

**BUT FIRST AN ONGOING ISSUE  
WITH THE OLD AND NEW RPA**

D(2)	5A(2)	<input type="checkbox"/> Increased Deposit (Money placed into escrow after the initial deposit. Use form DID at time increased deposit is made.)	\$ _____ ( _____ % of purchase price) (% number above is for calculation purposes and is not a contractual term)	Upon removal of all contingencies OR <input type="checkbox"/> _____ (date) OR <input type="checkbox"/> _____
------	-------	---	--	--


**CALIFORNIA  
ASSOCIATION  
OF REALTORS®**

**DELIVERY OF INCREASED DEPOSIT  
AND LIQUIDATED DAMAGES ADDENDUM**  
(To be used at time increased deposit is paid, not with offer or counter offer)  
(C.A.R. Form DID, 12/21)

The following terms and conditions are hereby incorporated into the Purchase Agreement, OR ☐ Other: \_\_\_\_\_  
 ("Agreement"), dated \_\_\_\_\_ ("Property"),  
 on property known as \_\_\_\_\_ ("Buyer"),  
 between \_\_\_\_\_ ("Seller"),  
 and \_\_\_\_\_  
 Buyer and Seller are referred to as the "Parties."

1. By depositing on \_\_\_\_\_ (date) the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) by  
☐ cash, ☐ cashier's check, ☐ personal check, ☐ wired funds, or ☐ \_\_\_\_\_, Buyer hereby increases the total deposit to  
 payable to \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

2. IF BUYER AND SELLER HAVE AGREED TO LIQUIDATED DAMAGES IN THE AGREEMENT, THE FOLLOWING  
 LIQUIDATED DAMAGES PROVISION IS (IS NOT) HEREBY INCORPORATED IN AND MADE A PART OF THIS  
 ADDENDUM.

# POTENTIAL RISK MANAGEMENT ISSUES WITH THE NEW RPA

## THE APPRAISAL CONTINGENCY

### PARAGRAPH 8A-LOANS: THE INTER-RELATIONSHIP BETWEEN LOAN & APPRAISAL CONTINGENCIES

**A. LOAN(S):**  
(1) This Agreement is, **unless otherwise specified in paragraph 3L(1) or an attached CR form**, contingent upon Buyer obtaining the loan(s) specified. If contingent, Buyer shall act diligently and in good faith to obtain the designated loan(s). **If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan and Buyer is able to satisfy lender's non-appraisal conditions for closing the loan.**

TO GET A LOAN,  
BUYER MUST QUALIFY

LOAN CONTINGENCY MUST BE  
IN PLACE IF BUYER WANTS TO  
CANCEL BECAUSE BUYER DOES  
NOT QUALIFY.

SEPARATE CONTINGENCY THAT CAN BE  
INCLUDED IN THE CONTRACT OR  
REMOVED/WAIVED INDEPENDENTLY  
FROM THE APPRAISAL CONTINGENCY.  
THEY SHOULD NOT AUTOMATICALLY BE  
REMOVED AT THE SAME TIME.

2

TO GET A LOAN,  
PROPERTY MUST QUALIFY

APPRAISAL CONTINGENCY MUST  
BE IN PLACE IF BUYER WANTS TO  
CANCEL BECAUSE PROPERTY DOES  
NOT APPRAISE AT AGREED VALUE.

IF BUYER QUALIFIES BUT APPRAISAL  
CONTINGENCY WAS WAIVED OR  
REMOVED, LENDER CAN DENY LOAN IF  
PROPERTY DOES NOT APPRAISE AND  
BUYER MUST EITHER BUY WITHOUT  
LOAN OR BE IN BREACH OF CONTRACT.

# POTENTIAL RISK MANAGEMENT ISSUES WITH THE NEW RPA

**EXPANSIVE INVESTIGATION  
CONTINGENCY THAT NEEDS TO BE  
READ CAREFULLY**

## NEW RPA PARAGRAPH 8C

**C. INVESTIGATION OF PROPERTY:** This Agreement is, as specified in **paragraph 3L(3)**, contingent upon Buyer's acceptance of the condition of, and any other matter affecting, the Property. See **paragraph 12**.

## PARAGRAPH 12B BUYER'S INVESTIGATION OF PROPERTY & MATTERS AFFECTING PROPERTY

THE BUYER'S INVESTIGATION  
RIGHT HAS 3 ELEMENTS:

### 1. INSPECTIONS OF PHYSICAL ATTRIBUTES

- (A) GENERAL HOME INSPECTION
- (B) LEAD-BASED PAINT
- (C) STRUCTURAL PEST CONTROL
- (D) ANY OTHER SPECIFIC INSPECTIONS

### 2. BUYER INVESTIGATION OF INSURANCE AND EVERYTHING THAT IS IN THE BIA (Note: Still referenced as Buyer's Inspection Advisory)

### 3. REVIEW OF REPORTS, SELLER'S & AGENTS' DISCLOSURES AND INFORMATION

8.50 x 11.00 in

**B. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**  
Buyer shall, within the time specified in paragraph 12B(1), cause the Property to be inspected, investigated, tested, surveyed and other studies ("Buyer Investigations") at Buyer's expense unless Otherwise Agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations").

#### B. Buyer Investigations include, but are not limited to:

- (1) Inspections regarding any physical attributes of the Property or items connected to the Property, such as:
  - (A) A general home inspection.
  - (B) An inspection for lead-based paint and other lead-based paint hazards.
  - (C) An inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2).
  - (D) Any other specific inspections of the physical condition of the land and improvements.

(2) All other Buyer Investigations, such as insurance, not specified above. See, Buyer's Inspection Advisory (C.A.R. Form BIA) for more.

(3) A review of reports, disclosures or information prepared by or for Seller and Delivered to Buyer pursuant to paragraphs 3, 10, 11, and 14A.

C. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer

## BUYER'S ABILITY TO SECURE INSURANCE IS NOT A SEPARATE CONTINGENCY





**ALTHOUGH THE RPA HAS AN IMPORTANT INSURANCE ADVISORY IN THE LOAN SECTION IN PARAGRAPH 8A(2):**

(2) Buyer is advised to investigate the insurability of the Property as early as possible, as this may be a requirement for lending. Buyer's ability to obtain insurance for the Property, including fire insurance, is part of Buyer's Investigation of Property contingency. Failure of Buyer to obtain insurance may justify cancellation based on the Investigation contingency but not the loan contingency.

**BUYER'S ABILITY TO SECURE INSURANCE IS NOT PART OF EITHER THE LOAN CONTINGENCY OR THE APPRAISAL CONTINGENCY.**

- 1. BUYER ONLY HAS A CONTRACTUAL RIGHT TO CANCEL AS A RESULT OF NOT BEING ABLE TO SECURE FIRE INSURANCE AS REQUIRED BY THE LENDER IF BUYER STILL HAS THE INVESTIGATION CONTINGENCY IN PLACE.**
- 2. BUYERS NEED TO CHECK ON THE COST & AVAILABILITY OF INSURANCE IMMEDIATELY.**

**POTENTIAL RISK  
MANAGEMENT  
ISSUES WITH THE  
NEW RPA**

**DELIVERY OF A REVISED  
PRELIMINARY REPORT OF TITLE**

**PARAGRAPH 8E(2) TITLE  
THE HIDDEN CANCELLATION RIGHT**

**WHAT HAPPENS IF THE TITLE COMPANY ISSUES A NEW  
PRELIMINARY REPORT AFTER THE BUYER HAS REVIEWED  
ORIGINAL REPORT AND REMOVED THE TITLE  
CONTINGENCY?**

(2) Buyer has 5 Days after receipt to review a revised Preliminary Report, if any, furnished by the Title Company and cancel the transaction if the revised Preliminary Report reveals material or substantial deviations from a previously provided Preliminary Report.



CONTRARY TO  
WHAT SOME  
AGENTS NOW  
BELIEVE – THIS IS  
NOT AN AUTOMATIC  
CANCELLATION  
RIGHT AND IT IS  
NOT A  
CONTINGENCY.

IT IS A TIME-  
SENSITIVE  
CANCELLATION  
RIGHT.

WHAT SHOULD  
THE BUYER'S  
AGENT DO IF  
THE TITLE  
COMPANY  
ISSUES A  
REVISED  
PRELIMINARY  
REPORT?

