# C.A.R. Legal Update

## Contra Costa Association of REALTORS®

## The Big Event

October 28, 2026

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CALIFORNIA ASSOCIATION OF REALTORS®

# Agenda

- Artificial Intelligence
  - Photo enhancements and MLS.
  - December Advisory (form AIA)
- Disclosure Issue
  - Forms update:  SPQ, DIA (December 2027)
- Title Fraud
  - Recommendations
- Buyer Representation
  - Compensation amount matching BRBC
  - Unrepresented buyers
- Landlord-Tenant
  - 3-day notice forms

- Broker Supervision
- Condo/HOA new laws
- Case Update
  - Nasey v. Fell. Cml buyer remedy if no TDS.
  - Urban Sunrise.  Dual agent fiduciary duty. Buyer responsibility.  Brk commission right.
- December forms
  - COP
  - Transaction Coordinator:  TCA, TC-IQ, PAC, PAC-BT, TPA, RLA, BRBC, TRBC, RPA
  - FHDS

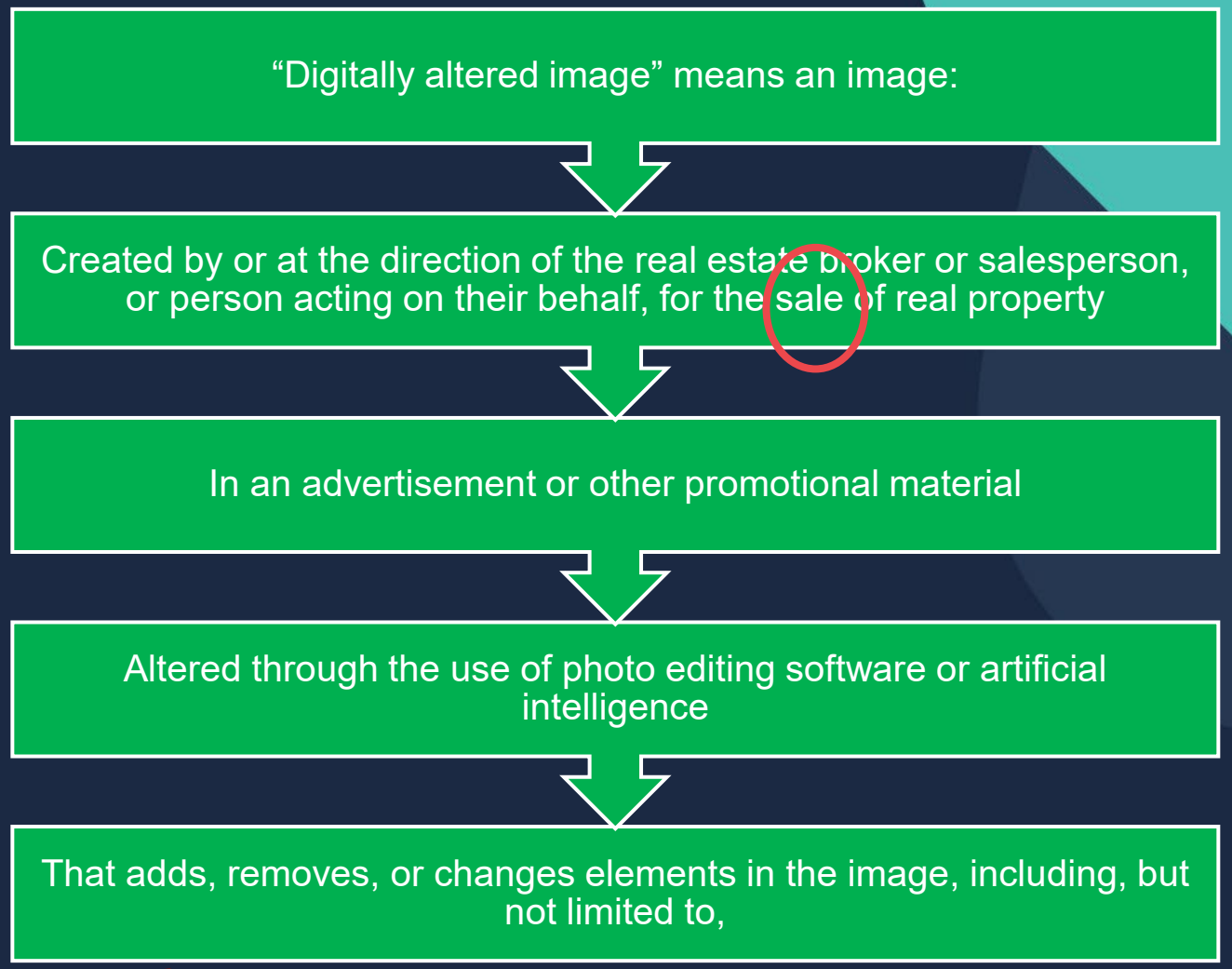
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# Artificial Intelligence

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# Advertising Digitally Altered Images AB723

- That adds, removes, or changes elements in the image, including, but not limited to,
  - fixtures, furniture, appliances,
  - flooring, walls,
  - paint color,
  - hardscape, landscape,
  - facade,
  - floor plans,
  - elements outside of, or visible from, the property, including, but not limited to,
    - streetlights, utility poles,
    - views through windows, and
    - neighboring properties.




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# Advertising Digitally Altered Images

How to disclose the use of digitally altered images?

- The real estate broker or agent, or other person acting on their behalf, must include a statement that the image has been altered (such as "altered" "digitally altered" or "AI altered") and either
  - A link to a publicly accessible internet website, URL, or QR code that clearly identifies and shows the original unaltered image or
  - Include the unaltered image either before or after the altered image

- The statement must:
  - Be reasonably conspicuous
  - Be located on or adjacent to the image and
  - State that the unaltered images can be accessed on the linked Internet website, URL or QR code

**CHECK WITH YOUR MLS FOR SPECIFIC RULES**

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# Advertising Digitally Altered Images

"Digitally altered image" does NOT include an image where only common photo editing adjustments are made:

- lighting, sharpening, white balance, color correction, angle, straightening, cropping, exposure, or other common photo editing adjustments are made that do not change the representation of the real property.



- New for 2027. Same rules apply to rental advertising.

- New rule applies not just to real estate licensees and staff (or those working at their direction) but also to housing providers and property owners.

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# Disclosure of Synthetic Performers or Voices in Advertising

Requires **clear and conspicuous disclosure** of any advertisement that includes a **prominent use of a synthetic performer.**

**"Advertisement"** includes any audio, video, or audiovisual message, statement, audiovisual recording, digital communication, or other representation disseminated in any manner, including through online platforms, for the purchase of goods or services.

The disclosure shall use wording such as **"this performance features a synthetic performer"** or **"no human performer is depicted"** and the disclosure shall be "difficult to miss, easily understandable, and presented in a manner that a reasonable consumer would notice, read, and comprehend."

- SB 1050, Business and Professions Code § 17610. Effective January 1, 2027.

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# ARTIFICIAL INTELLIGENCE ADVISORY

(C.A.R. Form AIA, 12/26)

