

SELLER'S MANDATORY DISCLOSURE STATEMENT

~~(DO NOT USE IN REQUIRED BY LAW ON TRANSACTIONS INVOLVING NON-RESIDENTIAL PROPERTIES IN CALIFORNIA) DO NOT USE THIS FORM WITH REGARD TO THE SALE OF RESIDENTIAL PROPERTIES WITH 1-4 UNITS)~~

This Seller's Mandatory Disclosure Statement ("Disclosure") disclosure statement is made pursuant to the requirements of and shall intended to be a part of the STANDARD OFFER, AGREEMENT

-AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE (See paragraph 9.1(a) ~~thereof of said document~~) or

paragraph 9.1(a) ~~thereof of said document~~ or _____ (the "Purchase Agreement") dated ~~for reference~~
purposes as of _____, regarding that certain real property commonly known as (street address, _____)

city, state, zip): _____ ("~~the~~"**Property**") wherein

_____ is the Seller and _____ is the Buyer. Note: This ~~Disclosure does disclosure statement is not~~ replace designed nor intended to be used in place of the standard Property Information Sheet published ~~by~~ BY AIR CRE ("AIR") and, ~~unless not required by the Purchase Agreement, Seller "-"). Both documents should also~~ provide Buyer the Property Information Sheet ~~be used in every transaction involving a sale.~~

1. **NATURAL HAZARDS DISCLOSURES.** To make the disclosures required by California Government Code Section 8589.3 (a special flood hazard area), California Government Code Section 8589.4 (dam failure inundation area), California Government Code Sections 51178 or 51179, and 51182 (very high fire hazard severity zone), California Public Resources Code Sections 4125, 4142 and 4291 (wildlands fire area), California Public Resources Code Section 2622 (earthquake fault zone), and California Public Resources Code Section 2696 (seismic hazard zone) ("**Natural Hazards Disclosures**"), Seller provides Buyer a natural hazards report ("**Natural Hazards Report**") prepared by:

Al.. CRE Approved Professional Consultant: myNHD Inc., 800-814-2922, <https://www.myNHD.com>, or
, and the Natural Hazards Report is attached.

~~In order to comply with State law concerning disclosures to a potential purchaser, Seller elects to:~~

A. Utilize a report prepared by a professional consultant which has been approved by the AIR, i.e., First American Natural Hazard Disclosures, (800) 527-0027, or JCP Property Disclosure Reports, (800) 748-5233. A copy of their report is attached hereto. (Complete paragraph 8, 9, 10, 12 and 13 and sign this statement in the place provided.)

B. Utilize a report prepared by _____, with phone number: _____. A copy of their report is attached hereto. (Complete paragraphs 8, 9 10, 12, and 13, sign this Statement in the place provided, and attach a copy of The Commercial Property Owner's Guide to Earthquake Safety.)

C. Complete this Disclosure Statement without the assistance of a professional consultant. (Complete paragraphs 1 through 13 and sign this Statement in the place provided. Remember to attach a copy of The Commercial Property Owner's Guide to Earthquake Safety.)

1. EARTHQUAKE FAULT ZONES. If the Property is located within a delineated Earthquake Fault Zone (a zone that encompasses a potentially or recently active trace of an earthquake fault that is deemed by the State Geologist to constitute a potential hazard to structures from surface faulting or fault creep), California Public Resources Code §2621 et seq. mandates that prospective purchasers be advised that the Property is located within such a Zone, and that its development may require a geologic report from a state registered geologist. In accordance with such law, Buyer is hereby informed that the Property _____ is or _____ is not within a delineated Earthquake Fault Zone.

~~2. SEISMIC HAZARD ZONES. If the Property is located within a Seismic Hazard Zone as delineated on a map prepared by the California Division of Mines and Geology, California Public Resources Code §2690 et seq. mandates that prospective purchasers be advised that the Property is located within such a Zone. In accordance with such law, Buyer is hereby informed that the Property is or is not within a Seismic Hazard Zone.~~

9-2. EARTHQUAKE SAFETY. If ~~(1) the improvements on the Property were constructed prior to 1975; and (2) said improvements include structures with either~~ (i) pre-cast (e.g., tilt-up) concrete or reinforced masonry walls together with wood frame floors or roofs, or (ii) unreinforced masonry walls, then California Business & Professions Code §10147; Government Code §§8875.6, 8875.9, 8893.2, and 8893.3; and California Civil Code §2079.9 require Seller to provide Buyer ~~must be provided with~~ a copy of The Commercial Property Owner's Guide to Earthquake Safety (the "Booklet") published by the California Seismic Safety Commission, ~~available through the following link. Buyer is hereby informed that the~~ Property:

https://ssc.ca.gov/forms_pubs/cog. Seller is not required to provide the Booklet to Buyer. Seller is required to provide the Booklet to Buyer, which Booklet Seller is hereby providing to Buyer.