**THE AGENT MUST MOVE QUICKLY AND  
TAKE THE FOLLOWING ACTIONS:**

1. AGENT MUST READ THE PRELIMINARY REPORT TO FIND OUT WHAT IS DIFFERENT;
2. AGENT MUST POINT OUT THE DISCREPANCY BETWEEN THE OLD REPORT AND THE NEW REPORT TO THE BUYER AND EXPLAIN THAT THE BUYER HAS ONLY 5 DAYS TO DEAL WITH IT;
3. IF BUYER HAS ANY QUESTIONS OR IS IN ANY WAY UPSET WITH THE DISCREPANCY, THE AGENT SHOULD ADVISE THE BUYER TO FIRST CONSULT WITH THE TITLE OFFICER WHO ISSUED THE REVISED PRELIMINARY REPORT TO GET A BETTER UNDERSTANDING OF WHY THE REVISION WAS MADE AND ITS SIGNIFICANCE;
4. IF THE BUYER WANTS TO CANCEL OR TAKE ANY OTHER ACTION AS A RESULT OF THE REVISION, THE BUYER WILL NEED TO CONSULT WITH A OCREA BECAUSE AGENTS CANNOT DETERMINE WHETHER THE DISCREPANCY IS A MATERIAL OR SUBSTANTIAL DEVIATION AND
5. REMIND BUYER THAT SELLER MUST BE NOTIFIED WITHIN 5 DAYS IF BUYER WANTS TO CANCEL!

**POTENTIAL RISK  
MANAGEMENT  
ISSUES WITH THE  
NEW RPA**

**REVIEW OF SELLER'S  
DOCUMENTS CONTINGENCY**

PARAGRAPH  
8-D HAS A  
QUICK  
CONTINGENCY  
NOTE

8D REFERENCES  
THE  
DOCUMENTS  
THAT THE  
SELLER MUST  
PROVIDE AS  
DETAILED IN  
PARAGRAPH 14A.

D. REVIEW OF SELLER DOCUMENTS: This Agreement is, as specified in paragraph 3L(4), contingent upon Buyer's review of Seller's documents required in paragraph 14A.

PARAGRAPH 14:  
STILL COVERS

TIME PERIODS; REMOVAL  
OF CONTINGENCIES  
& CANCELLATION  
RIGHTS

as specified in this paragraph.  
14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).  
A. SELLER DELIVERY OF DOCUMENTS: Seller shall, within the time specified in paragraph 3N(1), Deliver to Buyer all reports, disclosures and information ("Reports") for which Seller is responsible as specified in paragraphs 9B(6), 10, 11A, 11B, 11C, 11D, 11H, 11K, 11L, 11M, 13A, and 13D.

¶ 14A. LISTS ALL OF THE  
DOCUMENTS SELLER  
MUST DELIVER TO  
BUYER OR TO ESCROW BUT  
ONLY BY ¶ NUMBER

14A:  
LISTS THE  
DOCUMENTS  
SELLER TO  
DELIVER

¶ 9B(6) LEASED OR LIENED DOCUMENTS  
¶ 10 INSPECTION REPORTS  
¶ 11A TDS & STATUTORY DISCLOSURES  
¶ 11B LEAD DISCLOSURES  
¶ 11C HOME FIRE HARDENING DISCLOSURE  
¶ 11D DEFENSIBLE SPACE DISCLOSURE  
¶ 11H FIRPTA DOCUMENTATION  
¶ 11K CONDOMINIUM DOCUMENTATION  
¶ 11L NHDS STATEMENT & PAMPHLETS  
¶ 11M KNOWN MATERIAL FACTS (FORM ARC)  
¶ 13A PRELIMINARY (TITLE) REPORT  
¶ 13D INFORMATION TO CLEAR TITLE

BY INCLUDING  
STATUTORY  
DISCLOSURES IN  
"THE REVIEW OF  
SELLER  
DOCUMENTS  
CONTINGENCY" CAR  
IS POTENTIALLY  
CREATING TWO  
INTRIGUING  
ISSUES:

IF THE INVESTIGATION CONTINGENCY IS IN PLACE, IT POTENTIALLY CREATES A CANCELLATION RIGHT FOR THE REVIEW OF THE TDS, NHDS, FHDS AND LEAD ADDENDUM EVEN AFTER THE STATUTORY TIME FRAME MAY HAVE ELAPSED; AND/OR

CONTINUES TO CREATE CONFUSION IN THE MINDS OF AGENTS THAT THE LATE DELIVERY OF THE STATUTORY DISCLOSURE FORMS AFTER THE CONTINGENCY HAS BEEN REMOVED ELIMINATES THE STATUTORY RESCISSION RIGHT.

## POTENTIAL RISK MANAGEMENT ISSUES WITH THE NEW RPA

### THE TIMING OF THE BUYER'S REVIEW CONTINGENCY AND THE LATE DELIVERY OF REPORTS

#### RPA PARAGRAPHS 3L(3) – (7)

L(3)	8C, 12	Investigation of Property	17 (or _____) Days after Acceptance	<b>REMOVAL OR WAIVER OF CONTINGENCY:</b>  Any contingency in L(1)-L(7) may be removed or waived by checking the applicable box above or attaching a Contingency Removal (C.A.R. Form CR) and checking the applicable box therein. Removal or Waiver at time of offer is against Agent advice. See paragraph 8H.  <input type="checkbox"/> CR attached
		Informational Access to Property Buyer's right to access the Property for informational purposes is <b>NOT</b> a contingency, does <b>NOT</b> create cancellation rights, and <b>applies even if contingencies are removed.</b>	17 (or _____) Days after Acceptance	
L(4)	8D, 14A	Review of Seller Documents	17 (or _____) Days after Acceptance, or <b>5 Days after receipt, whichever is later.</b>	
L(5)	8E, 13A	Preliminary ("Title") Report	17 (or _____) Days after Acceptance or <b>5 Days after receipt, whichever is later.</b>	
L(6)	8F, 11K	Common Interest Disclosures required by Civil Code § 4525 or this Agreement	17 (or _____) Days after Acceptance, or <b>5 Days after receipt, whichever is later.</b>	
L(7)	8G, 9B(6)	Review of leased or liened items (Such as for solar panels or propane tanks or PACE or HERO liens)	17 (or _____) Days after Acceptance, or <b>5 Days after receipt, whichever is later.</b>	

THE "OR 5 DAYS LATER" DEFINES THE TIME FRAME FOR THE CONTINGENCY. IF THE SPECIFIED CONTINGENCY **IS REMOVED OR WAIVED**, THERE IS NO CANCELLATION RIGHT FOR THE LATE DELIVERY OF DOCUMENTS – THE CONTINGENCY IS NOT "REVIVED". **OTHER RIGHTS MAY APPLY.**



## AS EXPLAINED IN PARAGRAPH 8I “REMOVAL OF CONTINGENCY”

- H. REMOVAL OR WAIVER OF CONTINGENCIES WITH OFFER:** Buyer shall have no obligation to remove a contractual contingency unless Seller has provided all required documents, reports, disclosures, and information pertaining to that contingency. If Buyer does remove a contingency without first receiving all required information from Seller, Buyer is relinquishing any contractual rights that apply to that contingency. If Buyer removes or waives any contingencies without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Agent.
- I. REMOVAL OF CONTINGENCY OR CANCELLATION:**
- (1) For any contingency specified in paragraph 3L or 8, Buyer shall, within the time specified, remove the contingency or cancel this Agreement.
  - (2) For the contingencies for review of Seller Documents, Preliminary Report, and Condominium/Planned Development Disclosures, Buyer shall, within the time specified in paragraph 3L or 5 Days after receipt of Seller Documents or CI Disclosures, whichever occurs later, remove the applicable contingency in writing or cancel this Agreement.
  - (3) If Buyer does not remove a contingency within the time specified, Seller, after first giving Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), shall have the right to cancel this Agreement.

“OR  
5  
DAYS”

## PARAGRAPH 14B(3) FURTHER EXPLAINS:

LATE DELIVERY OF  
REPORTS AFTER  
CONTINGENCY HAS  
BEEN REMOVED-MAY  
BE THE WRONG  
REMEDY

- B. BUYER REVIEW OF DOCUMENTS; REPAIR REQUEST; CONTINGENCY REMOVAL OR CANCELLATION**
- (1) Buyer has the time specified in paragraph 3 to: (i) perform Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 9B(6), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Other Disclosures. Delivered by Seller in accordance with paragraph 11.
  - (2) Buyer may, within the time specified in paragraph 3L(3), request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests (C.A.R. Form RR or RRRR). If Seller does not agree or does not respond, Buyer is not contractually entitled to have the repairs or other requests made and may only cancel based on contingencies in this Agreement.
  - (3) Buyer shall, by the end of the times specified in paragraph 3L (or as Otherwise Agreed), Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure, or information for which Seller is responsible, other than those in paragraphs 11A or 11B, is not Delivered within the time specified in paragraph 3N(1), then Buyer has 5 Days after Delivery of any such items, or the times specified in paragraph 3L, whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement. If Delivery of any Report occurs after a contractual contingency pertaining to that Report has already been waived or removed, the Delivery of the Report does not revive the contingency but there may be a right to terminate for a subsequent or amended disclosure under paragraph 11G.
  - (4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 3L and before Seller cancels, if at all, pursuant to paragraph 14C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14C(1).