1. **WHAT IS AI?** Artificial Intelligence (AI) is technology that uses computer systems to simulate human behaviors such as learning languages, reviewing data, recognizing patterns, and making guesses and predictions. The capabilities and uses of AI is continually expanding. People who use AI are referred to as AI users in this document.
2. **POTENTIAL BENEFITS OF AI IN REAL ESTATE:** AI can accomplish tasks with great speed and apparent efficiency. AI may be able to analyze and summarize documents in a fraction of the time it would take a person handed the same amount of information. It can provide AI users with general and specific information that may help the AI users at various stages of their real estate activity, from research to contract formation and negotiation. Among other tasks, AI may be used to: **(i)** organize personal notes; **(ii)** make a list of questions to ask licensed professionals; **(iii)** connect AI users to government or other public resources; **(iv)** search the internet for information pertaining to a real estate transaction; and **(v)** provide general information about the process of buying, selling, or leasing property. While AI may be a useful starting point in gathering information, it should not be used as a substitute or replacement for the advice from qualified professionals.
3. **AI'S LIMITATIONS:** Consumers need to be cautious about relying too heavily on AI instead of consulting appropriate professionals. AI's effectiveness depends on the completeness of the input and prompts it receives, as well as the data, or lack thereof, that it is accessing. In many situations, a real estate broker or agent ("Agent") could have provided more accurate guidance than AI or supplemented the AI information with guidance or strategy based on the Agent's judgement as an experienced professional, who may have additional personal information, experience, conversations, connections, contacts and understanding of what the client and other party to a transaction wants and needs. Consumers should be especially cautious whenever AI suggests that no further investigation or professional consultation is needed.
4. **RISKS OF USING AI:** Numerous AI programs exist and consumers may be more comfortable with one over another. Regardless of one's preference, all AI programs contain risks including, but not limited to, the following:
   - **FABRICATED INFORMATION ("HALLUCINATIONS"):** AI may generate fictional cases, laws, rules, and authorities. Since real estate transactions are heavily regulated in California it is crucial that decision making is based on accurate, as opposed to hallucinated information.
   - **INCORRECT OR OUTDATED INFORMATION:** AI may misdirect AI users by responding to prompts using information drawn from another state or another country or that has been superseded by more current authority. As with AI hallucinations, often AI does not recognize its own errors.
   - **LACK OF PROFESSIONAL ACCOUNTABILITY:** Licensed professionals, such as real estate agents, attorneys, surveyors, and contractors, have duties to serve and protect consumers. They are subjected to regulatory oversight. Such professionals must act within the bounds of applicable laws, and if they violate their duties, they are subject to discipline by governmental agencies. AI is not subjected to similar professional duties, accountability mechanisms, or limits. If AI provides incorrect or fabricated information that causes harm, the consumer's ability to pursue relief from AI may be limited.
   - **PRIVACY AND DATA SECURITY CONCERNS:** Many of the more prominent AI tools are open systems. The benefit of this is that the AI is able to access more information that can be utilized to accomplish tasks. By definition this means that information entered into AI may be shared, analyzed, sold, or published without the AI user's explicit permission, consent, or awareness. AI technology may also experience security and data storage breaches. Thus, an AI user's sensitive information and financial details may be compromised, leaving the user vulnerable to identity theft and other financial problems.
   - **PHYSICAL OBSERVATIONS:** An uploaded photo is often no substitute for the opinion of a qualified professional who has conducted an on-site inspection such as a mold professional, plumber, electrician, roofing contractor, engineer, pest professional, home inspector, HVAC specialist, septic and well contractor, pool inspector, and surveyor, among others.
   - **IMPERSONAL DOCUMENT ANALYSIS/REVIEW:** Consumers sometimes submit lengthy or legal documents to AI for review and analysis, such as homeowners' association governing documents, purchase contracts, leases, property management agreements, deeds, property legal descriptions, preliminary title reports, title policies, surveys, maps, easements, road maintenance agreements, court orders, and other title-related documents. An AI summary of such documents may not recognize the importance of features or concerns to the consumer or how to address those concerns within the real estate transaction.
5. **CONCLUSION:** AI has many benefits but is no substitute for professional advice. Real estate principals who have questions about their real estate transaction, including provided contracts and disclosures, are strongly advised to consult with their Agent and a qualified California real estate attorney before acting upon such AI advice alone.

**By signing below, Buyer/Tenant and Seller/Housing Provider acknowledge that each has received a copy of this Artificial Intelligence Advisory, and each has read and understands its terms.**

Buyer/Tenant _____ Date _____

Buyer/Tenant _____ Date _____

Seller/Housing Provider _____ Date _____

Seller/Housing Provider _____ Date _____

# Disclosure Issues

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# Seller Property Questionnaire

**17. GOVERNMENTAL:** **ARE YOU (SELLER) AWARE OF...**

**A.** Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that applies to or could affect the Property ..... ☐ Yes ☐ No

**B.** Existence or pendency of any rent control, occupancy restrictions, improvement restrictions or retrofit requirements that apply to or could affect the Property ..... ☐ Yes ☐ No

**C.** Existing or contemplated building or use moratoria that apply to or could affect the Property ..... ☐ Yes ☐ No

**D.** Any state or local requirements or restrictions relating to the future replacement of existing gas-powered appliances that are being transferred with the property. Gas-powered appliances include, but are not limited to, appliances fueled by natural gas or liquid propane ..... ☐ Yes ☐ No

Res. Purch. Agmt.

**E.** **ELECTRICAL SYSTEM INSPECTION ADVICE DISCLOSURE:** For any transaction in which a TDS is required, Seller advises the Buyer as follows: "In a purchase of real property, it may be advisable to obtain an inspection by a qualified professional of the electrical system(s) of any buildings, including, but not limited to, the main service panel, the subpanel(s), and wiring. Substandard, recalled, or faulty wiring may cause a fire risk and may make it difficult to obtain property insurance. Limited electrical capacity may make it difficult to support future electrical additions to the building(s), such as solar generation, electric space heating, electric water heating, or electric vehicle charging equipment."

New case: **Rinnai v. South Coast AQMD**. Regulatory agency can regulate emissions effectively prohibiting any gas appliances. Distinguished from **California Restaurant Assoc. v. Berkeley**, which held that regulation that disallowed pipeline into new construction preempted by federal law.

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# Title Fraud

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- DRE Statement
  - Seller impersonation fraud. This is where an individual falsely claims to own real property and attempts to hire a real estate licensee to market and sell property the individual does not actually own.

  - Consumers can reasonably expect that a licensed real estate professional will take appropriate steps to determine that the person requesting a listing is, in fact, authorized to sell the property.

- Red flag examples
  - An unsolicited inquiry from an individual unknown to the licensee.
  - A seller who insists on communicating only by email or text message.
  - A reluctance or refusal to participate in a live video conference or other reasonable identity verification.
  - A vacant property, inherited property, or investment property where the owner is rarely present.
  - An unusually aggressive timeline for listing or closing.
  - A listing price significantly below market value without a reasonable explanation.
  - Instructions to wire proceeds to an unfamiliar or foreign financial institution.
  - Information provided by the seller is inconsistent with publicly available ownership records.

# Due diligence examples

- Meeting with the seller in person when practical, or by live video conference when an in-person meeting is not feasible.
- Requesting and reviewing government-issued identification.
- Comparing the seller's identification with the name in which title is held.
- Confirming ownership through public records or a preliminary title report.
- Asking questions about the property that a legitimate owner would ordinarily know, particularly when the property is vacant or recently acquired.
- Independently verifying contact information rather than relying solely on information provided by the individual requesting the listing.
- Consulting with the escrow holder or title company when additional identity verification appears appropriate.
- Carefully documenting the steps taken to verify the seller's identity and authority to convey the property.

- Resources
  - DRE Real Estate Bulletin, summer 2026 https://dre.ca.gov/files/pdf/reb/rebSum_26.pdf

  - FBI Public Service Announcement, **Alert Number: I-061626-PSA** | 16 June 2026
  - https://www.ic3.gov/PSA/2026/PSA260616

  - Home Ownership Verification from Property Shield,
  - https://propertyshield.co/blog/real-estate-threat-intelligence-and-market-risk/seller-impersonation-in-real-estate-what-agents-are-already-asking-for

# Buyer Representation

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| E | 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). | | |
|---|---|---|---|
| E(1) | 4B | **Amount of Compensation** | _____ % of the acquisition price AND, if any, $ _____;<br>OR ☐ $ _____;<br>OR ☐ see attached Broker-created compensation schedule. |
| E(2) | 4G | **Payments received by Broker from seller or others** | 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.<br>Broker shall not receive any amount in excess of the amount specified in **paragraph 2E(1)**. |

**G. PAYMENTS RECEIVED FROM OTHERS FOR BROKER COMPENSATION:**

(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.

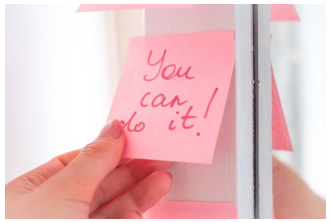
(3) Under a settlement agreement binding on REALTORS®, Broker is prohibited from receiving compensation, for Broker's representation of Buyer, in excess of the amount in this Agreement. Buyer is advised not to include in a purchase offer a request that seller pay a higher amount **unless amended prior to Buyer making the offer.**

(4) If Broker will receive compensation from Buyer and another source, see REALTOR® Acknowledgment and Disclosure (C.A.R. form RAD) for more information.

