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Disclosure: Please sign <b>Page 26</b> and return to <a href="mailto:hfotinos@hjfinc.com">hfotinos@hjfinc.com</a>	23-29nfl

## Property Information

<b>Listing Price:</b>	\$10,000,000
<b>Current Zoning</b>	Commercial
<b>City / Community:</b>	French Valley
<b>Jurisdiction:</b>	Riverside County
<b>Cross Streets:</b>	Benton Road and Washington Street (Digital Maps Show Benton Street)
<b>Water:</b>	In Benton Street
<b>Sewer</b>	In Benton Street
<b>Entitlement Status</b>	Specific Plan Zoning
<b>APN #s:</b>	964-030-015
<b>Approximate Acreage:</b>	Per tax record: 17 plus



## General Overview

### Overview:

Located in the heart of French Valley, the Property is north of Temecula in Riverside County, Southern California. New home developments and recently built neighborhoods border the acreage, and large public builders have and continue to acquire land to build new homes. The Property is Planning Area 36 of the nearly built-out Winchester 1800 Specific Plan approved many years ago by the County of Riverside. The Property is zoned commercial with multiple potential uses. The County may consider a rezone to residential or mixed-use, and the Seller will allow the Buyer to research that possibility. Temecula Valley Unified School District operates the schools in this area.

### Location:

From the South and North – Interstate 15 north to Winchester Road, exit east to Benton Road (shows as Benton Street on digital maps) travel south to Washington Street. The Property is located on the northeast corner of Benton and Washington.

Continued Next Page

## Property Information Continued Offering Guidelines

<b>Offering Method</b>	Submit LOI
<b>Deposit</b>	\$100,000
<b>Due Diligence Period</b>	60 days
<b>Close of Escrow</b>	Submit
<b>Current Condition</b>	Specific Plan Zoning
<b>Entitlement Status at Close</b>	Approved for Buyer's Use
<b>Condition at Close</b>	None
<b>Entitlements</b>	Commercial Zoning
<b>Final Engineering</b>	None



## General Overview Continued

### **Market:**

The French Valley area east of Temecula and south of Murrieta shares many of the characteristics of those two cities – housing types and prices, schools, shopping, and demographics. New or existing homes border the property on three sides. Benton Street provides access to these communities, and Washington Street provides an alternative north-south alternative to Winchester Road. In being surrounded by new home construction and existing homes priced in the mid \$500,000's to more than \$600,000. Home prices and land values in the area soared in the last two years as new-home sales volume increased. Recent land sales range from \$100,00 per acre to \$400,000. Property delivered to the Buyer entitled, or the Buyer entitles before the close adds significant value.

### **Land Sales:**

Recent land sales have involved public home builders acquiring what appears to be unentitled agricultural land outside of the specific plan. A nearby closing on Benton involved a home builder that changed commercial land to residential before the close.