## HOWEVER, THE CROSS-REFERENCE IS TO PARAGRAPH 11G – STATUTORY RIGHTS

**G. TERMINATION RIGHTS:**

- (1) **Statutory and Other Disclosures:** If any disclosure specified in paragraphs 11A, B, C, or D, or subsequent or amended disclosure to those just specified, is Delivered to Buyer after the offer is Signed, Buyer shall have the right to terminate this 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 the Uniform Electronic Transactions Act (UETA), by giving written notice of rescission to Seller or Seller's Authorized Agent. If Buyer does not rescind within this time period, Buyer has been deemed to have approved the disclosure and shall not have the right to cancel.
- (2) **Defensible Space Compliance:** If, by the time specified in paragraph 11F, Buyer does not agree to the terms regarding defensible space compliance Delivered by Seller, as indicated by mutual signatures on the FHDS, then Seller, after first Delivering a Notice to Buyer to Perform, may cancel this Agreement.

BUYER HAS A 3-5 DAY RIGHT TO RESCIND/CANCEL RELATES SOLELY TO DELIVERY AFTER CONTRACT PRESENTATION OF STATUTORILY REQUIRED (OR AMENDED) FORMS-TDS, NHDS, LEAD, FIRE HARDENING & DEFENSIBLE SPACE.

HOWEVER, THIS DOES NOT APPLY TO REPORTS.



## PARAGRAPH 11A(4) NEW MATERIAL FACTS DOES NOT HELP

- (4) In the event Seller or Seller's Agent, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer under this paragraph, Seller shall, in writing, promptly provide a subsequent or amended TDS, Seller Property Questionnaire or other document, in writing, covering those items. Any such document shall be deemed an amendment to the TDS or SPQ. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are discovered by Buyer or disclosed in reports or documents provided to or ordered and paid for by Buyer.**

**REPORTS PROVIDED TO BUYERS MAY NOT BE AN AUTOMATIC AMENDMENT  
OF THE TDS; ONLY A QCREA CAN DETERMINE THE RIGHT REMEDY**

## WHAT IS THE BUYER'S RECOURSE FOR LATE DELIVERED DOCUMENTS?

AGENTS MUST ADVISE BUYERS TO IMMEDIATELY  
CONSULT WITH A QUALIFIED CALIFORNIA REAL ESTATE  
ATTORNEY ("QCREA") WHO CAN DEMAND THE  
APPROPRIATE REMEDY FROM THE SELLER BASED UPON  
COMMON LAW THEORIES SUCH AS:

1. FRAUD
2. FRAUD IN THE INDUCEMENT OF CONTRACT
3. MISREPRESENTATION
4. BREACH OF CONTRACT
5. BREACH OF THE COVENANT OF GOOD FAITH
6. ANTICIPATORY BREACH OF CONTRACT

**AGENTS CANNOT MAKE THESE TYPES OF ARGUMENTS**



**POTENTIAL RISK  
MANAGEMENT  
ISSUES WITH  
THE NEW RPA**

**DELIVER, DELIVERED,  
DELIVERY AS DEFINED  
IN ¶ 25K**

## PARAGRAPH 25K

### DELIVER, DELIVERED OR DELIVERY

K. "Deliver," "Delivered" or "Delivery" of documents, unless Otherwise Agreed, means and shall be effective upon personal receipt of the document by Buyer or Seller or their Authorized Agent. Personal receipt means (i) a Copy of the document, or as applicable, link to the document, is in the possession of the Party or Authorized Agent, regardless of the Delivery method used (i.e. e-mail, text, other), or (ii) an electronic Copy of the document, or as applicable, link to the document, has been sent to any of the designated electronic delivery addresses specified in the Real Estate Broker Section on the page for Broker and Escrow signatures. After Acceptance, Agent may change the designated electronic delivery address for that Agent by, in writing, Delivering notice of the change in designated electronic delivery address to the other Party. Links could be, for example, to DropBox or GoogleDrive or other functionally equivalent program. If the recipient of a link is unable or unwilling to open the link or download the documents or otherwise prefers Delivery of the documents directly, Recipient of a link shall notify the sender in writing, within 3 Days after Delivery of the link (C.A.R. Form RFR). In such case, Delivery shall be effective upon Delivery of the documents and not the link. Failure to notify sender within the time specified above shall be deemed consent to receive, and Buyer opening, the document by link.



1. CAN BE DELIVERED TO PARTY OR THEIR AUTHORIZED AGENT.
2. ELECTRONIC COPIES OR A LINK TO DOCUMENT IS AUTHORIZED.
3. CAN GO TO ANY DELIVERY ADDRESS IN THE BROKER SECTION ON LAST PAGE
4. IF RECIPIENT OF LINK IS UNABLE OR UNWILLING TO OPEN THE LINK THEN THE RECIPIENT MUST NOTIFY SENDER IN WRITING WITHIN 3 DAYS USING RECEIPT FOR REPORTS FORM. IF NO TIMELY NOTIFICATION, THEN DEEMED CONSENT TO USE LINKS.

**RECEIPT FOR REPORTS**  
No. \_\_\_\_\_  
(C.A.R. Form RFR, Revised 12/15)

In accordance with the terms and conditions of the Purchase Agreement, Buyer and Seller, as between \_\_\_\_\_ and \_\_\_\_\_

1. ACKNOWLEDGEMENT OF RECEIPT: Buyer hereby acknowledges receipt of the reports identified by a check below. Buyer is unable or unwilling to open the link, is unable to download the documents in the link, or prefers to receive the documents directly rather than via a link.

2. REPORTS NOT VIEWED: Buyer hereby acknowledges receipt of the reports identified by a check below. Buyer is unable or unwilling to open the link, is unable to download the documents in the link, or prefers to receive the documents directly rather than via a link.

3. BUYER'S COMMENTS: \_\_\_\_\_

Prepared By: \_\_\_\_\_ Dated: \_\_\_\_\_

4. REPORTS DELIVERED VIA LINK: Buyer hereby acknowledges receipt of the reports identified by a check below. Buyer is unable or unwilling to open the link, is unable to download the documents in the link, or prefers to receive the documents directly rather than via a link.

A. All Reports Delivered via link: \_\_\_\_\_

B. \_\_\_\_\_

C. \_\_\_\_\_

**AGENTS NOW NEED TO DISCUSS WITH BUYERS THEIR ABILITY AND WILLINGNESS TO DEAL WITH LINKS BEFORE DRAFTING CONTRACT OUT OF ABILITY TO DELIVER DOCUMENTS SENT VIA LINK.**

REJECTING  
DOCUMENTS  
SENT VIA  
LINKS  
USE RFR PAGE 2  
WITHIN 3 DAYS  
OF RECEIPT OF  
LINK

**BEWARE  
OF THE  
DESIGNATED  
ELECTRONIC  
DELIVERY  
ADDRESS**

**REAL ESTATE BROKERS SECTION:**

1. Real Estate Agents are not parties to the Agreement between Buyer and Seller.

2. Agent acknowledgment is confirmed as stated in paragraph 1.

3. Escrow/Title Broker Acknowledgment: Buyer's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept out of Seller's Broker's proceeds to escrow, the amount specified in the M.L.S. provided Buyer's Broker is a Participant of the M.L.S. to which the Property is offered for sale or a reciprocal M.L.S. If Seller's Broker and Buyer's Broker are not both Participants of the M.L.S. or a reciprocal M.L.S. in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CRP). Declaration of Fiduciary Duty (C.A.R. Form CLT) may be used to document that use reporting will be required for that transaction.