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

**CANCELLATION OF BUYER REPRESENTATION AGREEMENT:**

# Residential Listing Agreement




Paragraph 2

| | | | |
|---|---|---|---|
| **C(1)** | 4B | **Compensation to Seller's Broker (only Seller's side of transaction)** | _____% of the listing price AND, if any, _____; OR ☐ $ _____; OR ☐ see attached Broker-created compensation schedule. (% above is based on purchase price if Seller and buyer sign a purchase agreement) |
| **C(2)** | 4C | ☐ **Additional Compensation to Seller's Broker for additional effort needed to facilitate transaction if Buyer is not represented by a real estate agent**<br><br>**(Does NOT apply to dual agency)** | _____ % of the purchase price AND if any, _____; OR ☐ $ _____; OR ☐ see attached Broker-created compensation schedule.<br>If Broker is not representing Buyer, Broker is advised to provide the unrepresented buyer with a Buyer Non-Agency Agreement (C.A.R. Forn BNA)<br>(If Broker represents both buyer and Seller, Broker must obtain a separate written agreement with buyer that establishes the Broker's right to compensation for buyer's side of the transaction.) |

Paragraph 4

C. **OPTIONAL ADDITIONAL COMPENSATION FOR UNREPRESENTED BUYER:** If no other brokerage company is involved in the sale of Seller's property because buyer is not represented by a real estate agent, Seller agrees to pay Broker the additional amount specified in **paragraph 2C(2)**, if checked, for services rendered. Broker is advised to confirm that they are not representing the buyer by providing the unrepresented buyer with a Buyer Non-Agency Agreement (C.A.R. Form BNA).

# Landlord-Tenant

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- Rent and eviction
  - C.A.R. 3-day notice forms (PRQ. PCQ and NTQ)
  - Instruction page new bold notice not to use without legal advice
  - Form fill page
  - Check box that aware of limitations on use
  - Zip will add form once sending to client (like TOA)
- Pet Policies (SB1296)
  - Pet policy, including prohibition, must be attached to an application AND in digital ads or by link

# Broker Supervision

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- Legal Requirements, B&P Code
- **10015.1.** “Responsible broker” means the real estate broker responsible for the exercise of control and supervision of real estate salespersons under Section 10159.2, or a licensee subject to discipline under subdivision (h) of Section 10177 for failure to supervise activity requiring a real estate license. The supervision of a salesperson required under this part or any other law is limited to regulatory compliance and consumer protection.
- **10177.** The commissioner **may suspend or revoke the license** of a real estate licensee, …who has done any of the following,
- (h) As a broker licensee, failed to exercise reasonable supervision over the activities of that licensee’s salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.
- **10159.2.** The officer designated by a corporate broker licensee pursuant to Section 10211 shall be responsible for the supervision and control of the activities conducted on behalf of the corporation by its officers and employees as necessary to secure full compliance with the provisions of this division, including the supervision of salespersons licensed to the corporation in the performance of acts for which a real estate license is required.

- Legal Requirements, DRE Regulations, 10 CCR
- **§ 2725. Broker Supervision.**
- A responsible broker shall exercise reasonable supervision over the activities of their salespersons or broker associates acting in the capacity of a salesperson. Reasonable supervision includes, as appropriate, the establishment of policies, rules, procedures and systems to review, oversee, inspect and manage:
- (a) Transactions requiring a real estate license.
- (b) Documents which may have a material effect upon the rights or obligations of a party to the transaction.
- (c) Filing, storage and maintenance of such documents.
- (d) The handling of trust funds.
- (e) Advertising of any service for which a license is required.
- (f) Familiarizing salespersons with the requirements of federal and state laws relating to the prohibition of discrimination.
- (g) Regular and consistent reports of licensed activities of salespersons or broker associates acting in the capacity of a salesperson.
- The form and extent of such policies, rules, procedures and systems shall take into consideration the number of salespersons or broker associates acting in the capacity of a salesperson retained and the number and location of branch offices.
- A responsible broker shall establish a system for monitoring compliance with such policies, rules, procedures and systems. A responsible broker may use the services of associate brokers and salespersons to assist in administering the provisions of this section so long as the responsible broker does not relinquish overall responsibility for supervision of the acts of salespersons or broker associates acting in the capacity of a salesperson retained by the responsible broker.

- Open Houses
  - Best practices
  - Seller authorization and documentation
  - Liability issues
  - E&O insurance

- Transaction Coordinators
  - See forms

# Condo/HOA New Laws

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- SB 1267, Civil Code § 4745. Effective January 1, 2027
  - Owner, successive owner, and installer responsible for cost or damage due to EV charging station for individual use in common areas
- AB 1684, Civil Code § 4738. Effective January 1, 2027
  - HOA may not limit cooling system installation or upgrades that comply with applicable law
- AB 1892, Civil Code § 4775. Effective January 1, 2027.
  - HOA responsible for repairs and replacements necessary to **restore interrupted gas, heat, water, or electrical services** when an interruption of service **begins in the common area**
- SB 908, Civil Code § 4754. Effective January 1, 2027.
  - Anything in the HOA CCRs that prohibits or restricts a qualifying an energy efficient window replacement project, is **void and unenforceable**

# Fire Area new Laws

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- SB 876. Effective January 1, 2027
  - Insurers must **offer at least 50% extended replacement cost coverage** above the policy limits of primary dwelling limits
  - For total losses, insurers must pay **all building code upgrade costs** as if the home were rebuilt at its original location, even if the policyholder rebuilds or buys elsewhere
  - Additional Living Expenses must cover **all reasonable additional costs** needed to maintain a comparable standard of living (housing, food, transportation, pet boarding, etc.) for the time the dwelling is not habitable.
  - Policyholders may choose **fair rental value** instead of itemized expenses. If it is a total loss, ALE shall be for a period of no less than 24 months from the date of the loss to **15 calendar days** beyond the date upon which the premises are deemed habitable to allow transition back home.
  - Insurers must offer **50% extended ALE coverage** above standard limits

- AB 1795. Effective January 1, 2027.
  - Creates a **rebuttable presumption** that if wildfire smoke related damage is present in a surviving residential property in a defined impact zone after a wildfire, then the **smoke damage in the property is the result of that wildfire**.
  - **"Smoke damage"** means exposure of residential property, including structural elements, building systems, contents, and indoor environment to smoke, ash, soot, char, combustion byproducts, and the chemicals and contaminants contained within the wildfire smoke.
  - An insurer **shall not terminate coverage** for additional living expenses for a covered smoke damage claim and shall also be responsible to **cover the cost of the sampling and testing** that is necessary to **restore a damaged property to its pre-loss condition and render it cleared for human occupancy**

# Case Update

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- Nasey v. Fell. Cml buyer remedy if no TDS.

- Urban Sunrise.  Dual agent fiduciary duty.  Buyer responsibility.  Brk commission right.

# December Forms

CALIFORNIA ASSOCIATION OF REALTORS®

- Contingency for the sale of buyer's property, COP
- Transaction Coordinator:  TCA, TC-IQ, PAC, PAC-BT, TPA, RLA, BRBC, TRBC, RPA
- Fire Hardening and Defensible Space, FHDS
- Artificial Intelligence Advisory, AIA (already covered)

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- Meetings material page on car.org to see December drafts and link

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# CONTINGENCY FOR SALE OF BUYER'S PROPERTY

(C.A.R. Form COP, Revised 12/26)

This is an addendum to the Purchase Agreement, OR ☐ Other _____ ("Agreement"), dated _____, on property known as _____ ("Seller's Property"), between _____ ("Buyer") and _____ ("Seller").

Defined terms in the Purchase Agreement apply, and Acceptance in this form means acceptance of the Purchase Agreement of Seller's Property.

Buyer's Property is described as _____, ("Buyer's Property").

