. This form is 5 pages. Buyer is advised to read all 5 pages.

	Para. #	Paragraph Title or Contract Term	Terms and Conditions
<b>A</b>		<b>Representation</b>	
<b>A(1)</b>		<b>Representation Period</b>	Beginning: _____ (date) Ending at 11:59 P.M. on _____ (date) OR upon completion of a resulting transaction, whichever occurs first. (Not to exceed 3 months. If Representation Period exceeds 3 months, this Agreement is void unless Buyer is a corporation, LLC or partnership.)
<b>A(2)</b>	4B	<b>Type of Representation</b>	Non-exclusive, OR <input type="checkbox"/> Exclusive (valid only if checked AND initialed in <b>paragraph 15</b> ).
<b>B</b>		<b>Property to be Acquired ("Property")</b>	Broker, including any associate licensee working through Broker on behalf of Buyer, provides services for the types of properties and in the locations specified below.
<b>B(1)</b>		<b>Property type:</b>	Single family residential, including condominiums and manufactured homes (SFR), OR, if checked, <input type="checkbox"/> SFR is excluded from this Agreement. <input type="checkbox"/> Multi-family residential with two to four units, <input type="checkbox"/> with 5 or more units, <input type="checkbox"/> Industrial, <input type="checkbox"/> Vacant Land, <input type="checkbox"/> Commercial, <input type="checkbox"/> Tenancy in common <input type="checkbox"/> The following specified property(ies) only: _____
<b>B(2)</b>		<b>Location</b>	<input type="checkbox"/> County(ies): _____ <input type="checkbox"/> City(ies): _____
<b>B(3)</b>		<b>Additional Description</b>	_____
<b>C</b>		<input type="checkbox"/> <b>Additional Buyer Preferences and Priorities</b>	See attached Buyer Identification of Preferences and Priorities (C.A.R. Form BIPP).
<b>D</b>	7	<b>Properties Excluded from Representation</b>	_____ OR <input type="checkbox"/> The Properties identified on the attached list
<b>E</b>		<b>Broker Compensation: 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 Buyer and Broker. See attached Broker Compensation Advisory (C.A.R. Form BCA).</b>	
<b>E(1)</b>	4B	<b>Amount of Compensation</b>	_____ % of the acquisition price AND, if any \$ _____, OR <input type="checkbox"/> _____, OR <input type="checkbox"/> see attached compensation schedule.
<b>E(2)</b>	4G	<b>Payments received by Broker from Seller or others</b>	If Broker receives compensation from Seller or others, for Broker's representation of Buyer, the amount shall be credited against Buyer's obligation to pay Broker. Broker shall not receive any amount in excess of <b>paragraph 2E(1)</b> .
<b>E(3)</b>	4C	<b>Continued Right to Payment for Broker Involved Properties</b>	The Continuation Period shall be _____ calendar days after the Representation Period or any extension ("Continuation Period").
<b>F</b>	5	<b>Cancellation Rights and Notice</b>	<b>Non-exclusive:</b> Cancellation effective upon receipt OR <input type="checkbox"/> _____ days after receipt; <b>Exclusive:</b> Cancellation effective 30 days after receipt.
<b>G</b>		<b>Buyer Financial/Personal Information</b>	
<b>G(1)</b>	9B	<b>Time to deliver Buyer personal/ financial information</b>	<b>Within 5 (or _____) calendar days</b> from the execution of this Agreement. <input type="checkbox"/> C.A.R. Form BFPI attached.
<b>G(2)</b>	9B	<b>Other financial considerations</b>	<input type="checkbox"/> Buyer does not have sufficient funds to pay Broker. <input type="checkbox"/> Buyer intends to purchase with the following loan product which does not allow Buyer to pay compensation to Broker: _____
<b>H</b>		<b>Other Terms</b>	_____



3. **ADVISORIES, ADDENDA AND DISCLOSURES:** The following advisories, addenda and disclosures are attached:

☒ Broker Compensation Advisory (C.A.R. Form BCA) ☐ Other \_\_\_\_\_

4. **COMPENSATION TO BROKER:**

**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 Buyer and Broker.**

A. **ADVISORY:** Real estate commissions include all compensation and fees to Broker and are fully negotiable.

B. **BROKER RIGHT TO COMPENSATION:** Broker shall be entitled to compensation specified in **paragraph 2E(1)** from Buyer if during the Representation Period, or any extension, Buyer enters into an agreement to purchase, lease, or otherwise acquire any Property described in **paragraph 2B**, and the seller thereafter completes the transaction or is prevented from doing so by default of Buyer as follows:

- (1) **NON-EXCLUSIVE REPRESENTATION; BROKER INVOLVEMENT:** Compensation is payable only if there was Broker Involvement with the Property.
- (2) **EXCLUSIVE REPRESENTATION; BUYER ACQUISITION:** If Exclusive is checked in **paragraph 2A(2)** and initiated in **paragraph 15**, Broker is entitled to compensation if Buyer acquires Property during the Representation Period or any extension with or without Broker Involvement, even if another broker is also entitled to be paid for representing Buyer.
- (3) **BUYER INCLUDES** any person or entity, other than Broker, related to Buyer or who in any manner acts on Buyer's behalf to acquire Property described in **paragraph 2B**.
- (4) **BROKER INVOLVEMENT**, wherever used in this Agreement means any of the following:
  - Buyer physically entered and was shown the Property by Broker;
  - Broker showed the Property to Buyer virtually;
  - Broker submitted to seller a signed, written offer from Buyer to acquire, lease, exchange or obtain an option on the Property;
  - Broker performed a market analysis related to the Property or reviewed property specific documents or disclosures with Buyer; or
  - The Property was introduced to Buyer by Broker or one for which Broker acted on Buyer's behalf. However, merely sending Buyer a list of properties shall not be deemed Broker Involvement without documented action on the part of Broker analyzing the Property for Buyer, specifically, or assisting Buyer in the potential acquisition of the Property, or communicating with seller or seller's agent regarding Buyer's potential acquisition of the Property.

C. **CONTINUATION OF RIGHT TO COMPENSATION FOR BROKER INVOLVED PROPERTIES:**

- (1) Broker shall be entitled to the compensation provided for in **paragraph 2E(1)** if, during the Continuation Period specified in **paragraph 2E(3)**, Buyer enters into an agreement to acquire Property for which there was Broker Involvement.
- (2) Broker's right to compensation pursuant to this paragraph shall only apply if, prior to expiration of this Agreement or any extension, Broker delivers Buyer a written notice of those properties for which there was Broker Involvement (C.A.R. Form NBIP).

D. **TIMING OF COMPENSATION:** Compensation is payable:

- (1) Upon completion of any resulting transaction, and through escrow. Broker shall be entitled to compensation whether any escrow resulting from this Agreement closes during or after the Representation Period.
- (2) If acquisition is prevented by default of Buyer, upon Buyer's default.
- (3) If acquisition is prevented by a party to the transaction other than Buyer, when Buyer collects damages, or obtains specific performance, by suit, settlement or otherwise. If damages are recovered, compensation shall equal one-half of the damages recovered, not to exceed the compensation provided for in **paragraph 2E(1)**, after first deducting the unreimbursed payments, credits and expenses of collection and suit, if any.