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

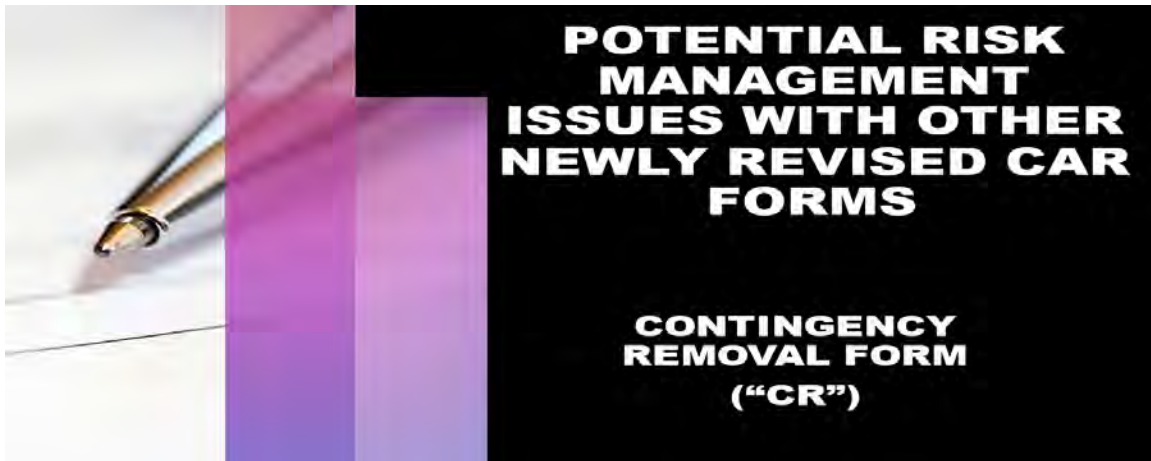
5. Agents' Signatures and designated electronic delivery address:

A. Buyer's Brokerage Firm: \_\_\_\_\_ Lic. # \_\_\_\_\_ Date: \_\_\_\_\_  
By: \_\_\_\_\_ Lic. # \_\_\_\_\_ Date: \_\_\_\_\_  
More than one agent from the same firm represents Buyer. Additional Agent Acknowledgment (C.A.R. Form AAA) attached. More than one brokerage firm represents Buyer. Additional Broker Acknowledgment (C.A.R. Form ABA) attached.


Designated Electronic Delivery Address(es):  
Email: \_\_\_\_\_ Text # \_\_\_\_\_  
Alternate: \_\_\_\_\_  
If checked, Delivery shall be made to the alternate designated electronic delivery address only.  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

B. Seller's Brokerage Firm: \_\_\_\_\_ Lic. # \_\_\_\_\_ Date: \_\_\_\_\_  
By: \_\_\_\_\_ Lic. # \_\_\_\_\_ Date: \_\_\_\_\_  
More than one agent from the same firm represents Seller. Additional Agent Acknowledgment (C.A.R. Form AAA) attached. More than one brokerage firm represents Seller. Additional Broker Acknowledgment (C.A.R. Form ABA) attached.

Designated Electronic Delivery Address(es):  
Email: \_\_\_\_\_ Text # \_\_\_\_\_  
Alternate: \_\_\_\_\_  
If checked, Delivery shall be made to the alternate designated electronic delivery address only.  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_



## THE CR FORM DOES NOT COMPLETELY ALIGN WITH THE RPA

 <b>CALIFORNIA ASSOCIATION OF REALTORS®</b>		<b>CONTINGENCY REMOVAL No. _____</b> <small>(C.A.R. Form CR, Revised 12/21)</small>
In accordance with the terms and conditions of the Purchase Agreement, OR Request For Repair (C.A.R. Form RR), or Response And Reply To Request For Repair (C.A.R. Form RRRR), dated _____, ("Agreement"), on property known as _____, ("Property"), between _____, ("Buyer"), and _____, ("Seller"), Buyer and Seller are referred to as the "Parties."		
<b>1. BUYER REMOVAL OF BUYER CONTINGENCIES:</b> With respect to any contingency and cancellation right that Buyer removes, unless Otherwise Agreed in a separately written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations and review of reports and other applicable information and disclosures, (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing. Waiver of statutory disclosures is prohibited by law.		
<b>2. Buyer removes ONLY the following individually checked Buyer contingencies:</b>		
<b>A.</b> _____ Loan (Paragraph 3L(1) and 8A) <b>B.</b> _____ Appraisal (Paragraph 3L(2) and 8B) <b>C.</b> Investigation of Property (Paragraph 3L(3), 8C, and 12) OR (1) _____ Entire Buyer's Investigation Contingency (Paragraph 12) OR (2) _____ Only the part of the inspection concerning the physical attributes of the Property (Paragraph 12B(1)) OR (3) _____ All Buyer Investigations other than the physical attributes (Paragraph 12B(2) and (3)) OR (4) _____ Entire Buyer's Investigation Contingency, EXCEPT <b>D.</b> Review of Seller Documents: (1) _____ Review of All Seller Documents (Paragraph 3L(4), 8D, 9D(6), 10A, 11, and 28) (2) _____ Review of All Seller Documents, EXCEPT Government Reports (Paragraph 10A), 17 Statutory and other Disclosures (Paragraph 11), _____ Other <b>E.</b> _____ Preliminary ("Title") Report (Paragraph 3L(5), 8E, and 13) <b>F.</b> _____ Common Interest (MCA or CA) Disclosures (Paragraph 3L(6), 8F and 11(f)) <b>G.</b> _____ Review of leased or loaned items (Paragraph 3L(7) and 8G) <b>H.</b> _____ Sale of Buyer's Property (Paragraph 3L(8) and 8J) <b>I.</b> _____ Other _____ <b>J.</b> _____ Other _____		
<b>3. Buyer Investigations include, but are not limited to:</b> (1) _____ Inspections regarding any physical attributes of the Property or items connected to the Property, such as: (A) _____ A general home inspection. (B) _____ An inspection for lead-based paint and other lead-based paint hazards. (C) _____ An inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company, shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2). (D) _____ Any other specific inspections of the physical condition of the land and improvements. (2) _____ All other Buyer Investigations, such as insurance, not specified above. See, Buyer's Inspection Advisory (C.A.R. Form BIA) for more. (3) _____ A review of reports, disclosures or information prepared by or for Seller and Delivered to Buyer pursuant to paragraphs 3, 10, 11, and 14A.		

WHERE UP-FRONT DISCLOSURE PACKETS ARE MADE AVAILABLE, TOO MANY AGENTS BELIEVE THAT NO FURTHER INSPECTIONS ARE NEEDED; THUS, THEY ENCOURAGE BUYERS TO WAIVE WHAT USED TO BE THE "INSPECTION CONTINGENCY". NOW THAT THE CONTINGENCY IS NAMED THE "INVESTIGATION CONTINGENCY", THE BUYERS ARE WAIVING MUCH BROADER RIGHTS THAN IN PREVIOUS CONTRACTS.

EVEN IF THE BUYER IS WILLING TO WAIVE SECURING FURTHER INSPECTIONS, THE ENTIRE INVESTIGATION CONTINGENCY SHOULD NOT BE WAIVED

THE CR FORMS ENABLES CREATING EXCEPTIONS TO REMOVAL OF INVESTIGATION CONTINGENCY AND INSURABILITY SHOULD ALWAYS BE THE EXCEPTION UNTIL THE BUYER IS SATISFIED THAT:

1. THEY CAN AFFORD ADEQUATE INSURANCE COVERAGE; AND
2. THE BUYER'S LENDER IS SATISFIED WITH THE INSURANCE COVERAGE.



## **“CONTINGENT FREE” IS NOT WORRY FREE**

- **THE MARKET CONDITIONS ADVISORY NEEDS TO BE PROVIDED BEFORE THE RPA IS PREPARED – PREFERABLY WITH THE AGENCY DISCLOSURE FORMS. IT IS NOT AUTO-POPULATED WITH THE NEW RPA.**
- **THE BROKER FILE SHOULD DOCUMENT THAT AGENT HAS WARNED CLIENT OF THE RISKS OF CONTINGENT-FREE OFFERS BEFORE PREPARING THE OFFER.**
- **AGENTS SHOULD DOCUMENT THAT CLIENT IS PROCEEDING AGAINST BROKERAGE ADVICE AND WAIVING SOME OR ALL CONTINGENCIES**

## **POTENTIAL RISK MANAGEMENT ISSUES WITH OTHER NEWLY REVISED CAR FORMS**

**NOTICE TO BUYER TO PERFORM  
("NBP") &  
DEMAND TO CLOSE ESCROW  
("DCE")**

## **PARAGRAPH 14E 2 DAY NOTICE TO PERFORM**



**AT LEAST 2 DAYS (NO OPTION TO CHANGE TIME FRAME) – NOT IN HOURS.**



**CANNOT BE GIVEN EARLIER THAN 2 DAYS PRIOR TO THE EXPIRATION OF THE APPLICABLE TIME FRAME.**



**IF NOTICE IS INCORRECTLY DELIVERED ( e.g. TOO EARLY), IT IS DEEMED INVALID AND ISSUING PARTY MUST DELIVER A NEW NOTICE TO PERFORM**

**E. NOTICE TO BUYER OR SELLER TO PERFORM:** The Notice to Buyer to Perform or Notice to Seller to Perform shall: (i) be in writing; (ii) be Signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 Days after Delivery or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform or Notice to Seller to Perform may not be Delivered any earlier than 2 Days prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14, whether or not the Scheduled Performance Day falls on a Saturday, Sunday or legal holiday. If a Notice to Buyer to Perform or Notice to Seller to Perform is incorrectly Delivered or specifies a time less than the above time frame, the notice shall be deemed invalid and void. Seller or Buyer shall be required to Deliver a new Notice to Buyer to Perform or Notice to Seller to Perform with the specified timeframe.