**1. TERMS AND CONDITIONS:**

| | Para # | Paragraph Title or Contract Term | Terms and Conditions |
|---|---|---|---|
| **A** | **Buyer Property Contingencies** | | |
| **A(1)** | 2A | **(A) Entering Into Contract and Closing Escrow**<br>**(B) OR ☐ Entering Into Contract Only**<br>**(C) OR ☐ Closing Escrow Only** | Unless 1A(1)(B) or 1A(1)(C) is selected, both terms below apply.<br>Buyer shall remove the Entering into Contract contingency within 17 (or _____) Days after Acceptance OR 2 (or _____) Days after entering into contract for sale of Buyer's Property; whichever occurs first.<br>Buyer's property shall close by the Close Of Escrow of Seller's Property, OR ☐ no later than 5 (or _____) Days prior to Close Of Escrow of Seller's Property. |
| **A(2)** | 2B | **If paragraph 1A(1)(C) is checked, Buyer's Property Is (☐ or Is Not) already in escrow** | If yes, Escrow Company is: _____<br>AND Escrow # is: _____<br>AND Buyer's escrow has a contractual close of escrow date of _____<br>AND Contingencies for Buyer's Property have not (☐ have) been removed. |
| **A(3)** | | **Escrow Evidence** | If Buyer's Property is already in Escrow, Escrow Evidence will be Delivered within 2 (or _____) Days after Acceptance, or ☐ is attached.<br>If not already in escrow, Buyer to provide Escrow Evidence within 2 (or _____) Days after entering into contract for sale of Buyer's Property. |

| | | | |
|---|---|---|---|
| **B** | **Listing and MLS** | | |
| **B(1)** | 3A | **Listing Status of Buyer's Property** | Already listed OR ☐ will list within 3 (or _____) Days after Acceptance.<br>Listing agent/broker: _____ |
| **B(2)** | 3B | **MLS Status of Buyer's Property** | Already submitted to MLS OR ☐ within 2 (or _____) Days after Acceptance OR<br>☐ within 2 (or _____) Days after signing a listing.<br>MLS: _____ |
| **C** | **Contractual Timeframes** | | |
| **C(1)** | 6A | **Time to Deliver deposit** | As specified in the purchase Agreement OR<br>☐ 3 (or _____) business days after the earliest of **(i)** Buyer's delivery of Escrow Evidence to Seller, **(ii)** Buyer's election to begin time periods, or **(iii)** Buyer's removal of any contingency in 1A(1). |
| **C(2)** | 6B | **Time for Buyer Contract obligations** | As specified in the purchase Agreement OR<br>☐ 1 Day after the earliest of **(i)** Buyer's delivery of Escrow Evidence to Seller, **(ii)** Buyer's election to begin time periods, or **(iii)** Buyer's removal of any contingency in 1A(1). |
| **C(3)** | 4C(2) | **Adjustment to COE if scheduled COE for Buyer's Property is after COE date for Seller's Property** | No Adjustment OR<br>☐ up to _____ additional Days; OR ☐ until _____ (date)<br><br>Only applicable if Seller does not exercise right to cancel in 4C(1). |
| **D** | **Back-Up Offers** | | |
| **D(1)** | 11B | **Time for Seller to give Buyer notice of back-up offers** | Any time after Acceptance OR<br>☐ No earlier than 17 (or _____) Days after Acceptance OR<br>☐ Seller has no right to give Buyer notice of back-up offers. |
| **D(2)** | 11 | **Applicability** | Back-up offer terms only apply if Seller accepts a back-up offer and is within the time period in 1D(1). Back-up offer terms do not apply if "Seller has no right" is checked in 1D(1). |

10. **BUYER RIGHT TO CANCEL:** Buyer may cancel the Agreement in writing and Seller shall authorize the return of Buyer's deposit if, prior to Buyer's removal of the Buyer's Property contingencies specified in **paragraph 1A**, as applicable:
A. (If **paragraph 1A(1)(A) or 1A(1)(B)** applies) Buyer is unable to enter into contract on Buyer's Property within the timeframe in **paragraph 1A(1)**;
**OR** B. (If **paragraph 1A(1)(A) or 1A(1)(C)** applies) Either party for Buyer's Property gives notice to the other party to cancel the contract for purchase of Buyer's Property;
**OR** C. (If **paragraph 1A(1)(A) or 1A(1)(C)** applies) Buyer is unable to close escrow on Buyer's Property in a sufficient amount of time to close escrow on the purchase of Seller's Property.

11. **BACK-UP OFFER TERMS; SELLER RIGHT TO REQUIRE BUYER TO REMOVE CONTINGENCIES AND SHOW PROOF OF FUNDS:**

**Only applicable** if Seller accepts a back-up offer and gives notice to Buyer during the time specified in **paragraph 1D(1)**.

A. **PROCEDURES AFTER ACCEPTANCE OF BACK UP OFFER:** If Seller accepts a written back-up offer and provides Buyer a Copy of the signed, accepted back-up offer, Seller shall have the right to give written notice to Buyer to, in writing do ALL of the following:
(1) Remove the contingency for the sale of buyer's property, which includes
(A) Removing the contingency for entering into contract for the sale of Buyer's Property, if any; and
(B) Removing the contingency for closing escrow on Buyer's Property, if any;
(2) Remove the loan contingency, if any; and
(3) Provide verification of sufficient funds to close escrow without the sale of Buyer's Property.
B. **TIME PERIODS FOR GIVING NOTICE:** Seller shall have the right to invoke the notice provisions in this paragraph within the time specified in **paragraph 1D(1)** (unless no right is checked). Seller may use the section below the signatures [bottom of this page] to comply with the written notice requirement of this paragraph.
C. **CANCELLATION RIGHT:** If Buyer fails to complete all these actions in **paragraph 11A** within **2 Days** after Delivery of such notice, Seller may then immediately cancel the Agreement in writing and shall authorize the return of Buyer's Deposit.

**By signing below, Buyer and Seller each acknowledge that they have read, understand, accept, and have received a Copy of this Addendum.**

Buyer _____ Date _____

Buyer _____ Date _____

Seller _____ Date: _____

Seller _____ Date: _____

---

(To be signed after Acceptance, when the notice in **paragraph 11** applies)

**NOTICE TO REMOVE BUYER CONTINGENCIES AND PROVIDE PROOF OF FUNDS: Seller has accepted a back-up offer.** Seller hereby gives notice to Buyer to:

**(i)** remove this Sale of Buyer's Property contingency;
**(ii)** remove the contingency for, as applicable, Buyer entering into contract for the sale of Buyer's Property and closing escrow on the sale of Buyer's Property;
**(iii)** remove the loan contingency, if any; and
**(iv)** provide verification of sufficient funds to close escrow without the sale of Buyer's Property. If Buyer fails to complete these actions within the time specified in **paragraph 11C**, Seller may then immediately cancel the Agreement in writing. (Note: This Notice to Remove Buyer Contingencies and Provide Proof of Funds is not to be Delivered until the time specified in **Paragraph 1D(1)**.)

Buyer may use C.A.R. Form CR-B to remove the contingencies and exercise any extensions rights under **paragraphs 1C(3)** and **4B(1)(b)**, if any. If Buyer fails to complete the above actions within the time specified in **paragraph 11C**, Seller may then immediately cancel the Agreement in writing. (Note: Seller shall not Deliver this Notice to Remove Buyer Contingencies and Provide Proof of Funds until the time specified in **paragraph 1D(1)**.)

Seller _____ Date: _____

Seller _____ Date: _____

# TRANSACTION COORDINATOR ADVISORY

(C.A.R. Form TCA, 12/26)

The hiring of a transaction coordinator ("TC") has become a very common practice in real estate transactions. A TC provides transaction support to a broker or agent but does not directly represent a principal. It is common for a TC to collect documents and signatures and to circulate documents to the real estate licensee and principal, per the broker's requirements. Such documents typically include those that are legally required, contractually required, or required by the broker's office policy. (Brokers sometimes inform TCs that certain documents which are neither legally nor contractually required are nonetheless to be signed by all parties due to the broker's office policy; however, neither the other party nor their agent are required to sign such documents.) Many TCs perform additional activities. This Transaction Coordinator Advisory (C.A.R. Form TCA) provides information about the role of a TC and how a TC's involvement may impact the relationship and communication between the principal and their agent.

## 1 WHAT IS A TRANSACTION COORDINATOR?

**A. WHY ARE TRANSACTION COORDINATORS INVOLVED IN REAL ESTATE TRANSACTIONS?** A broker, and by extension, any salesperson or broker-associate working through a broker, has fiduciary duties to a buyer or seller client. These duties include assisting the principal by providing advice and strategy recommendations, reviewing contracts, counter offers, repair requests and negotiations, and presenting options for the principal to consider. A licensee may find it beneficial to hire a TC or assistant to help with certain tasks. TCs typically help with the paperwork in the transaction, and they may be involved in setting up property showings and inspections, communicating standard exchanges with an escrow or title company or lender, and transferring documents between the various parties to the transaction. The TC's activity permits real estate licensees to put more focus on negotiating, finding buyers or sellers, and working out solutions to problems that may arise.