### **Community:**

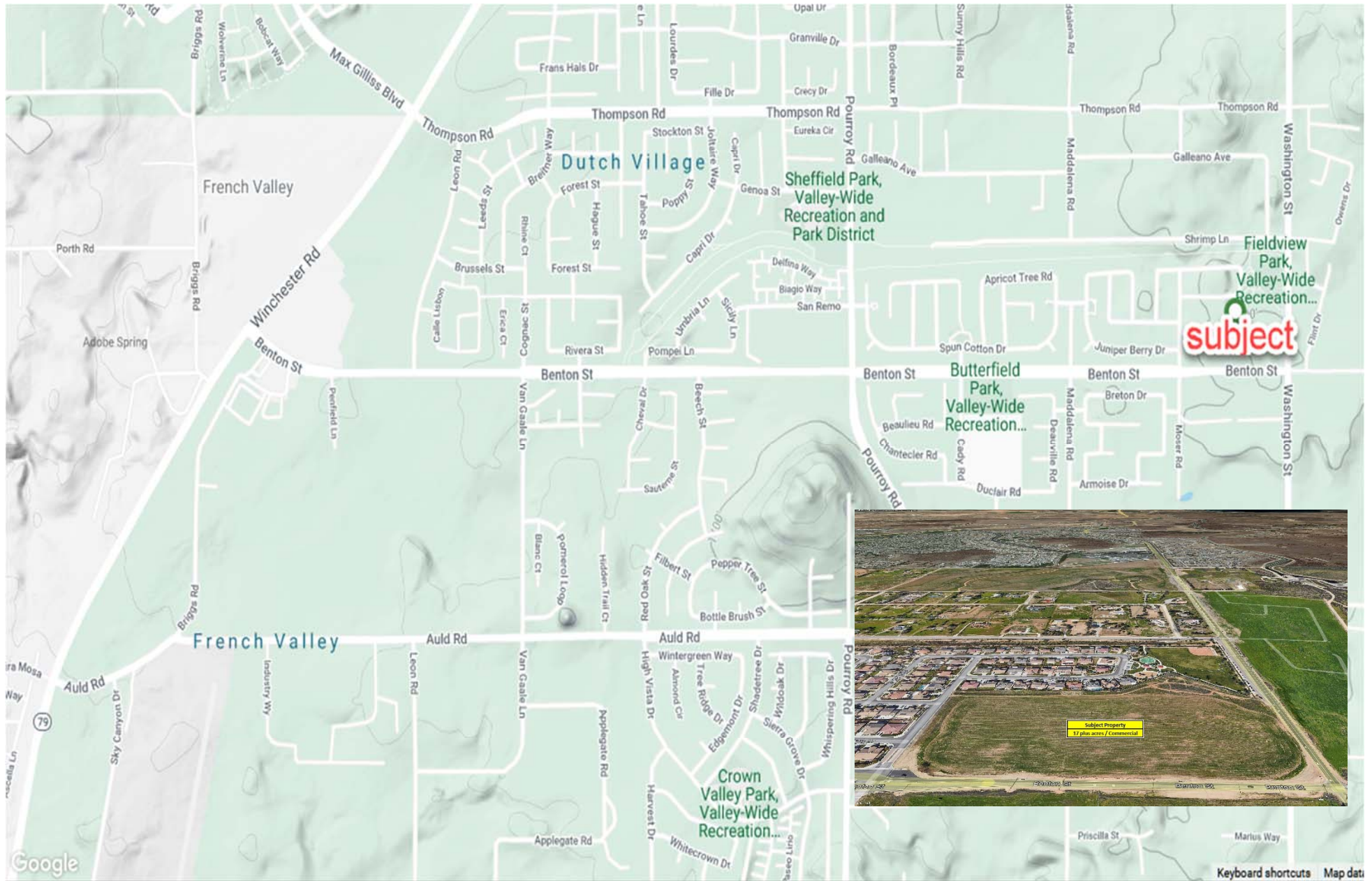
The community consists of young families where both parents are likely to have some college education. More than twenty percent have a college degree, and nearly nine 10 percent have post-graduate degrees.

**Schools:** - Temecula Valley Unified School District serves the property. Elementary school students will attend [French Valley Elementary School](#), [Bella Vista Middle School](#), and [Chaparral High School](#).













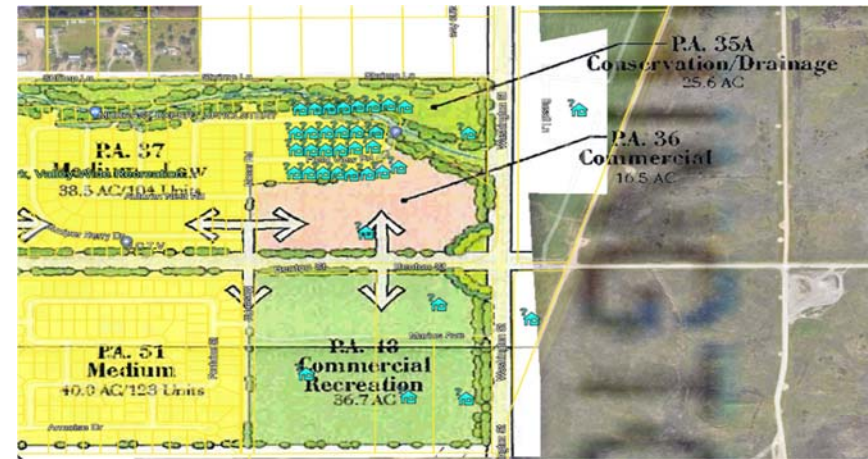






## Current Entitlement Statues

<b>Specific Plan</b>	Winchester 1800
<b>Planning Area Designation</b>	36
<b>Acreage Listed In Specific Plan</b>	16.5
<b>Primary Entry To Property</b>	Benton Road
<b>Zoning Designation</b>	C-P-S Scenic Highway Commercial



## Specific Plan Information:

The Winchester 1800 Specific Plan covered 1,600 acres between Winchester Road and Washington Street to the east. Keller Road bounds the community to the north and Auld Road to the south. Approved many years ago, the allowed 4,720 residential units are nearly all built. A few remaining communities are in the planning stages, and some conversions of planning areas designated for commercial to residential have occurred. County planners report that few unallocated units are available in the specific plan, and further conversion of commercial planning areas to residential will require analysis.