(3) meets the foregoing requirements, and a copy of the Booklet and a completed "Commercial Property Earthquake Weakness Disclosure Report" is attached hereto. Within five business days of Buyer's receipt of said Disclosure Report, Buyer shall deliver a duly countersigned copy of the same to Escrow Holder, with a copy to Seller and Seller's Broker. Escrow Holder is hereby instructed that the Escrow shall not close unless and until Escrow Holder has received the Disclosure Report duly signed by both Seller and Buyer.

~~(b) does not meet the foregoing requirements requiring the delivery of the Booklet.~~

4. ~~_____~~ **FIRE PROTECTION.** If the Property is located within a designated State Responsibility Area as delineated on a map prepared by the California Department of Forestry, California Public Resources Code §4136 mandates that prospective purchasers be advised that the Property is located within a wildland area which may contain substantial forest fire risks and hazards, that the State may not be responsible to provide fire protection services, and that the Property may be subject to the requirements of Public Resources Code §4291 which requires the periodic removal of brush, the maintenance of firebreaks, and other similar activities. In accordance

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SMD 6-02, Revised 06-10-2019 is located within an area designated as a Very High Fire Hazard Severity Zone pursuant to Government Code §55117.8. **Page 1 of 3**

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maintenance, design and/or construction requirements and/or restrictions. In accordance with such law, Buyer is hereby informed that the Property is or is not within a designated Very High Fire Hazard Severity Zone.

6. AREA OF POTENTIAL FLOODING. If the Property is located within an area of potential flooding in the event of the failure of a dam as shown on an inundation map designated pursuant to Government Code §8589.5, §8589.4 mandates that prospective purchasers be advised that the Property is located within such an area. In accordance with such law, Buyer is hereby informed that the Property is or is not within a designated area of potential flooding.

7. FLOOD HAZARD AREAS. If the Property is located within a designated Federal Flood Hazard Area as delineated on a map prepared by the Federal Emergency Management Agency, Federal law, i.e. 42 U.S.C. §4104a, mandates that prospective purchasers be advised that the Property is located within an area having special flood hazards and that flood insurance may be required as a condition to obtaining financing. In accordance with such law, Buyer is hereby informed that the Property is or is not within a designated Federal Flood Hazard Area.

8.3. FLOOD DISASTER INSURANCE. If ~~the~~ Seller or Seller's predecessor-in-interest has previously received Federal flood disaster assistance and ~~such~~ assistance was conditioned upon obtaining and maintaining flood insurance on the Property, Federal law, i.e., 42 U.S.C. §5154a, mandates that prospective purchasers be advised that they will be required to obtain and maintain such insurance on the Property and that if ~~such~~ insurance is not maintained and the Property is thereafter damaged by a flood disaster, the purchaser may be required to reimburse the Federal Government for the disaster relief provided. Buyer is hereby informed that to the best of ~~the Seller's~~

Seller's knowledge, Federal flood disaster assistance has or has not been previously received with regard to the Property. Note: if such disaster assistance has been received, the law specifies that the required notice be "contained in documents evidencing the transfer of ownership".

4. WATER HEATER BRACING. ~~The~~ If the Property does or does not contain one or more water heaters of 120 gallons or less. If the Property does contain one or more water heaters of 120 gallons or less, then as, Seller is required by California Health and Safety Code §19211, Seller hereby certifies to certify to Buyer that all such water heaters

9. have or have not been braced, strapped and/or anchored in accordance with law. ~~Buyer is hereby advised that the required bracing, strapping and/or anchors:~~ have been installed have not been installed, or Seller does not know whether they have been installed.

10. PRESENCE OF MOLD. If the seller or transferor of property knows of the presence of mold that affects the property and the mold either exceeds permissible exposure limits or poses a health threat then Health and Safety Code §26140, et seq. mandates that prospective purchasers be advised in writing of such mold. In

accordance with such law, Buyer is hereby informed that the undersigned does or does not know of the presence of such mold affecting the Property.

11.5. TITLE INSURANCE. ~~If in the event that~~ the Purchase Agreement does not ~~at present~~ provide that Buyer will be provided with title insurance ~~will be obtained~~, Buyer is strongly urged to consider purchasing ~~titlesuch~~ insurance. ~~In and, in~~ accordance with California Civil Code §1057.6, Buyer is advised as follows:

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

6. METHAMPHETAMINE LABORATORY ACTIVITY. As required by California Health and Safety Code §25400.28, Seller notifies Buyer that a government order identifying the Property as contaminated by methamphetamine laboratory activity has been received by Seller (copy of such order is attached), or has not been received by Seller.