**B. ARE TRANSACTION COORDINATORS REQUIRED TO HAVE A REAL ESTATE LICENSE?** It depends on the type of activity engaged in by the TC. Performing administrative functions, such as confirming that each document on a list provided by the broker is included in the transaction and is signed by the relevant principal, is not considered real estate licensed activity. Neither is scheduling an appointment between a principal and an agent. However, discussing consequences of taking or failing to take certain actions during the transaction, negotiating with the other party in the transaction, or evaluating one property versus another, are activities that would require a real estate license. Even with a license, a TC needs to be aware of what they are being hired to do and whether the work may violate licensing laws. A licensee who has a salesperson license is only allowed to perform licensed activity by and through the broker who figuratively holds that person's license. This means if the TC is performing licensed activity, they should be associating their license with a broker who has been retained by the principal. A real estate salesperson's license can only be affiliated with one broker at a time.

C. **BENEFITS:** A TC can help keep a transaction organized and moving forward by tracking deadlines, collecting signatures, filing and forwarding documents, and scheduling inspections and appraisals. A TC can help identify and remedy missing paperwork before such documents cause delays. A TC who takes care of these and other administrative and compliance tasks can benefit both the brokerage and the principal, since the TC can free up the agent's time to focus on duties such as analyzing the market, preparing a marketing strategy, conducting open houses, previewing properties for a buyer, researching appropriate alternate target properties, negotiating the finer points of a deal, and problem-solving. The use of TCs who perform the same or similar tasks over many transactions can benefit buyers and sellers because real estate agents and TCs can focus their efforts in an efficient manner, thereby increasing the likelihood of a successful and timely transaction.

D. **CONFIDENTIALITY AND OTHER CONSIDERATIONS:** The law allows unlicensed individuals to provide TC support to licensed agents and brokers as long as those TCs remain within the scope of permissible activities. TCs may be independent of the broker, and they may work from different locations, including locations outside California or outside the United States of America. The Department of Real Estate – a consumer protection agency – routinely monitors the activities of licensed brokers and agents, which include TCs acting in a licensed capacity, to ensure licensees adhere to applicable standards. Unlicensed TCs, however, are not routinely subjected to similar governmental scrutiny; however, they may be subjected to scrutiny if they run afoul of licensing laws. Both licensed and unlicensed TCs regularly handle sensitive, and often confidential, personal and financial information. Some TCs have more robust systems than others in safeguarding sensitive information from unauthorized access or disclosure. Some TCs have procedures in place to disclose and handle a conflict when they are participating on both sides of a transaction; it is important for the broker and principals to be aware of and to understand the implications of this situation.

2 **TRANSACTION COORDINATOR COMPENSATION:** A TC's compensation may be structured in different ways. They may be paid an hourly rate, a flat transaction fee, or a fee that is contingent upon, or only payable if, the transaction closes. Typically, the TC's compensation comes out of the broker or salesperson's compensation, which should be outlined in the representation agreement.

3 **HIRING A TRANSACTION COORDINATOR:** TCs can be hired by a broker to work on designated transactions in the brokerage office, by an individual agent to only work on that agent's transactions, or by a team leader to facilitate transactions flowing through that team. A TC may also provide transactional support to numerous agents and brokers who work out of different brokerages. In rare circumstances, a principal may be the person who directly hires the TC. The hiring person should consult with a qualified California employment attorney to determine the appropriate status of the TC.

4 **INSTRUCTION TO PRINCIPAL: Ask your agent whether they plan to use a TC in your transaction. It is important to understand who will have access to your information. Additionally, whether your own agent uses a TC or not, the agent representing the party on the other side of the transaction might use their own TC. If you are concerned about another agent's TC potentially gaining access to your data or information, discuss your concern with your agent. You may ask your agent to ask the agent on the other side of the transaction if they will use a TC, as this could influence your decision of whether or not to enter into an agreement.**

**By signing below, Buyer/Seller acknowledges that they have received a copy of this Transaction Coordinator Advisory, and they have read and understand its terms.**

[ ] Buyer/[ ] Seller _____ Date _____

[ ] Buyer/[ ] Seller _____ Date _____

CALIFORNIA ASSOCIATION OF REALTORS®

# PERSONAL ASSISTANT CONTRACT

**(Intended for use with C.A.R. Form PAC-BT; if used together, Form TPA not needed)**

**(C.A.R. Form PAC, Revised 12/26)**

This "Agreement," dated _____, is between _____ ("Real Estate Licensee") and _____ ("Assistant"). In consideration of the covenants and representations contained in this Agreement, Real Estate Licensee and Assistant agree as follows:

1. **REAL ESTATE LICENSEE** is a California real estate licensee.
   - **A. ☐ BROKER WORKING FOR THEMSELVES:**
     - (1) Real Estate Licensee is a broker who works for themselves.
     - (2) ☐ One or more salespersons and/or broker-associates perform licensed activity through Real Estate Licensee's license ("Broker")

   **OR B. ☐ BROKER ASSOCIATE WORKING THROUGH ANOTHER BROKER:**
     - (1) Real Estate Licensee ("Broker Associate") is associating their license and performing licensed activity, through _____ _____ ("Broker").
     - (2) ☐ Broker-Associate is a team leader of a team of two or more salespersons and/or broker-associates.

   **OR C. ☐ SALESPERSON:**
     - (1) Real Estate Licensee is a salesperson performing licensed activity through _____ _____ ("Broker").
     - (2) ☐ Salesperson is a team leader of a team of two or more salespersons and/or broker-associates.
2. **ASSISTANT'S** California real estate license information:
   - **A. ☐ BROKER LICENSE:** Assistant is licensed in California as a real estate broker.
   - **B. ☐ SALESPERSON LICENSE:** Assistant is licensed in California as a real estate salesperson.
   - **C. ☐ NO LICENSE:** Assistant does NOT have a California real estate license. Assistant shall not perform any licensed activity for Real Estate Licensee or Broker.
   - **D. RETENTION OF REAL ESTATE LICENSE:** If Assistant holds an active real estate license, unless otherwise agreed in **paragraph 12** or elsewhere, Broker shall have the right to require Assistant to associate Assistant's license with Broker. If Assistant does not associate Assistant's license with Broker, then Assistant shall not perform any licensed activity under this Agreement.
3. **☐ TRANSACTION COORDINATOR:** If checked, Assistant is acting as a transaction coordinator (check A or B below).
   - **A. ☐ EXCLUSIVE RELATIONSHIP:** Assistant will provide transaction coordination services exclusively to Real Estate Licensee, which may include, if applicable, any salesperson or broker-associate: **(i)** acting through Real Estate Licensee's broker license; or **(ii)** acting through a team for which Real Estate Licensee is the team leader.

   **OR B. ☐ NON-EXCLUSIVE RELATIONSHIP:** Assistant may provide transaction coordination services to other licensees. Assistant shall, upon request now or in the future, disclose to Real Estate Licensee the names of any broker, broker-associate, or real estate salesperson, and the brokerage for whom they work, for whom Assistant at the time of the request, provides services covered by this Agreement.