# PARAGRAPH 14G DEMAND TO CLOSE ESCROW

**G. DEMAND TO CLOSE ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a Demand to Close Escrow (C.A.R. Form DCE). The DCE shall: (i) be Signed by the applicable Buyer or Seller; and (ii) give the other Party at least **3 Days** after Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** prior to the Scheduled Performance Day for the Close Of Escrow. If a DCE is incorrectly Delivered or specifies a time less than the **above timeframe**, the DCE shall be deemed invalid and void and Seller or Buyer shall be required to Deliver a new DCE.

**THE TIME PERIOD TO ISSUE THE DEMAND TO CLOSE ESCROW (“DCE”) IS AT LEAST 3 DAYS (NO OPTION TO CHANGE IT).**

**CAN BE GIVEN AS EARLY AS 3 DAYS BEFORE THE SCHEDULED DATE FOR PERFORMANCE BUT NO EARLIER THAN 3 DAYS BEFORE**

**IF A DCE IS ISSUED INCORRECTLY (TOO EARLY) IT SHALL BE DEEMED INVALID AND THE PARTY WILL NEED TO ISSUE A NEW DCE.**

**THE BLANK LINES ARE STILL IN THE NBP & DCE— STATING “AT LEAST” SPECIFIED DAYS AND GIVING OPTION TO INCREASE IT COULD LEAD TO PREMATURE DELIVERY – THE BLANK LINES SHOULD HAVE BEEN ELIMINATED & TAKE OUT “AT LEAST” IN RPA TO AVOID MISTAKES.**

**NOTICE TO BUYER TO PERFORM**  
(C.A.R. Form NBP, Revised 10/11)

In accordance with the terms and conditions of the Purchase Agreement, OR: Other \_\_\_\_\_  
(“Agreement”), dated \_\_\_\_\_ (“Property”),  
between \_\_\_\_\_ (“Buyer”),  
and \_\_\_\_\_ (“Seller”),  
Buyer and Seller are referred to as the “Parties.”

**SELLER hereby gives Buyer notice to, as applicable, remove the specified contingencies and take the specified contractual action as follows:**

**I. Contingencies**

**ALL CONTINGENCIES**

A. Loan (Paragraph 16)  
B. Appraisal (Paragraph 18)  
C. Buyer Inspection, including structural (Paragraph 20)  
D. Review of Title Documents, including Covenants and Easements (Paragraph 25)  
E. Title Preliminary Report (Paragraph 26)  
F. Condominium/Planned Development Concerns (Paragraph 27)  
G. Buyer Review of Lease or Lease Terms (Paragraph 28)  
H. Buyer Review of Lease or Lease Terms (Paragraph 29)  
I. Existing Lien on Seller's Property (C.A.R. Form COP, Paragraph 31)  
J. Existing Lien on Seller's Property (C.A.R. Form COP, Paragraph 32)

**II. Contractual Action**

A. Title Deposit (Paragraph 20)(1), 2A(1)  
B. Delivery of Escrow Deposit (Paragraph 20)(2), 2A(2)  
C. Delivery of Signed Limited Demand clause with Escrow Deposit (Paragraph 20)(3), 2A(3)  
D. Signed Letter of Intent (Paragraph 20)(4)  
E. Notice of FIRM/A Inspection (Paragraph 20)(5)  
F. Verification of Lease (Paragraph 20)(6), 2A(6)  
G. Verification of Lease Application (Paragraph 20)(7), 2A(7)  
H. Review of Lease Documents (Paragraph 20)(8)  
I. Review of Lease Documents (Paragraph 20)(9)  
J. Review of Lease Documents (Paragraph 20)(10)  
K. Review of Lease Documents (Paragraph 20)(11)  
L. Review of Lease Documents (Paragraph 20)(12)  
M. Review of Lease Documents (Paragraph 20)(13)  
N. Review of Lease Documents (Paragraph 20)(14)  
O. Review of Lease Documents (Paragraph 20)(15)  
P. Review of Lease Documents (Paragraph 20)(16)  
Q. Review of Lease Documents (Paragraph 20)(17)  
R. Review of Lease Documents (Paragraph 20)(18)  
S. Review of Lease Documents (Paragraph 20)(19)  
T. Review of Lease Documents (Paragraph 20)(20)

**NOTE:** Paragraph numbers refer to the California Residential Purchase Agreement (C.A.R. Form RPA). Applicable paragraph numbers for each contingency or contractual action in other C.A.R. contracts may be different.

**BUYER:** If you do not remove the specified contingency(ies) (C.A.R. Form OR or RPA) and take the specified contractual action(s) indicated above within 2 (two) days after Delivery of this Notice to Buyer to Perform, Seller may cancel the Agreement.

**DEMAND TO CLOSE ESCROW**  
(C.A.R. Form DCE, Revised 10/11)

In accordance with the terms and conditions of the Purchase Agreement, OR: Other \_\_\_\_\_  
(“Agreement”), dated \_\_\_\_\_ (“Property”),  
between \_\_\_\_\_ (“Buyer”),  
and \_\_\_\_\_ (“Seller”),  
Buyer and Seller are referred to as the “Parties.”

**1. Seller hereby gives Buyer notice to close escrow on the Property:**

A. Within 3 (three) days after Delivery of this Demand To Close Escrow but no earlier than the agreed upon Close Of Escrow date.  
OR B. By \_\_\_\_\_ (Date), which is at least 3 (three) days after Delivery of this Demand To Close Escrow but no earlier than the agreed upon Close Of Escrow date.

**Note To Buyer:** If you do not close escrow by the end of the time period specified in this Demand To Close Escrow, and Seller has fully performed, Seller may (a) demand and/or (b) bring legal action against you for damages (including but not limited to the deposit or fee) being legal action against you to force you to buy the Property (per RPA performance).

**Seller:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**2. Buyer hereby gives Seller notice to close escrow on the Property:**

A. Within 3 (three) days after Delivery of this Demand To Close Escrow but no earlier than the agreed upon Close Of Escrow date.  
OR B. By \_\_\_\_\_ (Date), which is at least 3 (three) days after Delivery of this Demand To Close Escrow but no earlier than the agreed upon Close Of Escrow date.

**Note To Seller:** If you do not close escrow by the end of the time period specified in this Demand To Close Escrow, and Buyer has fully performed, Buyer may (a) bring legal action against you for damages because of your breach of contract, (b) bring legal action against you to force you to sell the Property (per RPA performance), or (c) both.

**Buyer:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**POTENTIAL RISK  
MANAGEMENT  
ISSUES WITH  
OTHER  
NEWLY REVISED  
CAR FORMS  
REQUEST FOR REPAIRS  
("RR")**



## THE RR

### ¶4A(1) DEFAULT REMOVAL OF ENTIRE INVESTIGATION CONTINGENCY - LITTLE ROOM FOR IDENTIFYING EXCEPTIONS

PROVIDING THE CR WITH THE RR IS RISKY BECAUSE THE BUYER DOES NOT KNOW IN ADVANCE IF THE SELLER WILL AGREE TO SOME OR ALL OF THE REQUESTS AND IF THE BUYER ACCEPTS THE SELLER'S COUNTERPROPOSAL THE BUYER NEEDS TO THEN DECIDE IF THE CONTINGENCY IS TO BE REMOVED.

BEST PRACTICE IS TO DO THE RR FIRST, STRIKE PARAGRAPH 4 OF THE RR, GET AN AGREEMENT AND THEN DO THE CR

**REQUEST FOR REPAIR No. \_\_\_\_\_**  
(Or other Action)  
(C.A.R. Form RR, Revised 1/11)

**DATE PREPARED:** \_\_\_\_\_

Buyer/Owner with the name and address of the Purchaser Agreement, C.R. 1000a.

Buyer/Owner: \_\_\_\_\_ (Agreement)  
Seller: \_\_\_\_\_ (Property)  
Buyer/Owner: \_\_\_\_\_ (Buyer)  
Seller: \_\_\_\_\_ (Seller)

1. **BUYER REQUEST (Check all that apply):** (If Seller has an objection to removal to Buyer request.)

A. Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

B. **SECTION 1:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

C. **SECTION 2:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

D. **SECTION 3:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

E. **SECTION 4:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

F. **SECTION 5:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

G. **SECTION 6:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

H. **SECTION 7:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

I. **SECTION 8:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

J. **SECTION 9:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

K. **SECTION 10:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

L. **SECTION 11:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

M. **SECTION 12:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

N. **SECTION 13:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

O. **SECTION 14:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

P. **SECTION 15:** Buyer requests that Seller: \_\_\_\_\_ (check all that apply)  
for search items listed below in \_\_\_\_\_

2. **ATTACHED REPORTS:** A copy of the \_\_\_\_\_

3. **FHA or VA Buyer's FIM:** \_\_\_\_\_

A. Buyer's FIM or VA lender report as the following items to the Seller: \_\_\_\_\_

B. Buyer requests that Seller: \_\_\_\_\_

C. Buyer requests that Seller: \_\_\_\_\_

D. Buyer requests that Seller: \_\_\_\_\_

E. Buyer requests that Seller: \_\_\_\_\_

F. Buyer requests that Seller: \_\_\_\_\_

G. Buyer requests that Seller: \_\_\_\_\_

H. Buyer requests that Seller: \_\_\_\_\_

I. Buyer requests that Seller: \_\_\_\_\_

J. Buyer requests that Seller: \_\_\_\_\_

K. Buyer requests that Seller: \_\_\_\_\_

L. Buyer requests that Seller: \_\_\_\_\_

M. Buyer requests that Seller: \_\_\_\_\_

N. Buyer requests that Seller: \_\_\_\_\_

O. Buyer requests that Seller: \_\_\_\_\_

P. Buyer requests that Seller: \_\_\_\_\_

4. If Seller agrees to all of Buyer's Requests, or some of Buyer's requests and Buyer accepts Seller's counter agreement below, Buyer agrees:

A. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

B. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

C. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

D. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

E. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

F. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

G. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

H. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

I. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

J. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

K. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

L. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

M. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

N. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

O. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

P. (1) To remove the Investigation of Property Contingency (paragraph 4A) and (2) accept the following:

**THE SAFE PATH HAS BEEN ELIMINATED**

## PAGE 2 OF RR

**SELLER SHOULD BE ABLE TO RESPOND WITH "I WILL AGREE TO X, IF YOU REMOVE CONTINGENCIES".**

**THAT OPTION IS MISSING.**

4. **EFFECT OF BUYER REQUEST:** BUYER MAKES THIS RR ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. IF MAKING THIS RR, ANY PREVIOUS SELLER RESPONSE AND BUYER REPLY TO REQUEST FOR REPAIR (C.A.R. Form FIRM) CAN NO LONGER BE ACCEPTED.

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

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

**SELLER RESPONSE: (check one)**

OR 1: Seller agrees to all of Buyer's Requests, or some of Buyer's requests and Buyer accepts Seller's counter agreement below. Buyer agrees:

Seller's partial agreement to the RR may be withdrawn by Seller any time prior to Buyer's agreement in writing and shall be deemed revoked unless by 5:00 PM on the third day after it is signed by Seller (or by \_\_\_\_\_ AM/PM on \_\_\_\_\_ date) AND it is re-signed by Buyer before a copy of the RR is delivered to Seller.

OR 2: Seller Partial Agreement. Seller agrees to all of Buyer's Requests except:

Seller's partial agreement to the RR may be withdrawn by Seller any time prior to Buyer's agreement in writing and shall be deemed revoked unless by 5:00 PM on the third day after it is signed by Seller (or by \_\_\_\_\_ AM/PM on \_\_\_\_\_ date) AND it is re-signed by Buyer before a copy of the RR is delivered to Seller.

OR 3: Seller responds to Buyer's request on the attached form (C.A.R. Form RRHR).

OR 4: Buyer's requests are not incorporated into the Agreement. Seller responds to Buyer's requests on the attached Amendment to Listing Agreement (C.A.R. Form ALA).

OR 5: Seller does NOT agree to any of Buyer's requests.

**SELLER RESPONSE:** SELLER RESPONDS TO BUYER'S RR ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. IF MAKING THIS SELLER RESPONSE, ANY PREVIOUS SELLER RESPONSE AND BUYER REPLY TO REQUEST FOR REPAIR (C.A.R. Form FIRM) CAN NO LONGER BE ACCEPTED.

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

**BUYER RESPONSE TO SELLER PARTIAL AGREEMENT:** (DO NOT sign until after Seller Response above.)

Buyer accepts Seller's partial agreement.

OR: Buyer does NOT accept Seller's partial agreement. Buyer withdraws Request for Repair No. \_\_\_\_\_ and makes a new request in the attached Request for Repair No. \_\_\_\_\_

**BUYER RESPONSE:** BUYER RESPONDS TO SELLER'S PARTIAL AGREEMENT ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY. IF MAKING THIS BUYER RESPONSE, ANY PREVIOUS BUYER RESPONSE, SELLER REPLY OR SELLER PARTIAL AGREEMENT CAN NO LONGER BE ACCEPTED.

**Note to Buyer:** FIM/VA. If the Parties do not reach agreement on completing the repairs and other actions specified in paragraph 4A of the FIM or VA section of Buyer Requests, and you have already repaired or do remove your financing contingency, even though you may no longer be eligible for the FIM or VA loan specified in the Agreement and may not be able to get another loan to purchase the property, you could be in breach of the Agreement if you are otherwise unable to pay Seller the purchase price.

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

**POTENTIAL RISK MANAGEMENT ISSUES WITH OTHER NEWLY REVISED CAR FORMS**

**TENANT OCCUPIED PROPERTY ADDENDUM ("TOPA")**



Tenant shall mean any adult person, other than Seller, who is occupying the Property, whether or not such occupancy is pursuant to a written lease.

**TENANT(S) TO REMAIN IN POSSESSION:** Buyer shall take Property subject to the rights, terms and conditions specified in paragraph 2.

**PROPERTY TO BE DELIVERED VACANT:**

(1) The Property (or Unit) \_\_\_\_\_ shall be delivered vacant, without expense.

(2) If Seller after exercise of good faith efforts fails to deliver Property to Buyer by Close Of Escrow (or \_\_\_\_\_ Days Before COE), (a) Buyer may make up the difference between the actual date of delivery and the date of possession required under the Agreement, or; (b) Buyer may elect to proceed as provided in Paragraph 8.

**TENANT REMAINING IN POSSESSION ADDITIONAL TERMS:**

Tenant Deposits and Unearned Rent: Seller shall pay \_\_\_\_\_ deposits, if (a) all or partial but unearned rents, if any, provided as follows: \_\_\_\_\_

Seller shall credit Buyer for any delinquent rent due to Seller at closing. Government Compliance: If there are any restrictions, if any, limiting the amount of rent that can lawfully be charged to tenants, Seller shall advise Buyer of Buyer to remove any tenant from the Property. If Seller determines that Cause Addendum C.A.R. is applicable, Seller shall advise Buyer of the same. It is advised that local ordinance \_\_\_\_\_ may apply to the above.

Proposed Changelog:

(1) Seller shall provide \_\_\_\_\_ copies of tenancies, (ii) new agreements to lease, and \_\_\_\_\_ copies of proposed changes, at least 7 (or \_\_\_\_\_) days prior to the time specified in paragraph 14.

(2) If Seller cannot make the Proposed Changes, give Seller notice of Buyer's objection to make the Proposed Changes.

The Parties are currently united in the operations of the Property and included in the Property as time specified in paragraph 14.

All real property by/for of Sale, free of all taxes and encumbrances, and without warranty except as stated herein.

If in favor of or Seller for any part of the purchase price, Buyer shall execute a UCC-1 financing statement with the Secretary of State, covering the personal property included in the purchase, upon completion of the sale.

**Additional Disclosures:** Within the time specified in the Agreement for Seller Delivery of Documents and such \_\_\_\_\_, Buyer's right of review, Seller shall disclose, make available or Deliver, as applicable, to Buyer, the following documents:

1B. IF PROPERTY IS TO BE VACANT, SELLER MUST USE GOOD FAITH BUT IF, AT ASPECIFIED TIME (5 OR \_\_\_\_ DAYS) BEFORE COE THE TENANT HAS NOT BEEN REMOVED, BUYER MAY CANCEL BUT SOLE REMEDY IS BUYER'S OUT-OF-POCKET LOSSES OR BUYER MAY PROCEED BUT BUYER WAIVES RIGHT TO MAKE ANY CLAIM FOR DAMAGES CAUSED BY THE DELAY.