## Allowed Commercial Uses:

There are 102 approved uses within this zone and another 26 allowed with a conditional-use permit. The permitted uses include 1. Gas stations but not with beer and wine sales; 2. Restaurants and other eating establishments; 3. Sporting good stores; 4. Shoe stores and repair shops; 5. Produce Markets; 6. Offices and business; 7. Pet shops; 8. Plumbing shops, but not contractors; 9. Nurseries and garden supply stores; 10. Laundries and laundromats; 11. Laboratories, medical, dental, research, and testing; 12. Jewelry stores with incidental repairs; 13. Hobby shops; 14. Ice Cream shops; 15. Food markets and frozen food lockers; 16. Drug stores; 17. Delicatessens.

## Potential Conversion to Residential:

In email communication, county planners stated that conversion to residential use would require a Specific Plan Amendment, General Plan Amendment, and Change of Zone. There is also a possibility that the County may be changing the Highway 79 Policy Area provisions to allow an easier path to conversion. However, planners have no details of the plan at this time.



## Market Information

<b>New Home Price Range:</b>	\$550,000 - \$650,000
<b>New Home Size Range:</b>	1,600 – 4,100 sqft.
<b>New Home Average Tax Rate</b>	TBD%
<b>New Home Avg. Sales Per Week</b>	TBD
<b>MLS Used Homes Sales 06/01/21 – 12/28/21</b>	
<b>Used Home Median Price:</b>	\$578,750
<b>Used Home Median Size:</b>	2,373
<b>Days on Market Average</b>	9



## General Overview Continued

### New Home Market:

Located in the southern portion of the Winchester community, the area is also known as French Valley. It is just south of the City of Murrieta and north of the City of Temecula. Temecula and Murrieta are the two cities closest to San Diego County, and prices reflect that location and proximity to work centers. Lennar is currently building a community south of the Subject Property, and home prices range from \$510,000 for a home of 1,550 square feet to nearly \$800,000 for a 4,000 plus home that offers a suite with a separate kitchen and entry.

### Used Home Market:

In the last six months, 106 used homes sold with a median price of \$578,750, a median size of 2,373 square feet. The market time averaged nine days.

Data related to residential development potential on the property is provided for informational purposes only. There is no guarantee that the County of Riverside will approve the needed General Plan Amendment and Zone Change to allow residential construction. However, depending on the terms offered, the Seller may allow the Buyer time to investigate, process, and gain approval of residential development on the Subject Property.









# New Home Summary

Winchester

Updated 10-20-2020

Competitor	Community Name	Builder	City	Total Units	Remaining	Sales Rate Per Week	Lot Size	Plan #	ESF	Price	PPF	Est. Finished Lot *	HOA	Incentive	Total Tax	AVG Price	Plus / Minus	Est. Community Close Date
0	<b>Subject Property:</b> Estimate to obtain General Plan Amendment, Zone Change, Specific Plan Amendment and all agency approvals	Proforma * Buyer TBD	Winchester	Est. 100	175	Proj. 1.5	Proj. TBD	1	1,550	\$525,000	\$338.71	\$123,000	TBD	N/A	2.00% Est.	\$540,000	N/A	
								2	1,850	\$535,000	\$289.19							
								3	2,000	\$545,000	\$272.50							
								4	2,250	\$555,000	\$246.67							
								5	NA	NA	NA							
								6	NA	NA	NA							
1	<b>The Reserve: Weatherstone</b>	Lennar:	Winchester, CA 92596	50	19		TBD	1	2,201	\$597,140	\$271.30	\$255,224	\$0	TBD	TBD	\$662,063	-\$122,063	TBD
								2	2,590	\$623,960	\$240.91							
								3	2,905	\$650,360	\$223.88							
								4	4,134	\$776,790	\$187.90							
								5	NA	NA	NA							
2	<b>The Reserve: Windbrooke</b>	Lennar:	Winchester, CA 92596	41	24		tbd	1	1,547	\$509,485	\$329.34	\$192,512	\$0	TBD	TBD	\$513,778	\$26,222	TBD
								2	1,611	\$505,895	\$314.03							
								3	1,823	\$525,955	\$288.51							
								4	0	\$0	#DIV/0!							
								5	NA	NA	NA							

\* The Finished Lot value for each community is calculated based on current selling price minus typical community costs and house construction costs and are not based on information provided by the subject builder or the actual finished lot agreed to by builder and seller of the land. THE SUBJECT PROPERTY IS ZONED COMMERCIAL. SELLER MAKES NO REPRESENTATION AS TO BUYER'S ABILITY TO OBTAIN A ZONE CHANGE TO RESIDENTIAL USE. HOWEVER, SELLER MAY ALLOW BUYER TIME TO INVESTIGATE, APPLY FOR, AND ATTEMPT TO GAIN COUNTY APPROVAL FOR RESIDENTIAL HOUSING.