4. **EMPLOYER-EMPLOYEE RELATIONSHIP:**
   A. Assistant shall be an at-will employee of Real Estate Licensee. This means either party may terminate this Agreement at any time, with or without cause. As Assistant's employer, Real Estate Licensee shall comply with all applicable local, state, and federal laws including, but not limited to, minimum wage and overtime pay, timekeeping requirements, income and employment tax withholdings, workers' compensation coverage, and laws prohibiting discrimination or harassment.
   B. **If Real Estate Licensee and Assistant intend to enter into a different type of working relationship, such as independent contractor relationship, a separate written agreement must be used.** The classification of any person who performs services for a real estate licensee as an independent contractor has significant legal consequences for both the Real Estate Licensee and the person who performs the services. Misclassifying an employee as an independent contractor can generate severe penalties and other adverse consequences. Real Estate Licensee and Assistant are advised to seek legal and accounting advice before considering classifying Assistant as an independent contractor.
5. **RELATIONSHIP TO BROKER:**
   A. This Agreement is between the Real Estate Licensee and Assistant.
   B. Unless specified in this Agreement or otherwise agreed in a Broker/Associate Licensee/Assistant Three Party Agreement (C.A.R. Form TPA) or elsewhere, Assistant shall have no obligation to Broker.
   C. If Real Estate Licensee is not Broker, this Agreement is not intended to create any type of employment relationship between Assistant and Broker unless Assistant and Broker enter into a separate employment agreement.
   D. Assistant understands that Real Estate Licensee will provide a fully-signed copy of this Agreement to Broker.
6. **DUTIES:** If Real Estate Licensee is performing licensed activity through a Broker, Assistant shall assist Real Estate Licensee in fulfilling Real Estate Licensee's obligations under the independent contractor agreement between Real Estate Licensee and Broker (such as C.A.R. Form ICA). **Assistant shall comply with all obligations imposed on Real Estate Licensee under the terms of that agreement and any office policy established by Broker. Real Estate Licensee shall monitor Assistant's work and performance.** If Assistant does not have a real estate license, Assistant shall not engage in any activity for which a real estate license is required. (Assistant is advised to review the "DRE Guidelines for Unlicensed Assistants.") In addition, and more specifically,

Assistant shall perform the following activities: _____

_____

_____

_____.

**13. OTHER TERMS AND CONDITIONS AND ATTACHED SUPPLEMENTS:**

☑ Personal Assistant Contract - Additional Broker Terms (C.A.R. Form PAC-BT).

**NOTE:** Any document below will not auto-attach and must be manually attached to this Agreement)

☐ Broker and Real Estate Licensee Independent Contractor Agreement (such as C.A.R. Form ICA)
☐ Broker Office Policy Manual (or, if checked, ☐ available in Broker's office)
☐ DRE "Guidelines for Unlicensed Assistants"
☐ DRE "Guidelines for Unlicensed Assistants who Work in the Real Estate Industry"
☐ California Association of REALTORS® "Licensing Chart for REALTORS®"
☐ California Association of REALTORS® Legal Q&A titled, "Licensing Guide for REALTORS®"
☐ California Association of REALTORS® Legal Q&A titled, "Unlicensed Assistants"

_____

_____

_____

_____

CALIFORNIA ASSOCIATION OF REALTORS®

# PERSONAL ASSISTANT CONTRACT – ADDITIONAL BROKER TERMS

**(Intended for use with C.A.R. Form PAC; Form TPA not needed)**

**(C.A.R. Form PAC-BT, 12/26)**

This Personal Assistant Contract – Additional Broker Terms" agreement dated _____ ("PAC-BT") is made by and between _____ ("Broker"), _____ ("Associate-Licensee"), and _____ ("Assistant").

In consideration of the terms contained in this PAC-BT, Broker, Associate-Licensee, and Assistant agree as follows:

1. **BROKER:** Broker represents that Broker is licensed as a real estate broker by the State of California and is doing business as (firm name) _____, a ☐ sole proprietorship, ☐ partnership, or ☐ corporation. If Broker is a corporation, **(i)** Broker's corporate name is _____ _____, and **(ii)** Broker also does business as _____.
2. **RELATIONSHIP AMONG THE PARTIES:** Associate-Licensee has entered into an independent contractor agreement with Broker to perform real estate licensed activity under Broker's name and license. Assistant is employed by Associate-Licensee as specified in a separate written agreement. Except as specified in this PAC-BT, Assistant has no other agreement with Associate-Licensee or Broker. All parties are advised to consult with a qualified California employment attorney regarding the status and relationships between the parties.
3. **COMPLIANCE WITH REAL ESTATE LAW: If Assistant is performing any licensed activity, Assistant's failure to provide Broker with Assistant's California real estate license can have legal and regulatory implications. Broker, Associate-Licensee, and Assistant are advised to consult with a qualified California real estate attorney before proceeding without associating Assistant's license with Broker.** Broker, Associate-Licensee and Assistant agree: **(i)** If Assistant is licensed as a real estate salesperson who performs licensed activity, all compensation to Assistant for licensed real estate salesperson activity, including, without limitation, sales commissions, shall be paid through Broker to the extent required by California real estate law; **(ii)** If Assistant holds a California real estate license and performs licensed activity, for the sole and limited purpose of complying with California real estate licensing law, the Assistant's real estate salesperson activity shall be deemed to be under the auspices of Broker's real estate license; **(iii)** Broker has the right to review the files and activities of Assistant as such files and activities relate to the performance of acts under Broker's license; **(iv)** Broker may recommend to Associate-Licensee termination of the relationship between Associate-Licensee and Assistant if Assistant's actions interfere with or violate Broker's obligations under California real estate law or violate Broker's office policies. Broker, Associate-Licensee and Assistant understand and agree that the foregoing terms and conditions are made solely for the purpose of compliance with California real estate law and that no employer-employee relationship is inferred, intended, or created between Broker and Associate-Licensee, Broker and Assistant, or Associate-Licensee and Assistant by inclusion of these terms in this Agreement. The parties further agree that this Agreement may not be introduced or used as evidence to establish the existence of an employer-employee relationship between Broker and Associate-Licensee and/or Broker and Assistant in any proceeding.

Broker and Assistant in any proceeding.

4. **ASSISTANT COMPENSATION:** Associate-Licensee shall be solely responsible for compensation to Assistant under the terms of their agreement. If payment of compensation to Assistant is required to be made through Broker because Assistant has a California real estate license, then Associate-Licensee shall be liable to and shall reimburse Broker for all such compensation and any administrative and other costs necessary to accommodate the relationship between Associate-Licensee and Assistant, including without limitation, any employment taxes paid by Broker, a pro rata share of worker's compensation insurance premiums paid by Broker, reimbursement for Assistant's expenses paid by Broker and _____.
The parties agree that compensation paid to Assistant, and all administrative and other necessary costs, shall be deducted from any compensation due to Associate-Licensee by Broker.

5. **EFFECT OF TERMS OF PERSONAL ASSISTANT CONTRACT ON BROKER:**
   A. **BROKER ACKNOWLEDGMENT:** Broker acknowledges receipt of the Personal Assistant Contract (PAC). Broker consents to the terms of the PAC that reference Broker. Except as specified in **paragraph 5B**, below, or otherwise agreed, Broker is not a party to the PAC.
   B. **INCORPORATION OF BROKER INTO TERMS OF THE PAC:** Broker, Associate-Licensee, and Assistant agree that the following terms of the PAC shall apply equally to Broker as if named in the PAC: Dispute Resolution (**paragraph 11**); Attorney Fees (**paragraph 13**); and Entire Agreement (**paragraph 14**).

6. **OTHER TERMS:** _____

**By signing below, Broker, Associate-Licensee, and Assistant acknowledge that each has read, understands, accepts, and has received a copy of this Personal Assistant Contract – Additional Broker Terms.**

**BROKER:**

Brokerage Firm _____ Lic. # _____ Date _____

By _____

Phone _____ Email _____

**ASSOCIATE-LICENSEE:** _____ Date _____

**ASSISTANT:** _____ Date _____

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**REAL ESTATE BROKERS SECTION:**

**1. Real Estate Agents, and if checked, transaction coordinators, are not parties to the Agreement between Buyer and Seller.**

**2. Agency relationships are confirmed as stated in paragraph 2.**

**3. Presentation Of Offer:** Pursuant to the National Association of REALTORS® Standard of Practice 1-7, if Buyer's Agent makes a written request, Seller's Agent shall confirm in writing that this offer has been presented to Seller.

**4. Agents' Signatures and designated electronic delivery address:**

A. Buyer's Brokerage Firm _____ DRE Lic. #_____

By _____ DRE Lic. #_____ Date _____

By _____ DRE Lic. #_____ Date _____

Address_____ City_____ State_____ Zip_____

Email _____ Phone # _____

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

□ More than one brokerage firm represents Buyer. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

□ A transaction coordinator ~~will assist~~may be ~~utilized in~~used during the transaction. See. C.A.R. Form TCA for further information.

**Designated Electronic Delivery Address(es): Email above or _____**

□ **Attached DEDA:** If Parties elect to have an alternative Delivery method, such method may be indicated on C.A.R. Form DEDA.