## DETERMINING IF TRUSTEE SELLERS ARE EXEMPT OR MUST FILL OUT THE TDS

**NEITHER AGENTS NOR ESCROW HOLDER ARE QUALIFIED TO PROVIDE ANY OPINION ON WHETHER EITHER PARTY HAS ACTED IN GOOD FAITH OR WHICH PARTY IS ENTITLED TO THE DEPOSITED FUNDS. BUYER AND SELLER ARE ADVISED TO SEEK THE ADVICE OF A QUALIFIED CALIFORNIA REAL ESTATE ATTORNEY.**

## CANCELLATION OF CONTRACT FORM ("CC")

THE FORM HAS BEEN EXPANDED & IMPROVED WITH A NEW SHORT WARNING ON PAGE 2 ABOUT GETTING ADVICE FROM A QCREA, BUT THERE ARE STILL POTENTIAL PROBLEMS:

1. IF MUTUALLY AGREED IN SECTION 1 THERE NEEDS TO BE MORE SIGNATURE LINES.
2. LEGAL CONCEPTS IN SECTION 2 ARE NOT EXPLAINED AND ENFORCEABILITY OF THE FULL RELEASE IS QUESTIONABLE.
3. THEREFORE, RECOMMEND HAVING A DETAILED ADVISORY ACCOMPANY THE FORM WHICH IS THE APPROACH BY PRDS AND SFAR.



**E. SCOPE OF BROKER DUTY:** Agents are not qualified to provide any opinion as to who is entitled to the deposited funds or whether a cancellation was made in good faith. Buyer and Seller are advised to seek the advice of a qualified California real estate attorney regarding this matter.

Buyer	Date
Seller	Date
Broker	Date
Other	Date

## SELLER OBLIGATION TO PROVIDE ALL DOCUMENTS IN SELLER'S POSSESSION THE SPQ HAS BEEN REVAMPED!

**CALIFORNIA ASSOCIATION OF REALTORS®**

**SELLER PROPERTY QUESTIONNAIRE**  
(C.A.R. Form SPQ, Revised 12/21)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed. If Seller is exempt from completing a TDS, Seller should complete an Exempt Seller Disclosure (C.A.R. Form ESD) or may use this form instead:

**NOTE TO SELLER:** YOU ARE STRONGLY ADVISED TO CAREFULLY REVIEW THE DISCLOSURE INFORMATION ADVISORY (C.A.R. Form DIA) BEFORE YOU COMPLETE THIS SELLER PROPERTY QUESTIONNAIRE. ALL SELLERS OF CALIFORNIA REAL PROPERTY ARE REQUIRED TO PROVIDE VARIOUS DISCLOSURES, EITHER BY CONTRACT, OR BY STATUTE OR CASE LAW. MANY DISCLOSURES MUST BE MADE WITHIN CERTAIN TIME LIMITS. TIMELY AND THOROUGH DISCLOSURES HELP TO REDUCE DISPUTES AND FACILITATE A SMOOTH SALES TRANSACTION.

**5. DOCUMENTS:** Reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys or other documents (whether prepared in the past or present, including any previous transaction), pertaining to (i) the condition or repair of the Property or any improvement on this Property in the past, now or proposed; or (ii) easements, encroachments or boundary disputes affecting the Property whether oral or in writing and whether or not provided to the Seller..... ☐ Yes ☐ No

**ARE YOU (SELLER) AWARE OF...**

**Note:** If yes, provide any such documents in your possession to Buyer.  
Explanation:

**SELLER NEEDS TO REVIEW THE DIA**

**SELLER TO PROVIDE PAST & PRESENT DOCUMENTS INCLUDING PRIOR DEALS**

## DISCLOSURE INFORMATION ADVISORY

- NOT ATTACHED TO TDS, SPQ OR TO THE ESD – NEEDS TO BE GIVEN EVERY TIME.
- **112B & 2E:** SELLER HAS BEEN GIVEN DISCLOSURES IN THE PAST FROM PREVIOUS OWNER & HAS INFORMATION FROM ON-LINE SOURCES OR NEIGHBORS.
- **112C:** KNOWN AND AVAILABLE DOCUMENTS ARE NEEDED TO REFRESH MEMORY BUT DOES NOT STRESS THE NEED TO PROVIDE THE DOCUMENTS TO THE BUYER.

**CALIFORNIA ASSOCIATION OF REALTORS®**

**DISCLOSURE INFORMATION ADVISORY**  
(FOR SELLERS)  
(C.A.R. Form DIA, 6/20)

**1. INTRODUCTION:** All sellers in California are required to provide various disclosures in real property transactions. Among the disclosure requirements, sellers have an affirmative duty to disclose to buyers all material conditions, defects and/or issues known to them that might impact the value or desirability of the Property. Failing to provide those disclosures may lead to a claim or a lawsuit against you which can be very costly and time consuming. As a seller, you may be required to fill out one or more of the following: Real Estate Transfer Disclosure Statement ("TDS"), Seller Property Questionnaire ("SPQ"), Exempt Seller Disclosure ("ESD"). (Collectively, or individually, "Disclosure Forms"). Please read this document carefully and, if you have any questions, ask your broker or appropriate legal or tax advisor for help.

**2. PREPARING TO COMPLETE YOUR DISCLOSURE OBLIGATIONS:**

**A.** Read and carefully review all questions in the Disclosure Forms to make sure that you understand the full extent of the information that is being requested in each question.

**B.** While a seller does not have the duty to investigate or discover unknown issues, you may have been given disclosures either from the previous owner at the time of purchase or from a previous buyer who cancelled. Information about the Property may have been revealed if you may have posted or recorded information and material facts about the Property online (social media, blogs, personal websites, Facebook, advertisements, etc.) or received documents or correspondence from an Homeowners Association ("HOA").

**C.** Use any known and available documentation to refresh your memory of past and current issues, condition and/or problems and then provide a copy of that paperwork with your fully completed Disclosure Forms. A seller does not have to find lost documents or to speculate about what was in the documents that they cannot remember, but if the documents are known and available to you, they should be used to assist you in completing the Disclosure Forms.

**D.** Allow plenty of time to fully complete the Disclosure Forms.

**E.** Your knowledge may be based upon what you have been told orally (e.g., in a conversation with a neighbor) or received in writing (such as a repair estimate, report, invoice, an appraisal, or sources as informal as neighborhood or HOA newsletters). Keep in mind that if a neighbor told you something, they are likely to tell the new owner the same information after the transaction.

**F.** If you are unsure about whether something is important enough to be disclosed, you should probably disclose it. If you don't want to disclose a piece of information about the Property, think about your reasoning for why you do not want to disclose the information. If the answer is because you think a buyer will not want to buy the Property or will want to purchase at a lower price, that is exactly the reason why the fact ought to be disclosed, if materially affects the value or desirability of the Property.



## AS SELLERS PRODUCE MORE DOCUMENTS

THE LIKELIHOOD THAT  
THERE WILL BE  
DISCREPANCIES IN THE  
INFORMATION WILL  
INCREASE

BUYER'S AGENTS SHOULD  
READ THE SELLERS  
DOCUMENTS AND POINT OUT  
ANY DISCREPANCIES TO THE  
BUYERS



## SIZE DISCREPANCIES ARE STILL AN ISSUE

- ✓ ALL KNOWN SIZE  
NUMBERS SHOULD BE  
INCLUDED BY BOTH  
AGENTS
- ✓ SHOULD BE USED IN  
EVERY TRANSACTION

**CALIFORNIA ASSOCIATION OF REALTORS®**

**SQUARE FOOTAGE AND LOT SIZE DISCLOSURE AND ADVISORY**  
(C.A.R. Form SFS.1220)

Property Address: \_\_\_\_\_ (Property's)

1. **DIFFERENT SOURCES OF SQUARE FOOTAGE MEASUREMENTS:** Measurements of structures vary from source to source and that data is often contradictory. There is no one "official" size source or a "standard" method of calculating exterior structural size, interior space or square footage. Buyer should not rely on any advertised or disclosed square footage measurements and should retain their own experts to measure structural size and/or square footage during their contingency period, if any. This is especially important if Buyer is using square footage to determine whether to purchase the Property and/or is using a price per square foot to determine purchase price. Price per square foot calculations are generally broad estimates only, which can vary greatly depending upon property location, type of property and amenities. Such calculations should not be relied upon by Buyer and the accuracy of any such figures should be independently verified by Buyer with their own experts including, but not limited to, a licensed appraiser.

2. **PROPERTY (LOT) SIZE, DIMENSIONS, CONFIGURATIONS, AND BOUNDARIES:** Fences, hedges, walls, retaining walls, and other barriers or markers may not correspond with any legally defined property boundaries, and existing structures or amenities may not be located within the actual property boundaries or local setback requirements. If lot size, dimensions, property configurations, boundary lines, and locations of improvements are relevant to Buyer's decision to purchase or the price Buyer is willing to pay, then Buyer should independently investigate by retaining the services of a licensed surveyor, the only professional who can accurately determine lot dimensions, locate all locations and acreage for the Property.