**Phone:**
**Location:** [33015 Table Rock Dr, Winchester, CA 92596](#)  
 Winchester, CA 92596

[The Reserve](#)

Community Information	Min. Lot Size	Open Date	Report Date	Total Units	Total Released	Total Sold	Sales Rate	HOA	Incentive	Incentive for	Total Tax	Estimated Close Out
			12/28/21	50	TBD	31		\$0				

Residence Information	Residence	Floors	ESF	Beds	Opt Rooms	Total Baths	# of Half Baths	Garage Space	Price	Price / Foot	
	1	1	2,201	4	NA	2	0	2	\$597,140	271.30	<div>Current Finished Lot at 20% / 18% Margin</div> <div>\$255,224</div> <div>\$265,336</div>
	2	2	2,590	4	Loft	3	0	2	\$623,960	240.91	
	3	3	2,905	5	Flex, Loft	3	0	3	\$650,360	223.88	
	4	2	4,134	6	ADU	4.5	1	3	\$776,790	187.90	
											<div>Est. Average</div> <div>Directs</div> <div>\$ 69.22</div>

Notes

Elevations
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**Salt Creek 1**

**Salt Creek 2**

**Salt Creek 3**

**Salt Creek 4**




## Lennar: The Reserve: Windbrooke

Phone:

Location: [33015 Table Rock Dr, Winchester, CA 92596](#)  
Winchester, CA 92596

[The Reserve](#)

Community Information	Min. Lot Size	Open Date	Report Date	Total Units	Total Released	Total Sold	Sales Rate	HOA	Incentive	Incentive for	Total Tax	Estimated Close Out
			12/28/21	41	TBD	17		\$0				

Residence Information	Residence	Floors	ESF	Beds	Opt Rooms	Total Baths	# of Half Baths	Garage Space	Price	Price / Foot	
	1	1	1,547	3	NA	2	0	2	\$509,485	329.34	Current Finished Lot at 20% / 18% Margin
	2	2	1,611	3	NA	2	1	3	\$505,895	314.03	\$192,512
	3	2	1,823	3	Flex, Loft	2	1	2	\$525,955	288.51	\$202,502
											Est. Average
											Directs
											\$ 84.20

Notes	
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Elevations	
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Windbrooke 1



Windbrooke 2



Windbrooke 3







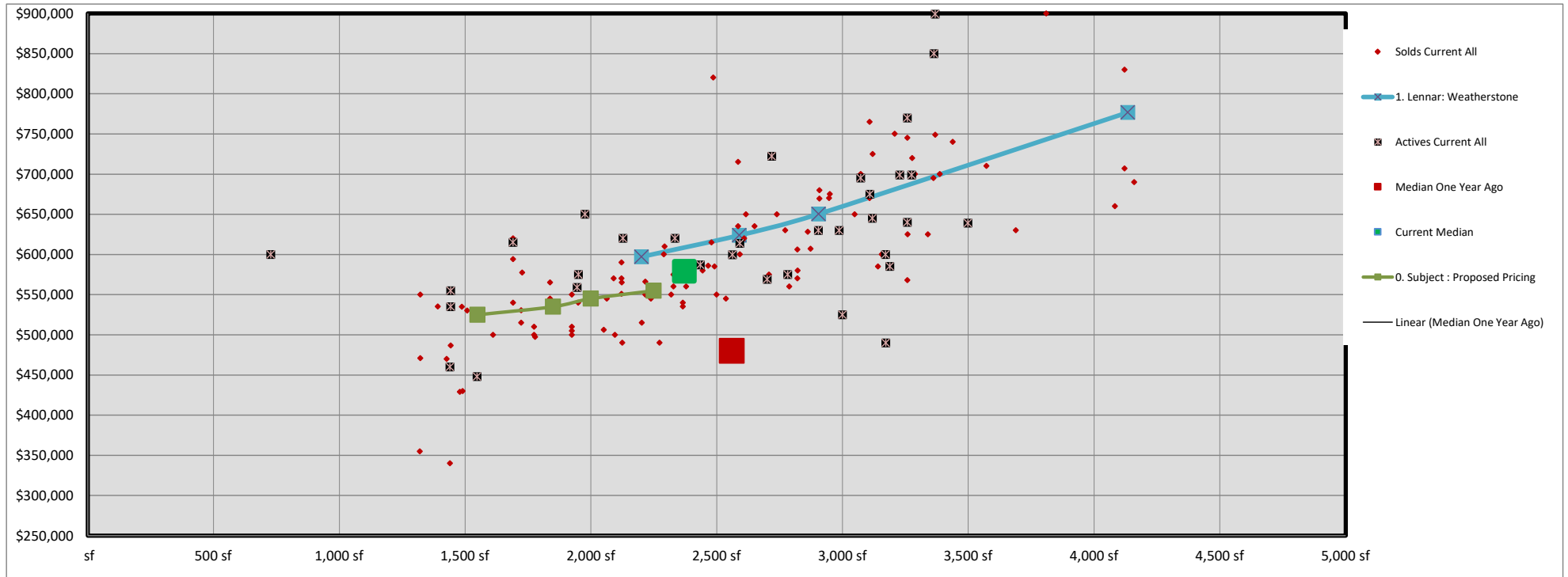
# Winchester Market Currently on Market and Sold