E. **PAYMENT THROUGH ESCROW:** Buyer hereby irrevocably assigns to Broker the compensation provided for in this Agreement from Buyer's funds in escrow. Buyer agrees to submit to escrow any funds needed to compensate Broker under this Agreement. Broker may submit this Agreement, as instructions to compensate Broker, to any escrow regarding Property involving Buyer and a seller or other transferor.

F. **ACCOUNTING FOR PAYMENTS TO BROKER IF BROKER ALSO REPRESENTS SELLER:** If Broker has a signed listing agreement with the seller of the Property to be purchased, Buyer shall not receive a credit for the compensation seller owes broker for representing Seller.

G. **PAYMENTS RECEIVED FROM OTHERS LESS THAN BUYER COMPENSATION OBLIGATION:**

- (1) Broker and Buyer should discuss whether it would be beneficial to include a term in any offer Buyer makes obligating the seller to pay Broker, directly or through escrow, for some or all of the compensation that Buyer owes Broker.
- (2) If seller does not pay as contractually required, Buyer assigns to Broker, as a third-party beneficiary, any rights Buyer has to pursue the seller for such compensation.

H. **DISCLOSURE OF PAYMENTS TO BROKER:** Broker, independently or through escrow, will disclose the final compensation Broker receives from anyone other than Buyer.

5. **CANCELLATION OF BUYER REPRESENTATION AGREEMENT:**

A. Either Buyer or Broker may cancel this Agreement by giving written notice, at any time, to the other within the time specified in **paragraph 2F**.





- B. Broker shall still be entitled to compensation if, during the Representation Period or the Continuation Period specified in **paragraph 2E(3)**, Buyer acquires Property for which there was Broker Involvement provided Broker delivers to Buyer a written list of those properties for which there was Broker Involvement. The written list of Broker Involvement properties shall be delivered to Buyer **within 5 calendar days** after the effective date of the cancellation.

- C. Buyer is advised to notify any other broker of Broker's rights under this paragraph.

**6. AGENCY RELATIONSHIPS:**

- A. **DISCLOSURE:** Buyer acknowledges receipt of the ☒ "Disclosure Regarding Real Estate Agency Relationship" (C.A.R. Form AD).
- B. **POSSIBLE DUAL AGENCY WITH SELLER:** Broker will represent Buyer in any resulting transaction. Broker may act as an agent for both Buyer and a seller. Broker, in writing, shall confirm the agency relationship with only Buyer, or both Buyer and seller, prior to or concurrent with Buyer's execution of a contract to acquire a Property. Buyer acknowledges receipt of a ☒ Possible Representation of More Than One Buyer or Seller – Disclosure and Consent (C.A.R. Form PRBS).

**7. PROPERTIES EXCLUDED FROM REPRESENTATION:**

**A. ADVISORY REGARDING BUYER SIGNING MULTIPLE BUYER REPRESENTATION AGREEMENTS:**

- (1) Buyer shall inform Broker in writing if Buyer has signed any other buyer representation agreements, whether exclusive or non-exclusive, with any other Broker for any Property described in **paragraph 2B**.
- (2) Buyer shall disclose to Broker if another broker showed Buyer such Property virtually or in-person, or wrote an offer on, or otherwise acted on Buyer's behalf for, such Property. Buyer may owe compensation to that broker if Buyer purchases such Property.
- (3) If Buyer has signed an exclusive buyer representation agreement with another broker that has not expired or been terminated, Buyer may owe compensation to that broker if Buyer purchases such Property even if that other broker had no involvement with the Property.
- (4) Buyer shall disclose in **paragraph 2D** any Property for which Buyer is obligated to pay another broker.

- B. **CONFLICTS WITH OTHER BROKER:** Unless otherwise notified by Buyer, Buyer acknowledges that for the Property identified in **paragraph 2B**, excluding any Property specified in **paragraph 2D** Buyer: (i) has not entered into an exclusive representation agreement with another broker; and (ii) has no obligation, even under a non-exclusive representation agreement, to pay compensation to any other broker arising out of the acquisition of the Property.

- C. **LIMITATION ON BROKER REPRESENTATION:** If a property is excluded in **paragraph 2D**, during the time Buyer is obligated to compensate another broker, Broker is not obligated to assist Buyer with respect to that property, and Buyer shall not owe Broker compensation under this Agreement for that property.

**8. BROKER AUTHORIZATIONS AND OBLIGATIONS:**

- A. Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement.

- B. Broker will assist Buyer by:

- (1) Locating and presenting selected properties to Buyer, presenting offers authorized by Buyer, assisting Buyer in negotiating for acceptance of such offers and, as applicable, terms and conditions following such acceptance, and facilitating the escrow process for such accepted offers;
- (2) As directed by or agreed with Buyer, ordering reports and Investigations, and scheduling and attending meetings and appointments with professionals chosen by Buyer;
- (3) Upon request, providing Buyer with a list of professionals who perform the services described in the attached Buyer's Investigation Advisory, provided Broker has a referral list for such requested services; and
- (4) Upon request, assisting Buyer with the financing process by making referrals to lenders known to Broker, and assisting Buyer in obtaining loan pre-qualification, to the extent Broker can do so without acting as a Mortgage Loan Broker.

- C. If the Property contains residential property with one to four dwelling units, Broker will conduct a reasonably competent and diligent, visual inspection of the accessible areas of the one to four Property (excluding any common areas) and disclose to Buyer all facts materially affecting the value or desirability of such Property that are revealed by this inspection.

- D. Broker shall deliver or communicate to Buyer any disclosures, materials or information received by, in the personal possession of or personally known to the individual signing for Broker during the Representation Period. Unless otherwise specified in writing, any information provided through Broker, while representing Buyer, has not been and will not be verified by Broker.

- E. Broker's services are performed in compliance with federal, state and local anti-discrimination laws.

**9. BUYER OBLIGATIONS:**

- A. **GOOD FAITH:** Buyer agrees: (i) to timely view and consider properties selected by Broker; (ii) negotiate in good faith to acquire a Property; and (iii) Buyer further agrees to act in good faith toward the completion of any contract entered into for a Property.

**B. FINANCIAL AND PERSONAL INFORMATION:**

- (1) Within the time specified in **paragraph 2G(1)**, Buyer shall provide relevant personal and financial information, including, but not limited to, proof of funds needed to complete the purchase of Property and satisfy the obligation to pay Broker, and a preapproval/prequalification letter, to Broker to assure Buyer's ability to acquire Property. If Buyer fails to provide such information, or if Buyer does not qualify financially to acquire Property, then Broker may cancel this Agreement in writing.



