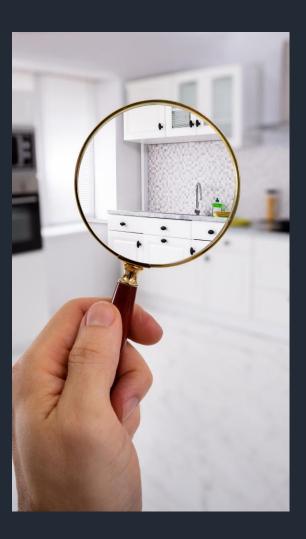




## What Do You Do When the Love is Gone?









# Help Identify the Problem, Don't Diagnose it



Ask questions: When was the issue discovered? What has been done about it? What is the cost to fix, remediate, cure, etc.? Has an expert been consulted? Do you have pictures?

Home warranty policy

Home inspector

Repair person during escrow

Title company

Read instruction manual

Ask the other party



### **Potential Solutions**

## Relevant Contract Terms

CALIFORNIA ASSOCIATION OF REALTORS®  CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (C.A.R. Form RPA-CA, Revised 12/18)	
Date Prepared: 1. OFFER:	
A. THIS IS AN OFFER FROM B. THE REAL PROPERTY to be acquired is	n
C. THE PURCHASE PRICE offered is	-
D. CLOSE OF ESCROW shall occur on E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.  2. AGENCY:	
A. DISCLOSURE: The Parties each acknowledge receipt of a X "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).	Ł.
B. CONFIRMATION: The following agency relationships are confirmed for this transaction: Seller's Brokerage Firm Is the broker of (check one):  the seller; or both the buyer and seller. (dual agent) Seller's Agent License Number	
Is (check one): the Seller's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)	_
CALIFORNIA ASSOCIATION OF REALTORS®  REAL ESTATE TRANSFER DISCLOSURE STATEMENT (CALIFORNIA CIVIL CODE §1102, ET SEQ.) (C.A.R. Form TDS, Revised 4/14)	
ASSOCIATION OF REALTORS®  REAL ESTATE TRANSFER DISCLOSURE STATEMENT (CALIFORNIA CIVIL CODE §1102, ET SEQ.) (C.A.R. Form TDS, Revised 4/14)  THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF COUNTY OF STATE OF CALIFORNIA,	
ASSOCIATION OF REALTORS®  REAL ESTATE TRANSFER DISCLOSURE STATEMENT (CALIFORNIA CIVIL CODE §1102, ET SEQ.) (C.A.R. Form TDS, Revised 4/14)  THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF	
ASSOCIATION OF REALTORS®  REAL ESTATE TRANSFER DISCLOSURE STATEMENT (CALIFORNIA CIVIL CODE §1102, ET SEQ.)  (C.A.R. Form TDS, Revised 4/14)  THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF COUNTY OF COUNTY OF STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF (date)  WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY	

**RPA**: Property is sold "as-is"; required to disclose *known material* facts and defects

**TDS and SPQ**: Both ask if seller is "aware" of issues

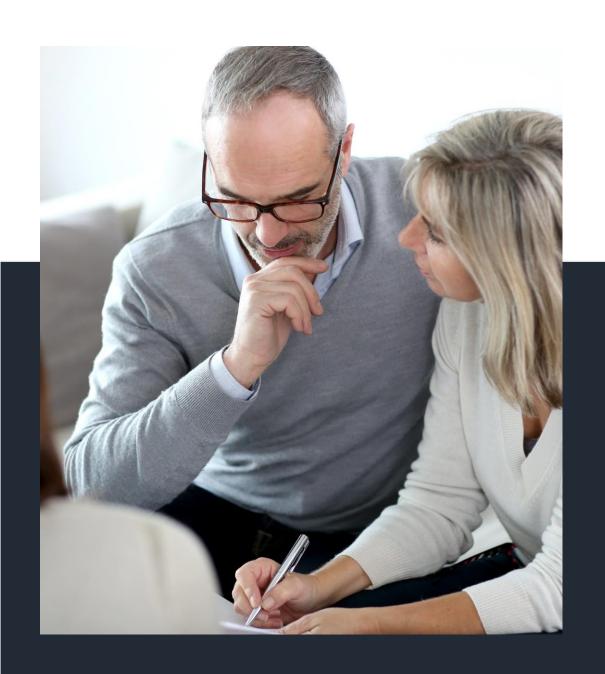
## Relevant Contract Terms

CALIFORNIA ASSOCIATION OF REALTORS®	REQUEST FOR REPAIR No.  (Or other Corrective Action) (C.A.R. Form RR, Revised 12/18)
Date Prepared: In accordance with the terms and condition ("Agreement"), dated	ions of the: Purchase Agreement or Other
between and	("Property") ("Buyer") ("Seller")
	y): (Note: Seller has no obligation to respond to Buyer request.) rior to final verification of condition, repair or take the other specified action

	CALIFORNIA ASSOCIATION OF REALTORS®  CONTINGENCY REMOVAL No. (C.A.R. Form CR, Revised, 6/16)
	rdance with the terms and conditions of the: Residential Purchase Agreement (C.A.R. Form RPA-CA), Request For Repair
A.R.	Form RR), Response And Reply To Request For Repair (C.A.R. Form RRRR) or Other  ("Agreement"),
ated	on property known as ("Property"),
twee	(==,=,
d	("Seller").
BU	JYER REMOVAL OF BUYER CONTINGENCIES:
1.	With respect to any contingency and cancellation right that Buyer removes, unless otherwise specified in a separate 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.
2.	Buyer removes those contingencies specified below.  A. ONLY the following individually checked Buyer contingencies are removed:  1.

**RR**: Buyer releases seller from claims regarding disclosed condition

**CR**: Buyer is deemed to have completed investigations related to removed contingencies



## Facilitate Communications

- Offer to transmit messages
- Do not guarantee results
- If dual agency, **DO NOT** take sides
- You are legally obligated to be neutral





Involve your office manager or broker early



Manage the risk by getting neutral help and ideas to resolve the dispute

#### NEGOTIATE FIRST AND THEN:

- Small Claims claims up to \$10,000.00
- Mediate <u>C.A.R. Real Estate Mediation</u> Center for Consumers

#### • IF NO SETTLEMENT, THEN:

- Arbitrate, if initialed by both parties in contract or
- Litigation

## Dispute Resolution Alternatives





## Recommend Client Consult an Attorney

Real estate licensee should not speculate on who is right or wrong, or who will win or lose in court. Provide referral names but it is always best to give at least three options. Leave the choice up to the client!

## Additional Resources

#### **Quick Guides**

- Mediation v. Arbitration
   Mediation for the Consumer
- Transfer Disclosure Statement Law Overview Seller
   Property Questionnaire Small Claims Court Contingencies
   and Contingency Removal Arbitration for the Consumer
- Buyer Requests for Repairs

#### Legal Qand As

- Arbitration for the Consumer
   Mediation for the Consumer
- Contingencies and Contingency Removal Request for Repair and Use of the RR and RRRR Forms
   Seller Property Questionnaire:
   Summary of C.A.R. Form SPQ
   Statute of Limitations: Deadline on Time to Sue
   Use of an "As-Is" Clause
   Sales Disclosure Chart

### **Legal Tools: Small Claims**

#### **Recorded Webinars**

- \* February 2020, So, you've been sued. What's next? \* January 2020, Disclosure Checklist
- \*July 2019 Electronic Legal Open Forum, Small Claims Court