## RESALE MARKET ANALYSIS

	Date of Run:	12/28/21	
	Project(s):	Benton and Washington streets	
	City	County of Riverside	
	Zip Codes		
\$Change \$/ft / median	31.50%		21.87%
Change In Volume			-73.03%
	Data Filters	begin date	end date
	COE	06/01/21	07/23/21
	Year Built Min.	1972	detached
	Year Built Max:	2021	detached

	Count	Med. SP	Med. SF	\$ /SF	Avg. DOM	Med. Yr.	% REO
County of Riverside	-		COE between	06/01/21	and	07/23/21	
Active (current)	37	619,995	2,843	218	93	2006	0%
Pending (current) Year	47	596,000	2,148	277	11	2006	0%
Closed (Current Year)	106	578,750	2,373	244	9	2006	0%
County of Riverside		1 Year Ago	COE between	06/01/20	and	12/28/20	
Closed	393	474,900	2,560	186	26	2006	1%

## NEW COMMUNITY AND RESALE SCATTER GRAPH (Solds and Actives All Years)







# Winchester Market Homes Built after 2009

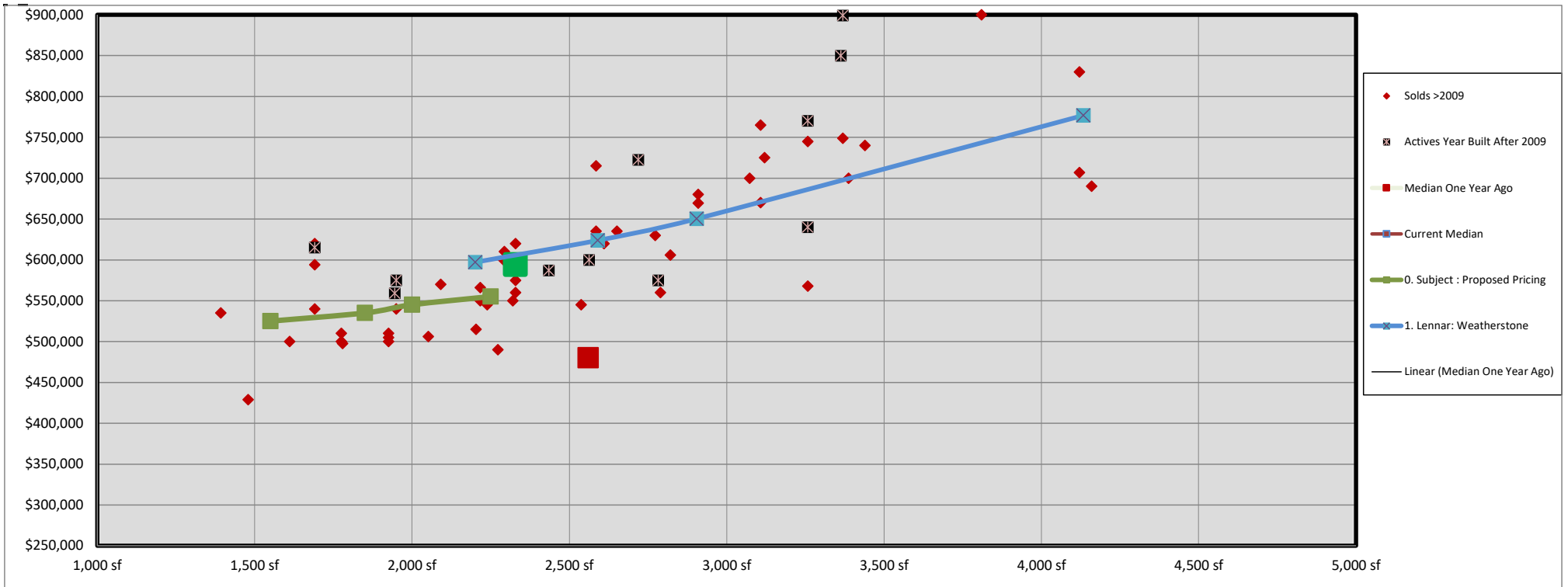
06/01/20 - 12/28/2020

## RESALE MARKET ANALYSIS

Date of Run:	12/28/21
Project(s):	Benton and Washington streets
City:	County of Riverside
Zip Codes:	
\$change \$/ft / median	32.30%
Change In Volume	-50.50%
Data Filters	begin date end date
COE	06/01/21 07/23/21
Year Built Min.	2010 detached
Year Built Max:	2021 detached