- (2) If either box is checked in **paragraph 2G(2)**, for any Property for which Buyer writes an offer to purchase:
- (A) Buyer agrees to include a term in Buyer's offer requesting seller to compensate Buyer's Broker; and
  - (B) For a transaction, this Agreement is contingent upon seller, or others, or both, agreeing to pay Broker the full amount that Buyer is contractually obligated to pay Broker. This contingency is in favor of the Broker, and Broker may elect to cancel this Agreement related to representation on that specific property, if the seller does not agree to pay the full amount that Buyer is contractually obligated to pay Broker. Broker shall inform Buyer, seller and listing agent that Buyer is proceeding without representation and that they shall complete a new Agency Confirmation removing Broker as representing Buyer.

**C. REASONABLE CARE AND OTHER PROFESSIONAL ASSISTANCE:**

- (1) Buyer is obligated, and agrees, to read all documents provided to Buyer.
- (2) Buyer agrees to seek desired assistance from appropriate professionals, selected by Buyer, such as those referenced in the attached Buyer's Investigation Advisory.
- (3) Buyer is advised to read the attached Buyer's Investigation Advisory for a list of items and other concerns that may warrant investigation by Buyer or other professionals.

**D. REPORTS/INVESTIGATIONS:** Buyer agrees to pay for reports, Investigations and meetings arranged by Broker for Buyer.

**E. BUYER MATERIAL ISSUES:** For any Property for which Buyer has made an offer or are considering making an offer, Buyer shall notify or update Broker in writing of any material issue to Buyer for that Property such as, but not limited to, Buyer requests for information on, or concerns regarding, any subject of interest or importance to Buyer (C.A.R. Form BMI-SP). If Buyer does not provide such information for a Property for which Buyer makes an offer, that Property shall be deemed to satisfy Buyer's material considerations notwithstanding any preferences and priorities identified in C.A.R. Form BIPP, if one has been completed.

**F. INCORRECT, INCOMPLETE OR INACCURATE INFORMATION:** Buyer agrees to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments, and costs arising from any incorrect information supplied by Buyer, or from any material issues that Buyer fails to disclose in writing to Broker.

**10. ATTORNEY FEES:** In any action, proceeding or arbitration between Buyer and Broker arising out of this Agreement, Buyer and Broker are each responsible for paying their own attorney fees and costs, except as otherwise specified in **paragraph 12A**.

**11. MANAGEMENT APPROVAL:** If an associate-licensee in Broker's office (salesperson or broker-associate) enters into this Agreement on Broker's behalf, Broker or Manager has the right to cancel this Agreement, in writing, within **5 days** after its execution.

**12. DISPUTE RESOLUTION:**

**A. MEDIATION:** Buyer and Broker agree to mediate any dispute or claim arising between them under this Agreement, before resorting to arbitration or court action. 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 **(i)** commences an action without first attempting to resolve the matter through mediation, or **(ii)** before commencement of an action, refuses to mediate after a request has been made, then if that party is the losing party in any such action, the prevailing party shall be entitled to recover attorney's fees from the non-mediating party, notwithstanding the terms in **paragraph 10**. Exclusions from the mediation agreement are specified in **paragraph 12B**.

**B. ADDITIONAL MEDIATION TERMS:** The following matters are excluded from mediation: **(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 Civil code § 2985; **(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 provisions, provided the filing party, concurrent with or immediately after such filing, makes a request to the court for a stay of litigation pending any mediation proceeding.

**13. LEGALLY AUTHORIZED SIGNER:** Wherever the signature or initials of the Legally Authorized Signer, identified in the signature block below, appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer **(i)** represents that the entity for which that person is acting already exists and is in good standing to do business in California and **(ii)** shall deliver to Broker, within **3 days** after execution of this Agreement, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

**14. ENTIRE AGREEMENT:** 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. This Agreement may not be extended, amended, modified, altered or changed, except in writing signed by Buyer and Broker. In the event that any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. This Agreement and any supplement, addendum or modification, including any photocopy, facsimile, or electronic, may be executed in counterparts.



**15. EXCLUSIVE REPRESENTATION:** If "Exclusive" is checked in paragraph 2A(2) and initialed by Buyer here:

- A. This Agreement shall be exclusive. Broker will devote time and resources to assist Buyer in finding and acquiring the Property in the expectation of being paid for Broker's services. **Buyer shall not enter into another representation agreement in conflict with this Agreement.**
- B. **COMPENSATION:** Broker is entitled to compensation if Buyer acquires Property during the Representation Period with or without Broker Involvement, even if another broker is also entitled to be paid for representing Buyer.
- C. **CANCELLATION:** Either Buyer or Broker may unilaterally cancel this Agreement by giving the other 30 days written notice. If, within **5 days** after the effective date of the cancellation, Broker provides Buyer a list of properties for which there was Broker Involvement, Broker may still be entitled to compensation if Buyer purchases one of the properties on the list during the Representation Period or the Continuation Period specified in **paragraph 2E(3).**

Buyer's Initials \_\_\_\_\_ / \_\_\_\_\_

**16. CONFIRMATION OF COMPENSATION:** Buyer confirms that the compensation specified in paragraph 2E(1) for Broker's services is:

☐ \_\_\_\_\_ % of the acquisition price and, if any \$ \_\_\_\_\_, OR ☐ \$ \_\_\_\_\_, OR ☐ specified in the attached compensation schedule.

Buyer acknowledges that Buyer has read, understands, received a copy of and agrees to the terms of this Agreement.

☐ **ENTITY BUYERS:** (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)

- (1) One or more Buyers is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
- (2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See **paragraph 13** for additional terms.
- (3) The name(s) of the Legally Authorized Signer(s) is: \_\_\_\_\_.
- (4) A. If a trust, identify Buyer as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
- B. If Property is sold under the jurisdiction of a probate court, identify Buyer as executor or administrator, or by a simplified probate name (John Doe, executor, or Estate (or Conservatorship) of John Doe).
- (5) The following is the full name of the entity (if a trust, enter the complete trust name; if under probate, enter full name of the estate, including case #): \_\_\_\_\_.

**BUYER SIGNATURE(S):**

(Signature) By, \_\_\_\_\_ Date: \_\_\_\_\_

Printed name of Buyer: Buyer/s

☐ Printed Name of Legally Authorized Signer: \_\_\_\_\_ Title, if applicable, \_\_\_\_\_

(Signature) By, \_\_\_\_\_ Date: \_\_\_\_\_

Printed name of Buyer: \_\_\_\_\_

☐ Printed Name of Legally Authorized Signer: \_\_\_\_\_ Title, if applicable, \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA)

**BROKER SIGNATURE(S):**

Real Estate Broker (Firm) TSG Premier Realty DRE Lic # 01888601

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

By (Broker/Agent) \_\_\_\_\_ Serena S. Wagner Date \_\_\_\_\_

Tel. \_\_\_\_\_ E-mail serenawagnerrealtor@gmail.com DRE Lic # 02158017

By (Broker/Agent) \_\_\_\_\_ Date \_\_\_\_\_

Tel. \_\_\_\_\_ E-mail \_\_\_\_\_ DRE Lic # \_\_\_\_\_

☐ More than one agent from the same firm represents Buyer. Additional Agent Acknowledgement (C.A.R. Form AAA) attached.