B. Seller's Brokerage Firm _____ DRE Lic. #_____

By _____ DRE Lic. #_____ Date _____

By _____ DRE Lic. #_____ Date _____

Address_____ City_____ State_____ Zip_____

Email _____ Phone # _____

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

□ More than one brokerage firm represents Seller. Additional Broker Acknowledgement (C.A.R. Form ABA) attached.

□ A transaction coordinator ~~will assist~~may be ~~utilized in~~used during the transaction. See. C.A.R. Form TCA for further information.



**Designated Electronic Delivery Address(es) (To be filled out by Seller's Agent): Email above or _____**

□ **Attached DEDA:** If Parties elect to have an alternative Delivery method, such method may be indicated on

| | | | |
|---|---|---|---|
| | | | □ Septic/Sewer Inspection,<br>□ Other: _____ |
| | | | |
| G | 21 | Exceptions to Ownership/Title | _____ |
| H | | □ Seller intends to include a contingency to purchase a replacement property as part of any transaction (see C.A.R. Form SPRP). | |
| I | Intentionally left blank | | |
| J | 13, 14 | **Seller Opt Outs** | □ Keysafe/Lockbox<br>□ Signs |
| K | 7A(2) | **Transaction Coordinator** | Will be used; OR □ Will Not be Used; □ Undetermined |
| L | | **Additional Terms** | _____<br>_____ |

3. **ADVISORIES AND ADDENDA:**

**A. Advisories**

☑ Broker Compensation Advisory (C.A.R. Form BCA)
□ REO Advisory Listing (C.A.R. Form REOL)
□ Trust Advisory (C.A.R. Form TA)
□ Other: _____

## 7. BROKER'S AND SELLER'S DUTIES:

### A. BROKER

(1) **Responsibility, Authority and Limitations:** Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement. Unless Seller gives Broker written instructions to the contrary, Broker is authorized, but not required, to (i) order reports and disclosures including those specified in **paragraph 7E** as necessary, (ii) advertise and market the Property by any method and in any medium selected by Broker, including an MLS, the internet, and social media, and, to the extent permitted by these media, control the dissemination of the information submitted to any medium; and (iii) disclose to any real estate licensee making an inquiry the receipt of any offers on the Property and the offering price of such offers.

(2) **Transaction Coordinator:** Broker may use a transaction coordinator, as specified **in paragraph 2K.** Unless otherwise agreed, Seller consents to the use of a transaction coordinator at Broker's election. Broker may later change the election in **paragraph 2K** by informing Seller, but Broker need not do so in writing.

CALIFORNIA ASSOCIATION OF REALTORS®

# FIRE HARDENING AND DEFENSIBLE SPACE DISCLOSURE, ADDENDUM, AND AGREEMENT

(C.A.R. Form FHDS, Revised 12/26)

This is a disclosure to the Purchase Agreement, OR ☐ Other _____ ("Agreement"),
dated _____, on property known as _____ ("Property"),
between _____ ("Buyer"),
and _____ (" Seller").
Buyer and Seller are referred to as the "Parties"

## SECTION I: INSTRUCTIONS

1. **WHEN THIS FORM IS REQUIRED:** Seller needs to answer the questions below to determine if SECTION II or SECTION III, or both apply and which sections Seller must complete.
   - **A.** Does the Property contain one to four residential dwelling units including condominiums, or a manufactured home (mobilehome)? ..... ☐ Yes ☐ No
   - **B.** Is the Property located in either a **high or very high** fire hazard severity zone? ..... ☐ Yes ☐ No
     (If you, Seller, do not know, you can ask your NHD provider or local fire marshal)
   - **C.** Are you, Seller, required to complete a Transfer Disclosure Statement (C.A.R. Form TDS or MHTDS)? ..... ☐ Yes ☐ No

**STOP!!!** If Seller answers "No" to ANY question above, Seller does not need to answer the question in **paragraph 1D** below or to complete or sign SECTION II or SECTION III. Only sign if the answer to **1A**, **1B**, or **1C** above is "No". Once Seller signs in this box, no further action is needed.

**Seller represents that any "No" answer above is correct. If so, Seller is exempt from the remaining obligations of this form, and no further signatures are required.**

Seller: _____ Date: _____
Seller: _____ Date: _____

- **D.** **If Seller answers "Yes" to ALL questions in paragraphs 1A, 1B, and 1C above, answer the questions below to find out if Seller needs to complete both SECTIONS II and III or only SECTION III.**
  Was any home (or ADU) on the Property constructed prior to January 1, 2010? ..... ☐ **Yes** ☐ **No**
  **If Seller answers "Yes"** to this question, Seller should read **paragraph 2** below and complete and sign both SECTIONS II and III.
  **If Seller answers "No"** to this question, Seller warrants that the answer to **paragraph 1D** is correct. Seller should read **paragraph 2** below and complete and sign only SECTION III. Seller is not required to complete or sign SECTION II.

2. **INFORMATION/INSTRUCTIONS FOR BUYER AND SELLER:**

A. **LAW APPLICABILITY:** California Civil Code § 1102.19 regarding defensible space compliance applies if: **(i)** the property contains one to four dwelling units, including a condominium, or a manufactured home (mobilehome), **(ii)** it is located in either a high or very high fire hazard severity zone, and **(iii)** a transfer disclosure statement is required. California Civil Code § 1102.6f regarding home fire hardening disclosures applies under the same three conditions as defensible space with the added condition that the property was built prior to January 1, 2010.

B. **FIRE HAZARD SEVERITY ZONE STATUS:** It may be possible to determine if a property is in a **high or very high** fire hazard severity zone by consulting with a natural hazard zone disclosure company or by reviewing the company's report. This information may also be available through a local agency where this information should have been filed. To determine which fire hazard zone, if any, the Property is located in, you may enter the Property address into Cal Fire's "Fire Hazard Severity Zone Viewer". A link to the viewer can be found on Cal Fire's website at https://www.fire.ca.gov/dspace/

C. **PROPERTIES IN HOA OR COMMON INTEREST DEVELOPMENTS:** If Property is a condominium or in a planned development, Seller may not have the right to act in one or more of those Zones or parts thereof. In such instances, the homeowners' association (HOA), rather than the Seller, would likely have authority pursuant to the Covenants, Conditions and Restrictions, or other rules or regulations governing the HOA. HOAs, however, are NOT subject to Civil Code § 1102.19 which mandates defensible space compliance. Regardless of what the HOA does or does not do, Seller must comply with all obligations within Seller's control, such as providing disclosures, making an agreement with Buyer concerning compliance, and if Seller has agreed to comply, then performing such compliance for property owned and controlled by seller, and if not in Seller's control, parties should agree to have Buyer obtain compliance with the HOA after Close Of Escrow.

D. **COMPLETING THE DEFENSIBLE SPACE ADDENDUM AND AGREEMENT:** Compliance requires satisfying Zones 0, 1, and 2, if applicable to the Property. Seller is advised to determine if there is a local vegetation management ordinance requiring defensible space around an improvement on the Property in order to complete SECTION III of this form. Seller is advised to consult with an appropriate professional to determine the existence of such an ordinance.

E. **REQUIREMENT TO COMPLETE DISCLOSURES AND COME TO AN AGREEMENT:** If Seller is required to complete and provide to Buyer Section II or Section III of this form, Seller must complete all applicable disclosure questions. If Section III of this form is applicable, California law requires Seller and Buyer to come to an agreement regarding Defensible Space compliance. Section III of this form can be used to document the agreement regarding whether Buyer or Seller will comply with defensible space requirements. If parties have not agreed to the terms in Section III by the time specified in the Purchase Agreement, Seller shall have the right to terminate the Agreement, after first Delivering a Notice to Buyer to Perform. Buyer shall have the right to terminate the Agreement within **3 Days** after Delivery in person, or **5 Days** after Delivery by deposit in the mail, or by an electronic record or email satisfying UETA, of the fully completed disclosures, or if the Parties do not come to an agreement in section III.

## SECTION II: FIRE HARDENING DISCLOSURES

**EXEMPTION:** If Seller answered "No" to any question in SECTION I, **paragraph 1A-D**, Seller is not required to complete or sign this section.