County of Riverside	-	Count	Med. SP	Med. SF	\$/SF	Avg. DOM	Med. Yr.	% REO
Active (current)		13	619,995	2,751	225	31	2016	0%
Pending (current) Year		18	537,000	2,303	233	12	2017	0%
Closed (Current Year)		50	594,000	2,329	255	10	2017	0%
County of Riverside			1 Year Ago	COE between	06/01/20	and	12/28/20	
Closed	101	448,990	2,329	193	26	2006	0%	

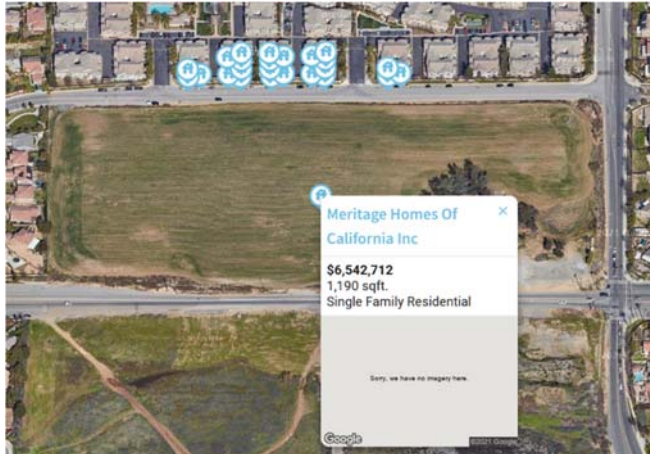
## NEW COMMUNITY AND RESALE SCATTER GRAPH (Solds and Actives Built After 2009)











1.

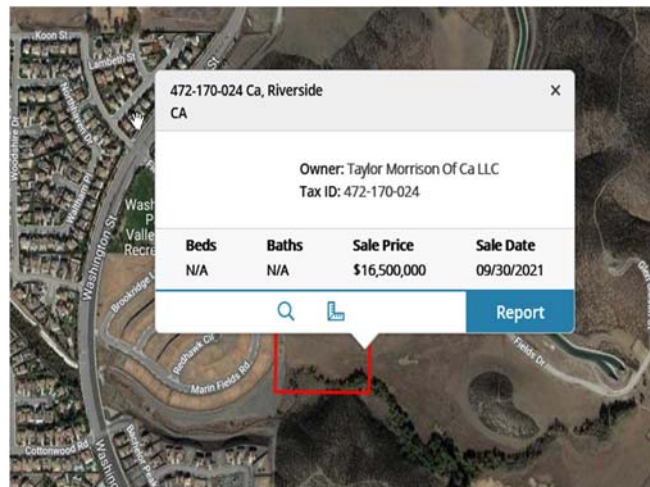
**Sale Price:** \$6,000,000      **Approx. Acreage:** 15.41      **Entitle Lots:** 141

**Buyer:** MLC Holdings, Inc.

**Seller:** Private Party

**Close Date:** 2/01/2021

**Description:** Property in the Winchester 1800 Specific Plan. Property had two zones, commercial and residential, Buyer gained county approval to convert commercial to residential during esrow period.



2.

**Sale Price:** \$16,500,000      **Approx. Acreage:** NA      **Entitle Lots:** NA

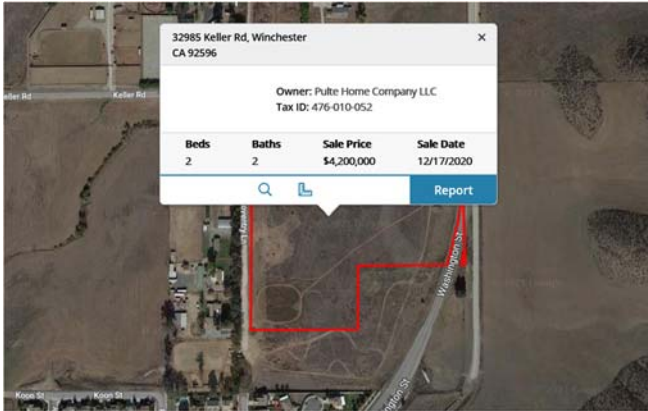
**Buyer:** Taylor Morrison of Ca LLC.

**Seller:** Diamant Valley LLC

**Close Date:** 9/30/2021

**Description:** County records indicate unentitled agricultural land multiple parcels.





**3.**

**Sale Price:** \$4,200,000

**Approx. Acreage:** 23.88

**Entitled Lots:** NA

**Buyer:** Pulte Home Company, LLC.

**Seller:** Epc Holdings 781, LLC.

**Close Date:** 9/13/18

**Description:** Vacant land for agriculture.

## Community Overview

Key Demographics Winchester, CA	
Population	30,583
Median Age	31.9
Average household income	\$102,418
Persons per household	3.64
Total households	91,958
Average home value	\$595,630



## Community Overview

Households in Winchester consist mainly of families headed by young professionals or up and young growing families where the parents are starting careers. They are well educated; more than 30 percent have a college or graduate degree. They are young professionals and college graduates. Both parents work in most of the homes where there are children.

