



BUYER AND SELLER ADVISORY

Property Address: [581 Berkeley Ave, Menlo Park, CA 94025](#)

BEWARE OF WIRE FRAUD

Online banking fraud is on the rise. Be safe so you do not lose your money by wiring your funds to the wrong account. In this transaction, the buyer will be asked to wire funds into escrow, or the seller may be asked to provide wiring instructions to receive their net proceeds from the sale. Scammers and con artists can sometimes find out when a real estate transaction is pending and may send you a realistic-looking, but bogus email, disguised to make you think it came from the escrow company, your agent, mortgage broker, or a trusted or related party to the transaction. The email may have a title such as: WIRE TRANSFER INSTRUCTIONS and will instruct you to wire funds to an "escrow" account. The email may be bogus. Do NOT follow the instructions without verification. If you do, your funds will be lost and may never be recoverable. If you receive an email from anyone, instructing you to wire funds relating to your real estate transaction, call your escrow officer or real estate agent immediately to verify the information BEFORE you wire any funds. Do not call any telephone numbers listed on an email. Only call the phone number you know to be correct. For your security NEVER WIRE FUNDS to any account WITHOUT FIRST CALLING YOUR ESCROW OFFICER OR REAL ESTATE AGENT TO VERIFY.

OWNER'S TITLE INSURANCE

It is now "optional" for buyers to purchase an owner's title insurance policy when buying real property. Nevertheless, Christie's International Real Estate - Sereno STRONGLY ADVISES buyers to always purchase title insurance. As a buyer, you must make sure that the property will indeed be yours when you close escrow and that no one else has any recorded right, lien, or claim to your property that you don't know about. Before issuing a policy, the title company performs an extensive search of relevant public records to determine if anyone else has a recorded interest in the property and assures the buyer that none exists except those that are reported in the title insurance policy. Buyers should NEVER purchase property without title insurance.

NON-CONTINGENT PURCHASE OFFERS

In a "seller's market" when there are many buyers competing for the purchase of few properties, buyers are sometimes tempted to make a purchase offer without including the contingencies that are normally part of the contract, such as the inspection contingency, loan contingency, and appraisal contingency. These contingencies are for the buyer's protection and Sereno strongly recommends that these contingencies be included in the purchase offer and that they not be waived by the buyer just to make the offer more attractive to the seller. If a non-contingent offer is made and accepted, then the buyer is legally obligated

(with rare exception), to complete the purchase regardless of property defects that are discovered during escrow, regardless of whether the buyer qualifies for the intended purchase loan, and regardless of whether the property is appraised at the purchase price. If the buyer fails to complete the purchase of a non-contingent contract, the buyer will generally be in breach of contract, and the buyer's deposit will be at risk of loss. Deposit disputes often result in mediation, arbitration, attorney fees, costs, and delays. Sereno recommends against non-contingent purchase offers.

CALIFORNIA DROUGHT ADVISORY

The State of California is currently experiencing an extreme drought. On January 17, 2014, the Governor of the State of California proclaimed a drought emergency based on the State's water supply storage and outlook. Local City and County water service providers have imposed restrictions that limit water usage on property in their respective jurisdictions. Regulations vary by local water jurisdiction but can include:

- Restrictions on the days of the week and time of day when outdoor landscaping can be irrigated.
- Restrictions on monthly water usage with monetary penalties for usage in excess of the limits.
- Restrictions on swimming pools and water fountains.

Water-conserving regulations may result in insufficient water to maintain lawns and landscaping on your property which may cause grass, plants and trees to die. Water features on the property may be rendered unusable and agriculture and livestock use may be limited. You may be prohibited from installing a pool or water feature. Buyers are strongly advised to check the water conservation regulations applicable to this property and investigate how the drought rules may affect it. Buyer acknowledges that real estate agents and brokers have no responsibility for investigating the water restrictions applicable to this property.

FLOOD INSURANCE

Mortgage lenders may require buyers to purchase flood insurance in connection with your purchase of the property. The National Flood Insurance Program (NFIP) provides for the availability of flood insurance but also establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Due to recent amendments to federal law governing the NFIP, those premiums are increasing, and in some cases will rise by a substantial amount over the premiums previously charged for flood insurance for the property. You should not rely on the premiums previously paid for flood insurance on this property as an indication of the premiums that will apply after you complete your purchase. You should consult with several carriers of flood insurance for a better understanding of flood insurance coverage, the premiums that are likely to be required to purchase such insurance, and how those premiums may increase in the future.