☐ Two Brokers with different companies are representing the Buyer. Co-Buyer Brokers information is on the attached Additional Broker Acknowledgement (C.A.R. Form ABA)

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**BUYER REPRESENTATION AND BROKER COMPENSATION AGREEMENT (BRBC PAGE 5 OF 5)**

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Buyer forms





## BUYER'S INVESTIGATION ADVISORY

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

Property Address \_\_\_\_\_

*Property Address Here, .*

1. **IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.
2. **BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.
3. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**
  - A. **GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
  - B. **SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
  - C. **WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
  - D. **SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
  - E. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
  - F. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
  - G. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
  - H. **FIRE, HAZARD, AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
  - I. **BUILDING PERMITS, ZONING, GOVERNMENTAL REQUIREMENTS, AND ADDRESS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. Postal/mailling address and zip code may not accurately reflect the city which has jurisdiction over the property.
  - J. **RENTAL PROPERTY RESTRICTIONS:** The State, some counties, and some cities impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
  - K. **SECURITY AND SAFETY:** 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.

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BIA REVISED 12/21 (PAGE 1 OF 2)



### BUYER'S INVESTIGATION ADVISORY (BIA PAGE 1 OF 2)

The Turtletone Group Corp, 4465 Granite Drive Suite 1019 Rocklin CA 95677  
Serena Wagner

Phone: 8313467177  
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201

Fax:  
[www.lwolf.com](http://www.lwolf.com)

Buyer forms




**L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

**By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.**

Buyer \_\_\_\_\_ **Buyer/s** Date \_\_\_\_\_

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

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**BUYER'S INVESTIGATION ADVISORY (BIA PAGE 2 OF 2)**

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Buyer forms



## BROKER COMPENSATION ADVISORY

(C.A.R. Form BCA, 7/24)

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

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

### 2. BROKER AGREEMENTS WITH BUYERS:

- A. BUYER REPRESENTATION COMPENSATION IS FULLY NEGOTIABLE:** When a buyer enters into a representation agreement with a broker, the buyer authorizes the broker to locate properties for the buyer to buy and agrees to pay the buyer's broker if a transaction is completed. Compensation amounts are not fixed by law and are fully negotiable. When negotiating compensation, the parties may discuss factors such as the broker's expertise and experience, the type of broker services to be performed, and the broker's time and expenses, among other considerations.
- B. REQUIREMENT FOR WRITTEN AGREEMENTS:** Pursuant to a nationwide class action settlement reached by the National Association of REALTORS® (NAR), participants in Multiple Listing Services are required to have a written agreement with a buyer prior to showing a buyer a residential property or giving a buyer a tour of such a property. The agreement must identify the amount of compensation to be paid to the broker for services provided and require that the broker cannot receive any compensation in excess of the amount specified in the agreement. Pursuant to legislation expected to become law in California on January 1, 2025, all licensees showing a buyer any type of property will be required to have a written agreement with that buyer prior to the showing.



**C. ADVANTAGES OF WRITTEN AGREEMENTS:** Buyers and their brokers benefit when the terms of their relationship and respective duties are in writing. A written agreement establishes clear, mutual expectations and helps avoid misunderstandings over the buyer and broker's duties and the amount of compensation the buyer's agent is to be paid.

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

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

**B. SELLER PAYS THE COMPENSATION:**

(1) **Buyer negotiates for Seller to Compensate Buyer's Broker:** A buyer may make a conditional offer to the seller by including a term in the purchase offer asking the seller to pay the buyer's broker if the buyer has already agreed to pay their own broker pursuant to a buyer representation agreement. If such a term is included in the purchase offer, the request will become one term among many that a seller may accept, reject, or negotiate by way of a counter offer. The possibility of asking the seller to pay the buyer's contractual compensation obligation option should be discussed when creating a buyer representation agreement and prior to an offer being made.

(2) **Buyer's Agent negotiates an agreement directly with Seller:** If a seller is unrepresented or does not have an exclusive agency relationship with another broker, a buyer's broker may approach that seller asking the seller to sign an agreement (C.A.R. Form SP, Single Party Compensation Agreement) to pay the buyer's broker. In this situation, the seller agrees to pay the buyer's broker compensation without necessarily creating an agency relationship with the broker. When that happens, the buyer's broker is advised to use a Seller Non-Agency (C.A.R. Form SNA) to inform the seller that the buyer's broker will be acting on behalf of the buyer only, and not act as the seller's agent, throughout the transaction. However, because the seller is unrepresented, the buyer's agent will inevitably have to do more work to facilitate the transaction, which may be factored into the negotiation of the single party compensation agreement.

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

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

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

Seller/Buyer \_\_\_\_\_ **Buyer/s** Date \_\_\_\_\_

Seller/Buyer \_\_\_\_\_ Date \_\_\_\_\_

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**BCA 7/24 (PAGE 2 OF 2)**





## POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

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

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the seller's willingness to accept a price less than the listing price or the buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

**Offers not necessarily confidential:** 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.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

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

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

Buyer \_\_\_\_\_ **Buyer/s** Date \_\_\_\_\_

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

Buyer's Brokerage Firm TSG Premier Realty DRE Lic # 01888601

By \_\_\_\_\_ DRE Lic # 02158017 Date \_\_\_\_\_

Serena S. Wagner

Seller's Brokerage Firm \_\_\_\_\_ DRE Lic # \_\_\_\_\_

By \_\_\_\_\_ DRE Lic # \_\_\_\_\_ Date \_\_\_\_\_

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PRBS REVISED 12/21 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



## CALIFORNIA CONSUMER PRIVACY ACT ADVISORY, DISCLOSURE AND NOTICE (C.A.R. Form CCPA, Revised 12/22)

The California Consumer Privacy Act (commencing with Civil Code § 1798.100) ("CCPA"), as amended by California voters in 2020, grants to California residents certain rights in their private, personal information ("PI") that is collected by companies with whom they do business. Under the CCPA, PI is defined broadly to encompass non-public records information that could reasonably be linked directly or indirectly to you. PI could potentially include photographs of, or sales information about, your property.

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You can obtain more information about the CCPA and your rights under the law from the State of California Department of Justice ([oag.ca.gov/privacy/ccpa](http://oag.ca.gov/privacy/ccpa)). Additionally, the California Privacy Protection Agency is authorized to promulgate regulations which may further clarify requirements of the CCPA ([cppa.ca.gov/regulations/](http://cppa.ca.gov/regulations/)).

**I/we acknowledge receipt of a copy of this California Consumer Privacy Act Advisory, Disclosure and Notice.**

Buyer/Seller/Landlord/Tenant \_\_\_\_\_ Date \_\_\_\_\_  
*Buyer/s*

Buyer/Seller/Landlord/Tenant \_\_\_\_\_ Date \_\_\_\_\_

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**CCPA REVISED 12/22 (PAGE 1 OF 1)**

**CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)**





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CALIFORNIA ASSOCIATION OF REALTORS

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# Consumer Guide to Disclosure Requirements for Buyers

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### Consumer Guide to Disclosure Requirements for Buyers

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## Introduction

Chances are if you're reading this booklet, you're in the process of buying a home. For most people, purchasing a home is an exciting, but sometimes bewildering experience. The purpose of this booklet is to reduce some of the mystery and risk from your purchase, and provide you with some of the knowledge you'll need to ensure that your transaction is a smooth and satisfying one.