1. **FIRE HARDENING STATUTORY NOTICE:** "THIS HOME IS LOCATED IN A HIGH OR VERY HIGH FIRE HAZARD SEVERITY ZONE AND THIS HOME WAS BUILT BEFORE THE IMPLEMENTATION OF THE WILDFIRE URBAN INTERFACE BUILDING CODES WHICH HELP TO FIRE HARDEN A HOME. TO BETTER PROTECT YOUR HOME FROM WILDFIRE, YOU MIGHT NEED TO CONSIDER IMPROVEMENTS. INFORMATION ON FIRE HARDENING, INCLUDING CURRENT BUILDING STANDARDS AND INFORMATION ON MINIMUM ANNUAL VEGETATION MANAGEMENT STANDARDS TO PROTECT HOMES FROM WILDFIRES, CAN BE OBTAINED ON THE INTERNET WEBSITE HTTP://WWW.READYFORWILDFIRE.ORG".
2. **FIRE HARDENING DISCLOSURES:**
   - **A. FIRE HARDENING VULNERABILITIES: Are you (Seller) aware of the following features on your home that may make the home vulnerable to wildfire and flying embers (Seller is not obligated to explain or clarify their responses to questions 2A(1)-(6), whether they answer "yes" or "no." Voluntary explanation/clarification is permitted but not required.)...**
     - (1) Eave, soffit, and roof ventilation where the vents have openings in excess of one-eighth of an inch or are not flame and ember resistant..... ☐ Yes ☐ No
     - (2) Roof coverings made of untreated wood shingles or shakes..... ☐ Yes ☐ No
     - (3) Combustible landscaping or other materials within five feet of the home and under the footprint of any attached deck..... ☐ Yes ☐ No
     - (4) Single pane or non-tempered glass windows..... ☐ Yes ☐ No
     - (5) Loose or missing bird stopping or roof flashing..... ☐ Yes ☐ No
     - (6) Rain gutters without metal or noncombustible gutter covers..... ☐ Yes ☐ No

     Explanation/Clarification: _____

     _____
   - **B. FIRE HARDENING LOW-COST RETROFITS:** The following is a list of low-cost retrofits developed and listed by the California Department of Forestry and Fire Protection (CAL FIRE) and the California Governor's Office of Emergency Services (OES). More information on home hardening is available at readyforwildfire.org. A list of low cost retrofits with dynamic links can be found at https://readyforwildfire.org and searching for "home hardening".

     **Have you (Seller) completed any of the following low-cost retrofits during the time you have owned the property? (If the retrofit was partially completed or only applied to a portion of the identified feature, or if similar work was performed, or if your response below needs clarification, provide the explanation/clarification below. If you are unsure if the retrofit item was completed or satisfied the conditions specified, check "No",and provide any explanation/clarification below.)**
     - (1) Roof replaced with Class A fire-rated roof..... ☐ Yes ☐ No
     - (2) Spaces between roof covering and sheathing blocked with non-combustible materials (bird stops)..... ☐ Yes ☐ No
     - (3) Installation of noncombustible gutter cover on gutters to prevent the accumulation of leaves and debris in the gutter..... ☐ Yes ☐ No
     - (4) Covered chimney and stovepipe outlets with a noncombustible corrosion-resistant metal mesh screen (spark arrestor), with 3/8 inch to ½ inch openings..... ☐ Yes ☐ No
     - (5) Install ember and flame-resistant vents..... ☐ Yes ☐ No
     - (6) Caulk and plug gaps greater than 1/8 inch around exposed rafters and blocking to prevent ember intrusion into the attic or other enclosed spaces..... ☐ Yes ☐ No
     - (7) Inspect exterior siding for dry rot, gaps, cracks, and warping. Caulk or plug gaps greater than 1/8-inch in siding

## SECTION III: ADDENDUM AND AGREEMENT

**EXEMPTION:** If any question in SECTION I, **paragraphs 1A-C** is answered "No," Seller is not required to complete or sign this Section.

1. **BUYER AND SELLER AGREEMENT REGARDING WHICH PARTY SHALL OBTAIN COMPLIANCE WITH APPLICABLE STATE OR LOCAL DEFENSIBLE SPACE REQUIREMENTS:**

**INSTRUCTIONS FOR THIS SECTION: Paragraph 1A applies, unless another option is checked.**
- Check **paragraph 1B** (unless Seller is voluntarily agreeing under **paragraph 1D**), if there is a local vegetation management ordinance requiring defensible space. Then check (1) or (2), depending on the requirements of the local ordinance.
- Check **paragraph 1C**, if Seller has written compliance within the last 6 months.
- Check **paragraph 1D**, if Seller will voluntarily provide compliance with State or Local requirement, as applicable.

**COSTS AND INVESTIGATION: Complying with defensible space requirements, whether State or Local, can have significant costs. Buyer or Seller are advised to obtain an inspection to determine the potential costs involved prior to making an agreement to incur the costs involved to bring the Property into compliance with the applicable law.**

**A. NO LOCAL ORDINANCE: BUYER RESPONSIBLE FOR DEFENSIBLE SPACE COMPLIANCE:** Buyer shall obtain documentation of compliance with the State defensible space law within one year of Close Of Escrow.*

**OR B. ☐ LOCAL ORDINANCE RELATED TO VEGETATION MANAGEMENT OR DEFENSIBLE SPACE APPLIES:** (check (1), or (2) depending on the requirements of the local ordinance)

(1) ☐ **BUYER RESPONSIBILITY; EITHER SALE TRIGGERS COMPLIANCE THAT MAY BE OBTAINED AFTER CLOSE OR COMPLIANCE IS NOT TIED TO SALE:** If the local ordinance is triggered by a sale and allows either Seller or Buyer to obtain documentation of compliance, Buyer shall comply with the requirements of the ordinance after Close Of Escrow. If the local ordinance is not triggered by a sale, Buyer shall obtain documentation of compliance with the State defensible space law within one year of Close Of Escrow,* or if applicable comply with the local requirement after Close Of Escrow.

(2) ☐ **SELLER RESPONSIBILITY; SALE TRIGGERS COMPLIANCE THAT REQUIRES OBTAINING WRITTEN DOCUMENTATION BEFORE CLOSE OF ESCROW:** The local ordinance requires Seller to obtain documentation of compliance prior to Close Of Escrow. Seller shall obtain documentation of compliance prior to the time for Buyer's final verification of condition.

**OR C. ☐ SELLER RESPONSIBILITY – STATE OR LOCAL COMPLIANCE ALREADY COMPLETE.** For either State or local law, Seller shall Deliver documentation of compliance to Buyer. If ONLY State law applies, Seller has obtained documentation of compliance with State defensible space requirement within the last 6 months.

**OR D. ☐ SELLER RESPONSIBILITY – VOLUNTARY:** Regardless of whether a local defensible space ordinance or the State defensible space law applies, Seller shall obtain documentation of compliance prior to Buyer's final verification of condition.

2. **A. DOCUMENTATION*:** The local agency from which a copy of the documentation in **paragraph 1B(2), 1C, OR 1D**, as applicable, may be obtained is _____, which may be contacted at _____.

**B. ADDITIONAL LOCAL REQUIREMENTS:** ☐ See addendum created or obtained by Seller.

**If this section is applicable, Seller acknowledges that they have received a copy of this C.A.R Form FHDS, and they have read and understand the form and agree to the terms in SECTION III of this form, and if SECTION II is not completed, Seller has answered "No" to the question in SECTION I, paragraph 1D and warrants that the answer is correct.**

Seller _____ Date _____

Seller _____ Date _____

**By signing below, Buyer acknowledges that they have received a copy of and has read and understands the terms of this C.A.R Form FHDS. If the Parties do not come to an agreement on defensible space compliance, the requirements of the law have not been completed (see SECTION I, paragraph 2E).**

**Buyer agrees to the terms in SECTION III of this form. Buyer acknowledges that if Buyer agrees to bring the property into compliance, Buyer will be responsible for necessary costs and expenses to do so.**

**OR ☐ (if checked), Buyer does NOT agree to the terms in paragraph 1 of SECTION III and proposes the following:**
**Paragraph 1D** shall be the only box checked in SECTION III. Seller shall be responsible for defensible space compliance.
OR ☐ Other: _____

Buyer _____ Date _____

Buyer Date

**(If Seller agrees to the modification, Seller must sign in the boxed section below. If Seller does not agree or does not sign below within the time specified in the purchase Agreement, see SECTION I, paragraph 2E.)**

**Seller agrees to Buyer's modification(s) provided above.**

Seller _____ Date _____

Seller _____ Date _____

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# Questions?

# Thank you!

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