WEED ABATEMENT AND ASSESSMENTS

Many Counties have weed abatement programs that require property owners to control excess weeds and brush, so they don't become a hazard to the properties around them. In most counties owners of vacant lots are contacted about the need to mow/abate the weeds and overgrowth. Property owners are given the option of either cutting the weeds themselves or having the city contractor abate the weeds for them (which is then billed to the current year's property taxes and includes a \$100 administrative fee.) Buyers are advised to research the county records to determine any assessments currently billed to the applicable property.

WOOD BURNING DEVICE COMPLIANCE

Residential wood burning is the leading source of wintertime air pollution in the Bay Area and studies have confirmed there are significant health impacts from exposure to fine particulate matter found in wood smoke. When the BAAQMD issues a Winter Spare the Air Alert during the winter season from November 1 through the end of February, it is illegal to burn wood, manufactured fire logs, pellets, or any solid fuels in fireplaces, wood stoves, or outdoor fire pits. To check when a winter Spare the Air Alert is issued and it is illegal to burn wood, please visit www.baaqmd.gov or www.sparetheair.org.

INSPECTION INFORMATION

Christie's International Real Estate - Sereno strongly recommends that you insist on written reports with respect to inspections or other investigations regarding the property you are selling or acquiring. An oral statement reporting the results of an inspection cannot be relied upon in any future negotiations or disputes with either the company giving you the report or with the party you are dealing with in the sale or purchase of the property.

Structural Pest Control: Approximate Cost - \$300 to \$700

To identify existing or potential pests, dry rot, fungus & other structure threatening infestation or conditions. The initial inspection fee covers only those areas that are accessible areas to the inspector. Inspections of inaccessible areas cost more and are subject to an estimate by the inspector. These inspectors must be licensed and can give estimates to correct problems.

General Home Inspection: Approximate Cost - \$500 to \$1000

Identifies material defects in the essential components of a property based upon a non-invasive physical inspection. There is no licensing requirement for someone to be a home inspector.

Roof Inspection: Approximate Cost - \$200 to \$450

Checks general roof condition including wear & tear.

Pool Inspection: Approximate Cost \$300 to \$500.

Checks general condition of the pool.

Structural Engineer: Approximate Cost \$750 to \$1,500

Checks the structure of the house for settling, condition of the foundation, and possibly drainage issues.

HOA DOCUMENTS AND DISCLOSURES

Buyers are advised that the homeowner's association for a property in an HOA is required by law and by the Purchase Agreement (CAR Par 10F) to provide the Buyer with certain documents. When a Seller submits to the HOA the CAR form HOA-IR the HOA is to return the form including the completed CAR form HOA-RS and HOA-RN and the disclosure documents listed on those forms. If the Buyer closes escrow without receiving these documents, there might be information about the HOA that, if known by the Buyer, might negatively affect the Property or its value. If CAR forms HOA-IR, RS and RN are not provided, the Buyer will receive any substitute forms provided by the HOA.

NEW GARAGE DOOR OPENERS REQUIRE BATTERY BACKUP

California law now requires all garage door openers that are sold or installed in a residential property after July 1, 2019, to be equipped with battery backup. The law was enacted in response to wildfires that left people trapped in their garages with no power to the garage door openers. Homeowners must install a battery backup opener when a new door is installed or when they replace their existing opener. Existing openers in use will not have to be replaced with battery backup openers unless the door is replaced.

INSURANCE FOR VACANT HOMES

Under many homeowner's insurance policies, when a property has been vacant or unoccupied for more than 60 (or sometimes 30) consecutive days before a loss or damage occurs, there is NO COVERAGE. If you move out of your home to be sold or renovated, and it remains unoccupied for 60 days or more, this could trigger the exclusion from coverage for vacant homes. This leaves the homeowner at risk of an uninsured loss from fire, theft, vandalism, personal injury, and other losses that would otherwise be covered. Check your homeowner's insurance policy for the specific language regarding the vacant home exclusion. Some insurance companies offer vacant home insurance. Consult with your insurance agent to make sure you are covered.

CITY OF SAN JOSE REAL PROPERTY TRANSFER TAX

Effective July 1, 2020, the Santa Clara County Clerk-Recorder's Office collects the San Jose Real Property Transfer Tax imposed on each transfer of real property located in the City of San Jose when the value of the consideration is \$2,000,000 or more, unless exempt.