Your first and most important step when buying a home is to commit yourself to a basic and important fact: it is *your* responsibility to make sure that you are happy with your purchase. Sellers and real estate agents must, by law, provide you with certain information which will *assist* you in deciding whether a property is right for you. However, those obligations are *limited*. While a seller and real estate agent are generally required to disclose certain basic information regarding a home, there are many aspects of a property which they may not be aware of, but which may nonetheless be very important to you.

Every property has certain defects; there is no such thing as a "perfect" property. Many defects are not obvious, and often it is up to the buyer, through careful investigation, to uncover these problems. In addition, there may be things about a property or its surrounding neighborhood which do not have to be disclosed to you, but which may significantly impact your decision to go through with your purchase. The quality of schools, access to transportation, the objectives of local government, are just a few of the things which sellers and real estate agents generally have no obligation to investigate for you. Again, you must take it upon *yourself* to make your purchase a satisfying one.

The purpose of this booklet, however, is to tell you what the law *does* require in terms of disclosure. California law has produced a substantial number of disclosure laws aimed at providing buyers with much of the basic information they need to assess the desirability of a home. While this booklet will cover the most significant of these disclosure requirements, it is not intended to be a comprehensive summary of California's disclosure laws. You should therefore always consult with a real estate professional and an attorney for additional guidance. Nonetheless, you should find this booklet a useful tool in what will hopefully be a rewarding and exciting purchase.

## Real Estate Transfer Disclosure Statement

**Overview.** In most home sales, the Real Estate Transfer Disclosure Statement forms are the cornerstone of the disclosure process. This statement requires the seller of the home to disclose the basic features of the property, along with various defects and other conditions which may affect its value or desirability. In addition, this statement includes sections for the real estate agents in the transaction to disclose certain property conditions and defects which they've uncovered during their legally-mandated visual inspections of the property. When you receive this statement, you may have the option of canceling the transaction if you disapprove of its contents.

**What This Disclosure Statement Will Tell You.** The Transfer Disclosure Statement (usually referred to as the "TDS") requires the seller to do the following (C.A.R.'s Real Estate Transfer Disclosure Statement, Standard Form TDS, satisfies these requirements):

- List features which the property contains, including appliances, heating and air conditioning systems, safety features, and other similar items
- Identify any significant defects or malfunctions in the home's structure and systems.
- Indicate whether there are conditions which might impact the property, including potentially hazardous substances (including mold), easements, additions built without permits, flooding problems, etc.

In addition, the real estate agent can list any items of significance they've turned up in their visual inspections of the property.

**What To Expect From The Seller And Real Estate Agents.** In most home sales, the seller must provide you with a TDS "as soon as practicable before transfer of title." This is probably not the clearest timing rule you've ever encountered. Most purchase contracts, however, override this timing rule by requiring the seller to provide you with the TDS within a specific number of days. It is important to read your contract carefully to determine when you should be receiving your TDS.

Also note that certain home sales are *exempt* from the TDS requirement, including probate sales, bankruptcy sales, foreclosure sales, to name a few.

**How To Cancel Your Transaction.** One of the unique aspects of the TDS is that it provides you with the right to cancel your transaction, but only if it is delivered to you after the purchase offer is executed. (If you received the TDS *prior* to executing the offer, you may still be able to exercise cancellation rights spelled out in your *contract*, but you will generally not have a right to cancel based on the TDS.)

You must exercise your cancellation right within very specific time frames. If the TDS was delivered in person, you have three days after delivery to terminate your offer. If the TDS was delivered by mail, you have five days after it was deposited in the mail to terminate your offer. Your notice of termination must be in writing and delivered to the seller or seller's agent.

**Not A Guarantee Of Quality.** Many buyers rely too heavily on the TDS in making their decision to buy a home. Remember, the seller's disclosures in the TDS are based primarily on his or her *actual knowledge* of the home's condition. The seller does not have to investigate the matters covered in the TDS.

The bottom line is, the TDS is an important document which requires a seller and real estate agent to give you the *basic* information regarding a home's characteristics. It's up to you to dig deeper to assure yourself that this is the right home for you.

## Natural Hazard Disclosures

**Overview.** Fires, floods, earthquakes, and other natural disasters have occasionally taken quite a toll on many of California's homeowners. They don't happen often, but when they do, the results can be catastrophic.

**The Hazard Zones, And What They Mean To You.** California law recognizes at least six types of hazard zones as having particular importance to home buyers. In most home sales, the seller and/or the seller's real estate agent must determine whether or not the home you are purchasing is located in one or more of these zones. They may hire a professional disclosure company to assist them with their investigations. If so, it is possible that they will give you a disclosure *report* prepared by the disclosure company. In most transactions which require delivery of a *TDS*, however, along with most subdivision sales, the seller and seller's real estate agent must give you a very specific disclosure statement called a *Natural Hazard Disclosure Statement* (C.A.R.'s *Natural Hazard Disclosure Statement*, Standard Form NHD, satisfies this requirement). It is possible that the *Natural Hazard Disclosure Statement* (commonly referred to as the "NHD") will be incorporated with a professional disclosure report.

The following are the six zones, along with the agencies responsible for identifying and regulating them. We've also indicated who (the seller or seller's agent) should disclose to you if the home you're considering is located in any of these zones. It is vital that you familiarize yourself with these disclosure requirements, since they could greatly impact your decision to buy a home.

- **SPECIAL FLOOD HAZARD AREAS.** As the name implies, these are areas subject to unusual flood risks. Flood hazard zones are designated by the Federal Emergency Management Agency (FEMA)-**seller or seller's real estate agent**
- **INUNDATION ZONES.** This is the common name given to areas subject to potential flooding in the event of a dam failure. Inundation zones are designated by the State Office of Emergency Services-**seller or seller's real estate agent**



## Consumer Guide to Disclosure Requirements for Buyers

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- **VERY HIGH FIRE HAZARD SEVERITY ZONES.** Property owners in very high fire hazard severity zones are usually obligated to undertake specific maintenance duties (e.g., brush clearance) to mitigate fire hazards. Very high fire hazard severity zones are designated by the State Board of Forestry.-**seller**
- **WILDLAND FIRE AREAS.** Also known as state fire responsibility areas, these are zones wherein the state, rather than local agencies, has responsibility for fire suppression in most cases. Wildland fire areas are designated by the State Board of Forestry.-**seller**
- **EARTHQUAKE FAULT ZONES.** These are areas located a certain distance from earthquake fault lines. Earthquake fault zones are designated by the State Geologist.-**seller or seller's real estate agent**
- **SEISMIC HAZARD ZONES.** Seismic hazard zones are areas which are subject to unusual ground movement during earthquakes. Seismic hazard zones are designated by the State Geologist.-**seller or seller's real estate agent**

Are these the only hazard zones in existence? No! The home you are purchasing could be in any one of a number of other federal, state or local hazard zones, most of which the seller and real estate agents have no obligation to disclose (unless, perhaps, they are *aware* that the property is located in such zones). If you believe this type of information may be important to you, please take it upon yourself to obtain it.