12. HAZARDOUS SUBSTANCES. ~~If the Property is non-residential property, then as~~ Seller is required by California Health and Safety Code §25359.7 Seller notifies Buyer that: to notify potential buyers of the presence of any hazardous substance that Seller knows, or has reasonable cause to believe, is located on or beneath the Property. In accordance with such law, Buyer is hereby notified that:

7. Seller neither knows nor has reasonable cause to believe that any release of hazardous substance (as such terms are defined by California Health and Safety Code §§25320 and 25316) ~~has come to be located~~ is on or beneath the Property, or Seller knows or has reasonable cause to believe that a release of the following hazardous substance has come to be located ~~substances are~~ on or beneath the Property:

8. WATER CONSERVING PLUMBING FIXTURES. For multi-family residential (containing more than one unit) and commercial properties built before January 1, 1994: California Civil Code §1101.5 requires all noncompliant plumbing fixtures to be replaced before January 1, 2019 with water-conserving plumbing fixtures. As required by California Civil Code §1101.5(e), Seller discloses that the Property was built after January 1, 1994 and is exempt from this statute; does include noncompliant plumbing fixtures; or does not include any noncompliant plumbing fixtures.

9. DEATH ON THE PROPERTY. As required by California Civil Code §1710.2, Seller does or does not know of the death on the Property of an occupant of the Property in the three years before the date of Buyer's offer to purchase the Property per the Purchase Agreement.

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SMD-6.02, Revised 06-10-2019

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Page 2 of 3

13.10. _____ OTHER. _____

Seller believes the information provided in this Disclosure by Seller is true and correct to the best knowledge of Seller as of the date of this Disclosure, but Seller states that Seller has exercised good faith in the selection of a Natural Hazards Expert, Seller has not independently verified, and Seller is not obligated to verify, PLEASE NOTE:

While the information contained in the Natural Hazards Report, and makes no representation or warranty as to the truth or accuracy of any information contained in the Natural Hazards Report. Buyer agrees the Natural Hazards Report satisfies Seller's legal duty to make the Natural Hazards Disclosures, the provider of the Natural Hazards Report shall be deemed to be an expert dealing with matters within the scope of its expertise with respect to the examination and written report regarding the Natural Hazards Disclosures, and California Civil Code §1103.4 which deals with a seller's non-liability for errors and/or omissions not within such seller's personal knowledge shall be deemed to apply to Seller.

The hazards referenced in this Disclosure may limit the ability of the owner of the Property to develop the Property, to obtain insurance, or to receive assistance after a disaster. The maps on which the Natural Hazards Report are based estimate where natural hazards exist and are not definitive indicators of whether or not a property will be affected by a natural disaster. Buyer is advised to obtain professional advice regarding those hazards and other hazards that may affect the Property.

Applicable or attached to this Disclosure Statement is believed to be accurate as of the date that it was prepared, the applicable laws and the areas covered by the various natural hazard zones, etc. may change. Seller shall not be required to notify Buyer if the information provided in the Natural Hazards Report becomes inaccurate as a result of any governmental action, map revision, changed information, or other act or occurrence, unless Seller has actual knowledge that the information has become inaccurate, from time to time. Prior to the close of escrow, Buyer may wish to again check the status of the Property. Also, Buyer is advised to verify with appropriate local governmental agencies, such as the city and/or county in which the Property is located, to determine if they may have established natural hazard zones in addition to those listed above. Signatures to this Disclosure accomplished by means of electronic signature or similar technology shall be legal and binding. This Disclosure may be executed in counterparts. Buyer is advised to check with the appropriate local agency or agencies.

The statements hereinThe descriptions contained within the above disclosure paragraphs are not intended to be full or complete disclosures of all of the possible impacts on ramifications to the Buyer and/or the Property. If a matter is disclosed regardingIn the event that this document indicates that the Property is affected by one or more of the disclosures, Buyer is advised to:

1. Review the applicable laws in their entirety of all laws applicable to such disclosed matter.
2. Seek advice of counsel as to the legal consequenceconsequences of anythe items disclosed matters.
3. Retain appropriate consultants to review and investigate the impact of all such disclosed matterssaid disclosures.

Neither AIR CRE nor any of the brokers make anyLikewise no representation, warranty or recommendation regardingis made BY AIR CRE or by any broker as to the legal sufficiency, legal effect or any other consequences of this Disclosure, or consequences of this document or the Purchase Agreement to which it relates. Signatures to this Statement accomplished by means of electronic signature or similar technology shall be legal and binding.

Date: _____

SELLER

By: _____

Name Printed: _____

Title: _____

Buyer acknowledges receipt of this Disclosure together with the Natural Hazards Report, the Booklet and any other documents referenced herein (as applicable) as being provided to Buyer, and agrees to the above terms and conditions.

Receipt of the above Seller's Mandatory Disclosure Statement is hereby acknowledged:

Date: - _____

BUYER

By: _____

Name Printed: _____

Title: _____

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SMD-7.00, Revised 12-10-2020

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Page 2 of 2