Most residents commute to work, with many driving more than an hour to their job. Nearly 50 percent drive more than 30 minutes to their jobs, and thirty percent of those traveling more than 30 minutes are in the car an hour or more to work.

Amenities in the area include the Diamond Valley Lake, a reservoir that provides drinking water to Southern California and offers hiking, boating, and fishing. The property's neighborhood has many parks, ball fields, and recreational opportunities.

Also nearby is the Temecula Valley Wine Country, where more than 40 wineries operate.

Beaches in Orange and San Diego counties are approximately one hour to two hours away. Big Bear Lake for summer mountain recreation and winter skiing activities is roughly a two-hour drive.



## School Information

<b>School District</b>	Temecula Valley Unified School District
<b>Elementary School</b>	French Valley Elementary School
<b>Middle School</b>	Bella Vista Middle School
<b>High School</b>	Chaparral High



### French Valley Elementary School

Great Schools rates French Valley Elementary School at eight of 10, with English and math scores above the average of California schools.

Sixty-six percent of French Valley Elementary students test at grade level, above the statewide average of 50 percent.

In math, 54 percent of students test at grade level compared to the 39 percent statewide average.

Low-income and underserved students at the school are also performing above state averages.

### Bella Vista Middle School

Bella Vista is also rated an eight of 10 by Great Schools, with 63 percent of students testing at grade level in English and 52 percent testing at grade level in math. Statewide averages for English and math are 50 percent and 39 percent, respectively.

Sixty-six percent of Bella Vista Middle School students test at grade level well above the statewide average of 50 percent.

The Bella Vista Middle School rates a seven-of-10 score on its ability to teach low-income and underserved students.

### Chaparral High School

Chaparral students score well above the statewide averages in English and math. Seventy-four percent of students are at grade level in English - above the state average of 50 percent, and in math, half the Chaparral students are at grade level compared to 39 percent statewide.

These scores earn Chaparral a nine of 10 Great Schools score.

Low-income and underserved students at the school are doing well, also earning the high school of nine of 10 for this population of students. Seventy-nine percent of this population is college-ready when they graduate.

H.J. Fotinos, Inc. is solely owned and operated by Harry J. Fotinos to provide clients with a complete strategy for selling or acquiring residential property for development.

The company provides clients with site identification, market analysis, and initial valuation. It is quick to identify potential feasibility issues and able to provide deal structure advice and financial modeling. The company works through feasibility issues to solve them to the satisfaction of all parties in a transaction.

During his career, Mr. Fotinos managed or participated in acquiring hundreds of developed and undeveloped residential lots in Southern Riverside, San Diego, and other Southern California areas.

He has worked with engineering design consultants, environmental consultants, and county and city officials.

His experience includes negotiating acquisitions that allowed for the entitlement and development of raw land and delivered maximum value to both the sellers and buyers.

Mr. Fotinos has more than two decades of experience in many areas of the real estate industry. While working for a major publicly traded, new-home, he gained experience in sales, land acquisition, off-site sales management, broker outreach, underwriting, and contract negotiation..



**CONFIDENTIAL INFORMATION.** This Offering Memorandum contains **Confidential Information**. The term "Confidential Information" means any information or material which is proprietary to the Owner/Seller and H.J. Fotinos, Inc. (the "Disclosing Parties") whether or not owned or developed by the Owner/Seller and Disclosing Parties, which is not generally known other than by the Owner/Seller and Disclosing Parties, and which the Recipient may obtain through any direct or indirect contact with the Owner/Seller and Disclosing Parties. Regardless of whether specifically identified as confidential or proprietary, Confidential Information shall include any information provided by the Disclosing Parties concerning the Property, business, technology and information of the Owner/Seller and Disclosing Parties and any third party with which the Owner/Seller and Disclosing Parties deals, including, without limitation, business records and plans, trade secrets, technical data, product ideas, contracts, financial information, pricing structure, discounts, computer programs and listings, source code and/or object code, copyrights and intellectual property, inventions, sales leads, strategic alliances, partners, and customer and client lists. The nature of the information and the manner of disclosure are such that a reasonable person would understand it to be confidential.