**Your Rights When You Receive Natural Hazard Disclosures.** Once you've received natural hazard disclosures (the NHD form and/or a disclosure report), the next logical question is, what can you do with that information? In transactions which require an NHD form (i.e., most transactions also subject to the TDS requirement or sales of homes in new subdivisions), you have the same three-or five-day rescission right you have with the TDS. If the information disclosed to you is unacceptable, you can cancel your offer in writing.

In transactions which do *not* require delivery of an NHD, you do *not* have an automatic rescission right. Nonetheless, it is possible that your purchase contract might provide you with a rescission right *anyway* upon receipt of natural hazard disclosures. Some purchase contracts can vary in terms of what you can and cannot disapprove, the seller's rights when you *do* disapprove a disclosure, and your rights and time frames for canceling the transaction. It is therefore very important that you read your purchase contract carefully!

## Mello-Roos Districts and Bond Assessments

**Overview.** Owning a home can be rewarding, but also costly at times. We all expect to pay property taxes, whether we like it or not. But a property owner may be liable for certain other special taxes and/or assessments that he or she was *not* expecting to pay. That's where Mello-Roos districts and Bond Assessments come in.

A Mello-Roos Community Facilities district is an entity formed by a local government, district, or agency to finance various public services (e.g., police and fire protection) facilities (e.g., schools and libraries). A Mello-Roos district finances such projects by levying special taxes against the property owners within the area who will be benefited by these projects. The Improvement Bond Act of 1915 authorizes local governments to issue bonds and assess homeowners for the construction of streets, highways and other improvements. To ensure that Mello-Roos taxes and bond assessments do not take buyers by surprise, California law requires a seller, under certain circumstances, to disclose to you that the home you are purchasing is affected by these public financing vehicles.

**When Are You Entitled To A Mello-Roos or Bond Assessment Disclosure?** This is an easy question. If you are entitled to a TDS, the seller must also comply with the Mello-Roos and bond assessment disclosure law. In other words, in most home sales, the seller must inform you whether the property is in a Mello-Roos district or subject to bond assessments, unless he or she is exempt from the TDS requirement. The seller may satisfy this disclosure requirement by obtaining a "Notice of Special Tax" (for Mello-Roos districts) or Notice of Special Assessment (for bond assessments) from the appropriate local agency and providing you with this notice, assuming that it's available.

What if the seller cannot obtain a Notice of Special Tax or Notice of Special Assessment? There have been many instances of local agencies not coming "up to speed" in time for a seller to comply with these disclosure duties. The law only requires the seller to make a 'good faith effort' to obtain the required notices. If this is the case in your transaction, do not automatically assume the property is not subject to special taxes or assessments! You should enlist the help of a title company or other qualified person to dig deeper and verify this for yourself. The disclosure companies available to assist property owners and real estate agents with natural hazard disclosures, discussed earlier, may be able to obtain tax and bond information as well.

## The Environmental Hazards Book

**Overview.** You only have to open a newspaper to realize the growth of our society's concern over environmental hazards. What was originally a concern with the natural environment (i.e., the impact of pollutants on the air, ground, and waterways) has now become a growing awareness that the very homes we live in can greatly impact our health and well-being. Depending on how it is constructed or where it is situated, a home can pose significant health threats to its occupants.

California has addressed these issues by developing an informational booklet which sellers and real estate agents can provide to home buyers. This booklet entitled *Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants*, contains valuable information which can help you to determine whether the home you are purchasing is a safe one. It explains the various types of hazards which a house may contain (such as asbestos, toxic mold, radon, and lead), and informs you of the various agencies and service providers which you can contact for further information. If you believe environmental hazards may be of concern to you, you may find the *Environmental Hazards* book surprisingly useful.

**Not A Mandatory Disclosure.** Please understand that the law does not *require* a seller or real estate agent to provide you with the environmental hazards booklet. While many do, it is nonetheless their choice. *If* you are given this booklet, however, the seller and real estate agents are deemed to have satisfied most of their disclosure requirements regarding environmental hazards. This is an important point! It is *rare* that a seller or real estate agent will know whether a home contains environmental hazards. The average seller or real estate agent simply isn't trained to identify such hazards. This is why it is so important that you read this booklet so that *you* can identify the types of hazards which might be of concern to *you*, and hire any necessary professionals to help you determine whether the home you are buying is environmentally sound.

## Lead Paint Disclosures

**Overview.** In recent years, the government has amassed more and more information revealing the dangers of lead paint and other lead-related hazards. A growing body of evidence has shown that children are at particular risk from lead poisoning, often the result of eating lead paint chips in residential properties. To help stem this growing health problem, the federal government enacted laws which require sellers to inform home buyers of existing and potential lead hazards in homes built before 1978.

**What To Expect From The Seller.** When purchasing a pre-1978 home, the seller must provide you with the following:

- **Informational Booklet Or Pamphlet.** The federal lead disclosure law requires the seller to provide you with a booklet which explains the risks of household lead hazards. The seller may provide you with a standalone pamphlet developed by the federal government, or may instead opt to give you California's environmental hazards booklet (since the most recent version of this booklet also incorporated the information from the federal lead pamphlet). It is important that you read this booklet, since it may alert you to lead hazards you weren't previously aware of. It will also have information on ways to reduce the risk of falling victim to lead poisoning.
- **Your 10-Day Inspection Right.** In addition to the informational booklet, you must be given a 10-day opportunity to inspect the home for lead hazards. This inspection right is negotiable, however; you may agree to a different inspection period if you want.

## Consumer Guide to Disclosure Requirements for Buyers

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- **Disclosures.** Another requirement of the federal disclosure law is that the seller disclose any lead hazards in the home which she or he has *actual knowledge* of on a statutorily mandated form (C.A.R. Lead Based Paint and Lead-Based Hazards Disclosure, Acknowledgement and Addendum FLD, satisfies this requirement).

Sellers often do not know whether their homes contain lead paint hazards, so don't be surprised if your seller indicates no such knowledge. As we stated earlier regarding other disclosures, this does *not* mean the property is defect-free. The property could indeed contain lead hazards of which the seller simply isn't aware. Only a careful inspection on your part would turn up such problems!

## The Homeowner's Guide to Earthquake Safety and The Commercial Property Owner's Guide To Earthquake Safety

**Overview.** California rocks! From earthquakes that is. Anyone buying a home in California probably knows that an occasional earthquake is a price we pay for living in the beautiful state. But many people don't fully understand how earthquakes can affect a home. This is why California has created two informational booklets designed to increase property owners' awareness and understanding of earthquake hazards-*The Homeowners Guide to Earthquake Safety* (often referred to simply as *The Homeowner's Guide*) and *The Commercial Property Owner's Guide to Earthquake Safety* (*The Commercial Guide*).