As used in the ordinance, "value of the consideration" means the total consideration, valued in money of the United States, paid or delivered or contracted to be paid or delivered in return for the transfer of real property, .. : which is also defined as the " ... fair market value of the property at the time of transfer .. :'. Buyers and sellers are both jointly and severally liable for payment of the tax. Payment of the tax can be allocated between buyer and seller in the CAR Residential Purchase Agreement in Par. Q11 by designating who will pay the "City transfer tax or fee".

Transfers under \$2,000,000 are exempt from the Transfer Tax. Transfers of \$2,000,000 or more are taxed

at one of the following rates applied to the full value of the consideration:

- \$2,000,000 to \$5,000,000 - 0.75%
- \$5,000,000.01 to \$10,000,000-1.00%
- Over \$10,000,000 - 1.50%

For example, a transfer of real property where the value of consideration is \$2,500,000 would be taxed at a rate of 0.75% so the tax owed would be \$18,750.

For questions related to the San Jose Real Property Transfer Tax, please contact the City of San Jose directly. Inquiries may be directed to the Program Manager, Department of Finance - Revenue Management. You should consult with your tax advisor for more guidance.

SEWER LATERAL INSPECTION AND REPAIR

Many cities and counties require sellers of real property located in their jurisdictions to have the sewer lateral connection pipe inspected by a qualified inspector, repaired as necessary and certified prior to the sale of the property. Some exemptions apply. The requirements are different in each jurisdiction, so buyers and sellers must familiarize themselves with the ordinance applicable to their property. The cost of compliance can be significant and should be factored into the purchase price or otherwise allocated in the purchase contract if permitted by the local jurisdiction.

ADVISORY ON THE USE OF CAMERAS IN HOMES LISTED FOR SALE.

Audio Recording. It is illegal to record a "private conversation" (audio) without the person's consent (CA Penal Code 632). A private conversation is one where the parties have an objectively reasonable expectation that no one is listening in or overhearing the conversation. Homeowners should disable audio recording whenever buyers or agents are present on the property.

Video Recording. It is legal to record video in the home, except in an area where the person has a reasonable expectation of privacy (i.e., bathroom or changing room). Hence video cameras, with audio recording disabled, may remain active (except in bathrooms) when a property is listed for sale.

BUYER LETTERS AND POTENTIAL DISCRIMINATION

A "buyer letter" is sometimes written to introduce the buyer to the seller and provide reasons why the seller should accept their offer. Such letters personalize what otherwise is a strictly business transaction. However, buyer letters that are submitted to the seller in support of an offer to purchase can create a risk of unlawful discrimination. It is essential that buyers, sellers, and agents avoid discrimination in real estate transactions.

If the letter emphasizes the buyer's protected class or characteristics, then it might cause the seller to choose (or reject) the buyer based on discriminatory factors. If, intentionally or unconsciously, a seller treats one person's offer differently from another's offer, and that difference is based on a protected class or category, then the seller has wrongfully discriminated against the buyer and is potentially exposed to a fair housing claim. Focusing on neutral factors will minimize the possibility of unlawful bias.

You are strongly encouraged to read the CAR Fair Housing & Discrimination Advisory which summarizes fair housing laws and lists the protected classes and categories of buyers.

Sellers. If sellers prefer to avoid this discrimination risk, sellers may choose to instruct their agent not to accept or forward any buyer letters. Sellers should focus solely on the objective terms of the purchase offer in selecting a buyer. Unless you instruct your agent otherwise, all buyer letters received will be submitted to the seller along with the offer. If you consider buyer letters, you are advised to speak with legal counsel before deciding on which offer to accept and to document neutral criteria applied to all offers that are used in the decision-making process

Buyers. Buyers who choose to write a "buyer letter" should avoid writing about any protected class factors. It is ok to write a letter stating how much you love the property but stay away from personal information that might lead to unlawful discrimination. Your real estate agent is not licensed to practice

law and will not review your letter for legal compliance. You should retain independent legal counsel to review your buyer letter before it is delivered to a seller.

Date: _____ Seller: _____
The Survivor's Marital Tr under the Elmer J. & Helen E. Reist 1990 Fam. Tr.

Date: _____ Seller: _____

Date: _____ Buyer: _____

Date: _____ Buyer: _____

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