- i. **No Disclosure.** The Recipient will hold the Confidential Information in confidence and will not disclose the Confidential Information to any person or entity without the prior written consent of the Owner/Seller and Disclosing Parties.
  - ii. **No Copying/Modifying.** The Recipient will not copy or modify any Confidential Information without the prior written consent of the Owner/Seller and Disclosing Parties.
  - iii. **Parties.**
  - iv. **Unauthorized Use.** The Recipient shall promptly advise the Owner/Seller and Disclosing Parties if the Recipient becomes aware of any possible unauthorized disclosure or use of the Confidential Information.
- II. NO WARRANTY.** The Recipient of this Confidential Information acknowledges and agrees that all information, including the Confidential Information, is provided in this Offering Memorandum on an "AS IS" basis. THE OWNER/SELLER AND DISCLOSING PARTIES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE INFORMATION IN THIS OFFERING MEMORANDUM INCLUDING THE CONFIDENTIAL INFORMATION AND HEREBY EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL THE OWNER/SELLER AND DISCLOSING PARTIES BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OR USE OF ANY PORTION OF THE INFORMATION IN THIS OFFERING MEMORANDUM INCLUDING THE CONFIDENTIAL INFORMATION. The OWNER/SELLER AND DISCLOSING PARTIES do not represent or warrant that any product or business plans disclosed to the Recipient will be marketed or carried out as disclosed, or at all. Any actions taken by the Recipient in response to the disclosure of the information in this offering memorandum, including the Confidential Information, shall be solely at the risk of the Recipient.
- III. DEVELOPMENT COST / PROPERTY VALUE:** This Offering Memorandum may contain financial models and projections that are based on hypothetical development and fee costs and are not related to this specific property. The Owner/Seller and Disclosing Parties make no guarantee, warranty, or representation about the information, projections, or modeling contained in this Offering Memorandum. The information contained herein was obtained from sources believed to be reliable. It is provided subject to the possibility of errors, omissions, change of price, terms, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions, or estimates **FOR EXAMPLE ONLY**, and these projections or examples may not represent current or future performance or value of the property. Buyer, Buyer's Agent, Buyer's tax and legal advisors should conduct their own investigations of the property and transaction. The information is subject to change, withdrawal, and recipients shall independently verify the information contained herein.
- IV. NO OBLIGATION TO RECIPIENT:** The Owner/Seller has the sole and absolute discretion to reject or accept any and all offers to purchase the property described herein or to end discussions with any recipient of the Offering Memorandum at any time. The Owner/Seller shall have NO obligation to sell the property described herein to any recipient of this Offering Memorandum
- V. NOT BINDING:** Owner/Seller and Disclosing Parties create no binding Agreement as a result of providing this Offering Memorandum.
- VI. OBLIGATION TO CONDUCT DUE DILIGENCE:** Recipient is strongly encouraged to conduct its own investigations, Due Diligence and Feasibility of the Property for Recipients use including but not limited to environmental, zoning, cost-to-complete, market conditions, total acreage, fees, schedule, environmental hazards, timing of entitlements, need for infrastructure and offsite improvements or in-lieu fees.

## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS (As required by the Civil Code)

(Page 1 of 2)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should, from the outset, understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### **SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in the performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### **BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in the performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.



## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

(Page 2 of 2)

n agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### **AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction, you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of **Sections 2079.13 to 2079.24**, inclusive, of the Civil Code, set forth on the Attached Addendum. Read it carefully.

Agent / Broker

Seller:

\_\_\_\_\_  
Agent / Broker Signature (date)

\_\_\_\_\_  
Buyer / Seller Signature (date)

\_\_\_\_\_  
Agent / Broker Signature (date)

\_\_\_\_\_  
Buyer / Seller Signature (date)

## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

### Addendum

CIVIL CODE 2079.13-2029.24 (Page 1 of 4)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

- (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.
- (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.
- (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee.
- (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.
- (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.
- (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.
- (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.
- (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.
- (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.
- (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller.
- (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.



## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

### Addendum (continued)

CIVIL CODE 2079.13-2029.24 (Page 2 of 4)

- (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.
- (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.
- (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor.
- (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.
- (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**2079.14.** Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:

- (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.
- (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a).
- (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required.
- (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS****Addendum** (continued)

CIVIL CODE 2079.13-2029.24 (Page 3 of 4)

**2079.15.** In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16.** Reproduced on Pages 1 through four of this document.

**2079.17. (a)** As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.

**(b)** As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

**(c)** The confirmation required by subdivisions (a) and (b) shall be in the following form:

\_\_\_\_\_ (Name of Listing Agent) is the agent of (check one):

- ☐ the seller exclusively; or
- ☐ both the buyer and seller.

\_\_\_\_\_ (Name of Selling Agent if not the same as the Listing Agent) is the agent of (check one):

- ☐ the buyer exclusively; or
- ☐ the seller exclusively; or
- ☐ both the buyer and seller.

**(d)** The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

**2079.18.** No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

**2079.19.** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or



## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

### Addendum (continued)

CIVIL CODE 2079.13-2079.24 (Page 4 of 4)

commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20.** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

**2079.21.** A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22.** Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**2079.23.** (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. (b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

**2079.24.** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.