3. **BROKER OBLIGATIONS:** Brokers and Agents do not have expertise in determining the exact square footage and lot size. Broker has not and will not verify the accuracy of any numerical statements regarding square footage, room dimensions, or lot size, or the location of boundaries.

4. **DISCLOSURE OF MEASUREMENTS AND SOURCES:** Square footage and/or lot size numbers inserted into the spaces below, if any, were taken from the referenced source and may be approximations only. Other measurement sizes may exist from other sources.

Source of Information	Sq. Footage	Lot Size	Additional Information	If checked, report attached
Public Record				<input type="checkbox"/>
Multiple Listing Service				<input type="checkbox"/>
Seller			Measurement comes from the following source:	<input type="checkbox"/>
Appraisal #1				<input type="checkbox"/>
Appraisal #2				<input type="checkbox"/>
Condominium Map/Plan				<input type="checkbox"/>
Architectural Drawings				<input type="checkbox"/>
Floor Plans/Drawings				<input type="checkbox"/>
Survey				<input type="checkbox"/>
Other				<input type="checkbox"/>

By signing below, Seller: (i) represents that Seller is not aware of any other measurements of the Property; and (ii) acknowledges that Seller has read, understands, and received a Copy of this Square Footage and Lot Size Advisory and Disclosure. Seller is encouraged to read it carefully.

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

By signing below, Buyer acknowledges that Buyer has read, understands, and received a Copy of this Square Footage and Lot Size Advisory and Disclosure. Buyer is encouraged to read it carefully. IF NO INFORMATION IS PROVIDED AND/OR ANY OF THESE MEASUREMENTS ARE MATERIAL TO BUYER, BUYER IS STRONGLY ADVISED TO INVESTIGATE THE VALIDITY, ACCURACY, OR EXISTENCE OF ANY MEASUREMENTS PROVIDED HEREIN OR OTHERWISE, IF BUYER DOES NOT DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS AND AGENTS.

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

(1) Seller shall, within the time specified in paragraph 3N(1), deliver to Buyer, unless exempt, fully completed disclosures or notices required by §§ 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement (C.A.R. Form TDS), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal substance, Notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1975), and, if applicable, Seller's actual knowledge of industrial use and military or prime agricultural land (C.A.R. Form SPQ or ESD), and, if the topography of the Property is such that the Seller is aware of the information needed to complete the agreements required by §§ 1102.6(d) and 1102.19 of the Civil Code (C.A.R. Form FHD).

(2) The Real Estate Transfer Disclosure Statement required by this paragraph is considered fully completed if Seller has completed the section titled Coordination with Other Disclosure Forms by checking a box (Section I), and Seller has completed and answered all questions and Signed the Seller's Information section (Section II) and the Seller's Agent, if any, has completed and Signed the Seller's Agent's section (Section III), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Section V acknowledgment of receipt of a Copy of the TDS shall be signed after all previous sections, if applicable, have been completed. Nothing stated herein relieves a Buyer's Agent, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Agent.

3N. Seller shall, within the time specified in paragraph 3N(1), provide "Supplemental Disclosures" as follows: (i) unless exempt

### SECTION I: DISCLOSED DISCLOSURES

#### SELLER MUST CHECK A BOX:

- ☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.
- ☐ Additional inspection reports or disclosures: \_\_\_\_\_
- ☐ No substituted disclosures for this transfer.

### SECTION II SELLER'S INFORMATION

ANSWER EVERYTHING; IF "YES" ADD EXPLANATION

### SECTION III SELLER'S AGENT DISCLOSURE

☒ ACTUALLY ATTACH THE AVID

BUYER'S AGENT MUST STILL  
DO THE AVID. COMPLETE  
THE INFORMATION IN  
SECTION IV BUT TIMING OF  
DELIVERY OF THIS  
DISCLOSURE HAS NO  
IMPACT ON BUYER'S  
RESCISSION RIGHT.

PREFERABLY IT SHOULD BE  
DONE AT THE OUTSET OF  
THE TRANSACTION.



## RPA PARAGRAPH 11A(3) IF NO TDS SELLER MUST COMPLETE ESD

**EXEMPT SELLER DISCLOSURE**  
(C.A.R. Form ESD, Revised 12/21)

1. Seller (landlord) makes the following disclosures with regard to the real property or manufactured home described as \_\_\_\_\_, California, \_\_\_\_\_ (Zip Code),  
Assessor's Parcel No. \_\_\_\_\_ ("Property").

2. A. Under California law (Civil Code § 1102, et seq.) most Sellers of real property containing 1-4 residential units are required to provide prospective Buyers with a completed Real Estate Transfer Disclosure Statement ("TDS"). Sellers exempt from completing a TDS can use this form to make other required disclosures, including the disclosure of material facts of which they are aware.  
B. Under Civil Code § 1101.4(b), prior to January 1, 2017 non-compliant plumbing fixtures in any single family residential real property built before January 1, 1994 shall be replaced by the Property owner with water-conserving plumbing fixtures.

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

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

A. Within the last 3 years, the death of an occupant of the Property upon the Property	Yes : No
B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.)	Yes : No
C. The release of an illegal controlled substance on or beneath the Property	Yes : No
D. Whether the Property is located in or adjacent to an "industrial use" zone. (In general, a zone or district allowing for industrial, commercial or airport uses.)	Yes : No
E. Whether the Property is affected by a nuisance created by an "industrial use" zone	Yes : No
F. Whether the Property is located within 500 feet of a former federal or state ordnance location. (In general, an area once used for military training purposes that may contain potentially explosive ordnance.)	Yes : No
G. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision	Yes : No
H. Insurance claims affecting the Property within the past 5 years	Yes : No
I. Material defects affecting the Property	Yes : No
J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3	Yes : No
K. Material facts or defects affecting the Property not otherwise disclosed to Buyer	Yes : No

Explanation, or (if checked) see attached: \_\_\_\_\_

SELLERS NEED  
GUIDANCE IN  
RESPONDING TO 4K

AGENTS SHOULD:

1. PROVIDE THE DIA;  
AND
2. PROVIDE "SAMPLE"  
VERSIONS OF TDS &  
SPQ
3. NO MENTION OF  
PROVIDING  
DOCUMENTS TO  
BUYER IN ESD.

## DETERMINING IF TRUSTEES ARE EXEMPT

**SINCE JAN. 1, 2019, THE TRUSTEE(S) MUST FULLY COMPLETE & SIGN THE TDS BUT ONLY IF ALL 3 OF THE FOLLOWING QUESTIONS ARE ANSWERED: "YES"**

1. IS IT A REVOCABLE TRUST? IF **YES**  
**AND**
2. IS THE TRUSTEE A LIVE, NATURAL PERSON? IF **YES**  
**AND**
3. HAS THE TRUSTEE (HE OR SHE) EITHER OWNED

THE PROPERTY IN OWN NAME OR LIVED IN THE  
PROPERTY WITHIN LAST YEAR? IF **EITHER IS YES**

**YES** TRUSTEE COMPLETES A TDS

**HOWEVER, IF ANY QUESTIONS ARE ANSWERED "NO" THEN TRUSTEE(S) ARE EXEMPT.**

1. IF **"NO"** (e.g., IT IS AN IRREVOCABLE TRUST)  
**OR**
2. IF **"NO"** (e.g., TRUSTEE IS A BANK)  
**OR**
3. IF **"NO"** TO BOTH PARTS (e.g., DID NOT OWN IT IN OWN NAME OR LIVE THERE)

**NO** TDS – USE ESD

IF SELLER IS  
EXEMPT – NO FIRE  
HARDENING  
DEFENSIBLE  
SPACE FORM

THERE IS NO NEED TO  
PROVIDE THE FHDS FORM IF  
IT DOES NOT APPLY.

IT IS NOT A GOOD ADVISORY  
AND THE DISCLOSURES AND  
ADDENDUM ARE  
CONFUSING. IF IT DOES  
NOT APPLY DO NOT USE IT.

FAR BETTER INFORMATION  
IS IN THE WILDFIRE  
ADVISORY

VOLUNTEERING  
INFORMATION COULD  
CREATE LIABILITY!



## SUMMARY OF TOP 4 FACTORS THAT LEAD TO AGENT LIABILITY

R.D.R.

MAKING  
ASSUMPTIONS

MAKING  
DECISIONS FOR  
CLIENTS

NOT  
DOCUMENTING  
GOOD ADVICE  
AND/OR PROPER  
ACTIONS

**BOTTOM LINE: RISK  
MANAGEMENT NEEDS  
WILL INCREASE IN  
2022**

**THANK YOU FOR THE PRIVILEGE OF  
ADDRESSING YOU TODAY.**