

SELLER'S MANDATORY DISCLOSURE STATEMENT

(DO NOT USE IN SALE OF RESIDENTIAL PROPERTIES WITH 1-4 UNITS)

This Seller's Mandatory Disclosure Statement ("**Disclosure**") is made pursuant to the requirements of and shall be a part of the STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE (See paragraph 9.1(a) thereof) or _____ (the "**Purchase Agreement**") dated for reference purposes as of _____, regarding that certain real property commonly known as (street address, city, state, zip): _____ ("**Property**") wherein _____ is the Seller and _____ is the Buyer. Note: This Disclosure does not replace the Property Information Sheet published by AIR CRE ("**AIR**") and, unless not required by the Purchase Agreement, Seller should also provide Buyer the Property Information Sheet.

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:

myNHD Inc., 800-814-2922, <https://www.myNHD.com>, or _____, _____, and the Natural Hazards Report is attached.

2. **EARTHQUAKE SAFETY.** If the improvements on the Property were constructed prior to 1975 and 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 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: 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. **FLOOD DISASTER INSURANCE.** If 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 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 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 required by California Health and Safety Code §19211, Seller hereby certifies to Buyer that all such water heaters have or have not been braced, strapped and/or anchored in accordance with law.

5. **TITLE INSURANCE.** If the Purchase Agreement does not provide that Buyer will be provided with title insurance,

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Buyer is strongly urged to consider purchasing title insurance. 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.
7. HAZARDOUS SUBSTANCES. If the Property is non-residential property, then as required by California Health and Safety Code §78700 Seller notifies Buyer that: 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 on or beneath the Property, or Seller knows or has reasonable cause to believe that a release of hazardous substance has come to be located 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.
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, 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 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. 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 have established natural hazard zones in addition to those

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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.

The statements herein are not intended to be full or complete disclosure of all possible impacts on Buyer and/or the Property. If a matter is disclosed regarding the Property, Buyer is advised to:

1. Review the entirety of all laws applicable to such disclosed matter.
2. Seek advice of counsel as to the legal consequence of any disclosed matters.
3. Retain appropriate consultants to review and investigate the impact of all such disclosed matters.

Neither AIR CRE nor any of the brokers make any representation, warranty or recommendation regarding the legal sufficiency, legal effect or any other consequences of this Disclosure.

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.

Date: _____

BUYER

By: _____

Name Printed: _____

Title: _____

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