These booklets contain a wealth of information which is of value not only when *purchasing* your new home, but also later down the road as you strive to make your property safer and more "earthquake-ready." Each booklet addresses similar issues, but for different types of construction, so you should give serious thought to reviewing the appropriate booklet carefully. For a well-informed and well-prepared homeowner, earthquakes need not be catastrophic events.

**HOMEOWNER'S GUIDE.** The seller must provide you with the *Homeowner's Guide* and provide certain additional disclosures if-

- The property consists of one-to-four residential dwellings;
- The property was built prior to January 1, 1960;
- The property is of conventional light-frame construction; and
- No exemption applies.

**COMMERCIAL GUIDE.** The seller must provide you with the *Commercial Guide* if-

- The property is a pre-cast concrete, reinforced masonry, or unreinforced masonry building with wood-frame floors or roofs;
- The building was built before January 1, 1975;
- The property is located within a county or a city; and
- No exemption applies.

Don't be confused by the somewhat confusing name of *The Commercial Guide*; it can apply to residential properties. While most homes are of light-frame construction, there are nonetheless plenty of concrete or masonry residences in existence.



**Additional Disclosures With *The Homeowner's Guide*.** If the seller must give you *The Homeowner's Guide*, he or she is also obligated to disclose certain other information regarding the home's construction, such as water heaters without bracing or restraints, rooms built above a garage, the absence of foundation anchor bolts and more. Most sellers make these additional disclosures on a report which is contained within *The Homeowner's Guide*.

As always, it is possible that the seller may not know the answers to many of the questions in this report. The seller has no obligation to investigate these matters, and can legitimately answer "I don't know" to any or all of them, if that's the case. The message for you is the same as always: if the seller doesn't know, it's your duty to find out. It's going to be your home!

## Military Ordnance Locations

**Overview.** Explosives left buried in the ground are hardly a common occurrence, but there *have* been some tragic incidents in recent years tied to abandoned explosives. This led California to enact a specific disclosure law requiring home sellers to inform their buyers whether the property being sold is located in an area subject to such risks.

**What Is A Military Ordnance Location?** The law contains a very specific definition of what constitutes a military ordnance location. For purposes of this law, a "former federal or state ordnance location" means an area identified by an agency or instrumentality of the federal or state government as an area once used for military training purposes which may contain potentially explosive munitions.

**Properties And Transaction Affected.** California's military ordnance location disclosure is part of the TDS law. Therefore, if the seller is obligated to give you a TDS, he or she must also disclose any relevant former military ordnance locations.

**What To Expect From The Seller.** In transactions requiring a military ordnance location disclosure, the seller simply has to disclose his or her *knowledge* that a former federal or state ordnance location is within the "neighborhood area." The law does not require any specific wording for this disclosure. However, the seller's disclosure must be in writing, and must be given to you as soon as practicable before transfer of title.

It is important to note that California's military ordnance location disclosure has a "proximity" component. The law obligates the seller to disclose only those former federal or state ordnance locations within the "neighborhood area," meaning within one mile of the seller's property. It is possible that past or present military activities *beyond* one mile might be of concern to you. Since the seller may have no specific obligation to disclose such activities, you must take it upon yourself to obtain such information.

## FHA Inspection Disclosure

**Overview.** By now you may be getting a bit tired of hearing how important it is for you to do inspections of the home you are purchasing. Nonetheless, that message is an important one that bears repeating. If you are obtaining FHA financing to purchase your new home, you will probably receive yet *another* warning to conduct inspections.

The FHA inspection notice is a simple form which simply reminds you of the importance of inspecting a home before purchasing it. (C.A.R. for your Protection: Get a Home Inspection, Standard Form HID, satisfies this requirement.) It also reminds you that FHA does not insure the condition of the home you are buying, and that the appraisal required to obtain FHA financing is intended only to assist FHA in determining the insurability of a loan. These are important warnings, since some buyers mistakenly believe that FHA approval of financing is *also* an endorsement of a home's quality. It is *not*!

**Properties And Transaction Affected.** The FHA inspection notice must be given to you in any transaction involving FHA mortgage insurance, with the following three exceptions:

- Mortgages insured under FHA's Home Equity Conversion Mortgage program, if you have certified that a child under the age of six will not be residing in the property.
- New construction (since the house was recently inspected during construction).
- Refinance transactions.

## Tax Withholding

**Overview.** Have you ever worked as a tax collector? Well, believe it or not, you may be given that opportunity. Both state and federal tax laws often require home buyers to withhold a certain portion of a seller's sales proceeds and forward them to the Internal Revenue Service or, in the case of California law, the Franchise Tax Board. In essence, these laws place the burden of collecting potential taxes from the seller on *you*.

These withholding requirements apply only in limited circumstances, but it is important that you understand them. Failure to comply with them can result in some substantial penalties, even though it is the *seller's* taxes we're dealing with. If you do things right, however, you'll have no problems at all.

## Consumer Guide to Disclosure Requirements for Buyers

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**Federal Withholding Rules.** Under a federal law commonly referred to as FIRPTA, on any sale of a U.S. real property interest by a "foreign person," you as the buyer, must forward 10% of the seller's sales proceeds to the Internal Revenue Service. Generally speaking, a "foreign person" is any nonresident alien. U.S. citizens, persons holding valid green cards, and certain other individuals who meet other residency requirements, are *not* considered foreign persons.

You, of course, probably have no idea whether the person who is selling you your new home is a U.S. citizen or a foreign person. Fortunately, federal law exempts you from withholding under certain circumstances.

For one thing, the seller may provide you with an affidavit stating that he or she is a U.S. citizen (C.A.R.'s Seller's Affidavit of Nonforeign Status and/or California Residency, Standard Form AS, satisfies this requirement). Unless you know that this affidavit is false, you can rely upon it and are exempt from withholding. These affidavits are routinely collected from sellers in most home sales, so it is very likely that the seller will sign one in your transaction.

If the seller does *not* provide an affidavit, there may be *other* reasons why you may not have to withhold any proceeds. For example, if you intend to reside in the property as your principal residence and the sales price of the home does not exceed \$300,000, you do not have to withhold any of the sales proceeds. In this situation, many real estate agents will ask you to sign a statement confirming these facts (C.A.R.'s Buyer's Affidavit, Standard Form AB, satisfies this requirement).

**California Withholding Rules.** Like the federal government, California *also* requires buyers to withhold a seller's proceeds under certain circumstances. If the seller's proceeds are to be disbursed to a "financial intermediary" (an agent who receives and transfers funds on the seller's behalf) or to *the seller* at a street address outside of California, you must withhold 3-1/3% of the seller's proceeds in most cases.

As with FIRPTA, California's withholding rule creates an "affidavit" exception. If the seller provides you with a signed affidavit stating that he or she is a California resident, or that the home qualifies as his or her principal residence under federal capital gains deferral rules, or that the home was last used by the seller as his or her principal residence, as defined by federal tax law, even if the seller may not have owned and used the property as a principal residence for two out of the last five years, you need not withhold the seller's proceeds. (C.A.R.'s Seller's Affidavit of Nonforeign Status and/or California Residency, Standard Form AS satisfies these requirements.) Another exception to California's withholding law excuses you from withholding if the sales price of the home you are buying does not exceed \$100,000.

Again, there are quite a few exceptions to California's withholding law, so please speak with a tax expert if the seller maintains that no withholding is required under some other exception.

## Smoke Detector and Water Heater Statement of Compliance

**Overview.** When purchasing a home, you can easily get caught up in the excitement and fun of the prospect of closing your transaction. That's the way it should be, but there are plenty of sobering realities regarding home ownership that you must pay attention to as well. Earthquakes are one; fires are another. A home not properly outfitted to protect its occupants from injury during a fire or earthquake is something you can do without.

You *must* take it upon yourself to ensure that your home is properly equipped with smoke detectors. In addition, you should verify that your water heater is braced or strapped to resist movement during an earthquake, since a displaced water heater can cause serious injury and may pose a fire hazard. Fortunately, California law lends you a hand here. Most home sellers must, by law, see to it that the home they sell you is outfitted with these safety features. The following are a few of the particulars of these laws.

**Smoke Detectors.** California law requires that single-family homes sold in California have operable smoke detectors approved by, and installed according to the regulations of, the State Fire Marshal's office. The seller must provide you with a written statement that he or she has satisfied the requirements of this law. (C.A.R.'s Water Heater and Smoke Detector Statement of Compliance, WHSD, or section D. 1 of the TDS, signed by seller, satisfies this requirement.)

Some sellers are exempt from this law, however. In most cases, a seller who is exempt from giving you a TDS is *also* exempt from certifying compliance with California's smoke detector law. In these cases, and in any *other* case where the seller fails to comply with the law, you must still see to it, for your safety and the safety of others, that your property is properly equipped with smoke detectors before occupancy is taken.

**Water Heater Bracing.** California's water heater bracing law is very straightforward. It simply says that existing residential water heaters must be braced, anchored, or strapped to resist falling or horizontal displacement during an earthquake, in accordance with the California Plumbing Code or local ordinances. Once the seller satisfies this requirement, he or she must provide you with a written statement confirming his or her compliance. (C.A.R.'s Water Heater Statement of Compliance, Standard Form WHS, or Water Heater and Smoke Detector Statement of Compliance, WHSD, or section D. 2 of the TDS, signed by seller satisfies this requirement.)

## Agency Disclosures

**Overview.** Home buyers and sellers often don't understand or even think about the legal aspects of their relationships with their agents. Buyers and sellers are often too focused on the details of their transaction to be concerned with the legal nuances of agency law. Nonetheless, it is important that you understand the basics of agency law. It is even more important for your *agent* that you understand these principles, since he or she must know that the agency relationships between you, the seller, and the real estate agents involved in your transaction are what you intended.

Your agent generally has to provide you with a specific disclosure form, required by California law, that explains various agency principles to you in simple, straightforward language. (C.A.R.'s Disclosure Regarding Real Estate Agency Relationships, Standard Form AD, or the *Property Transaction Booklet-an in-depth discussion and disclosure of a real estate agent's duties*- satisfy this requirement). This form draws a careful distinction between exclusive agency (where an agent represents only one party) and *dual* agency (where an agent represents both the buyer and the seller). Some people do not like to hire an agent who acts as a dual agent, feeling that his or her loyalties may be "divided." Others are comfortable with dual agency. In either case, the disclosure document which your agent will give you is very important. Please read it! It's there to protect *your* interests.

## Registered Sex Offenders

**Overview.** Every neighborhood, no matter how desirable, suffers its share of crime. There is little we can do to make crime go away. However, there is plenty we can do to protect ourselves and our properties from falling victim to criminal acts, and that duty begins even before you purchase a new home.

Fortunately, California law sometimes steps in to assist the public in identifying crime hazards of particular concern to society. For example, California now maintains a publicly-accessible data base which enables interested persons to determine the location of sex offenders within a given community. You can access this information online at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov).

To ensure that potential home buyers are given an opportunity to research the sex offender data base prior to buying a new home, California law now requires purchase contracts for the sale of residential one-to-four-unit properties to contain a very specific notice explaining the data base. Most real estate purchase contracts used in California, including C.A.R.'s purchase agreements, now contain this notice. It is vitally important that you read it.



**What to Expect From The Seller.** There is very little a seller needs to disclose to you regarding registered sex offenders. As long as your purchase contract contains the data base disclosure notice required by California law, neither the seller nor real estate brokers are responsible for providing you with any additional information about sex offenders requiring disclosure under some other law.

As you can see, the duty to investigate the impact of sex offenders on the home you're planning to purchase is primarily your responsibility. Your purchase contract may provide you with a certain number of days to research and disapprove information contained in California's sex offender data base- a contractual right you should take seriously if you are concerned about neighborhood crime issues.

### **NOTICE OF "SUPPLEMENTAL" PROPERTY TAX BILL**

California law requires seller and agents to provide the buyer with a notice that since California property tax law requires the Assessor to revalue real property at the time ownership of the property changes, the buyer may receive one or two supplemental tax bills depending on the closing date of the buyer's loan and that it is the buyer's obligation to pay these supplemental tax bills directly to the tax collector when billed. (C.A.R. form SPT, satisfies this requirement).

### **ADDITIONAL DISCLOSURES**

Seller is also required by law to make the following disclosures regarding your property if seller is aware when they apply:

- 1) Whether there has been a release of an illegal controlled substance (most commonly the release of chemicals from the manufacture of illegal narcotics) on or beneath the property.
- 2) Whether the property is located in or adjacent to an "industrial use" zone and if it is, whether the property is affected by a nuisance created by that "industrial zone." In general, an industrial zone is a district allowing manufacturing, commercial uses or an airport.
- 3) Many purchase contracts in California including the C.A.R. purchase contract also make it a contractual obligation of the seller to disclose insurance claims which affect the property in the five years prior to the date of the contract.
- 4) Any death on the property within the last three years.

These additional disclosures can be made on the standard C.A.R. form Exempt Seller Disclosure (ESD).

There may be many other disclosures, required both by law and by the C.A.R. standard purchase contract, not listed in this publication. You could seek further help from your REALTOR® licensee should you have other questions.

## Consumer Guide to Disclosure Requirements for Buyers

To Whom It May Concern: I have received a copy of the *Consumer Guide to Disclosure Requirements for Buyers*.

Property Address: Property Address Here, ,

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

Signature: \_\_\_\_\_  
(buyer)

Printed name: Buyer/s

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

Signature: \_\_\_\_\_  
(agent)

Printed name: Serena S. Wagner

(buyer's copy)

To Whom It May Concern: I have received a copy of the *Consumer Guide to Disclosure Requirements for Buyers*.

Property Address: Property Address Here, ,

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

Signature: \_\_\_\_\_  
(buyer)

Printed name: Buyer/s

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

Signature: \_\_\_\_\_  
(agent)

Printed name: Serena S. Wagner

(agent's copy)