

HANSON LAW FIRM, PC

MEMORANDUM

Date: April 18, 2020
Fr: Christopher Hanson
Re: California Association of Realtors - Residential RE Transactions -
Updated CoronaVirus Forms (16 April 2020)

The California Association of Realtors (CAR), in response to the COVID 19 pandemic, reacted quickly and prepared template forms for its trade association members (I am one) to use in response to the myriad of issues Stay in Place (SiP) orders, job losses, banking chaos, and pre-existing contractual obligations created.

The first round of Forms reflected the haste CAR was operating under. There were, I think, more issues created by the potential use of the Forms than the Forms intended. I was not the only one to express concern.

Yesterday, April 17, 2020, CAR (and the hard-working committee members within it) released revisions to its "CoronaVirus Forms." The revisions (4.16.2020) address and eliminate or change only a few of the concerns the first round Forms created. I touch on some of the more significant changes here. You should read both this and the earlier (April 2, 2020) Memo when reviewing the new (4.16.2020) CAR Forms.

As before, I'll say again, most of these Forms are about protecting the Broker/Agent from claims of Coronavirus contamination when showing a property AND about isolating the Brokers/Agents from claims by a Seller against a Buyer for delivery of the Liquidated Damages amounts in a contract - when the Buyer does not timely perform. And there are millions of dollars at stake there.

As before, this review is not intended to be legal advice. It is my take on what the Forms "do" - intended or otherwise. Almost every one of the CAR Forms cautions the signers to consult with competent real estate attorneys. On that point I absolutely agree with CAR (whether you call me, or Joe McGee down the street; call someone, before you sign off on any document like these CAR Forms).

CVA (Coronavirus Addendum or Amendment)

The observation about new "consideration" in exchange for signing the CVA remains. The Form notes that it is "optional", and keeps the language about the "obligation to deal fairly with each other." The fact still remains that many Buyers made "no contingency" offers, and it may be fair, after all, to keep their deposits. No contingency, generally means NO contingency - even a pandemic. Yet the CVA would allow a Buyer an "out" that did not previously exist.

“Fairness” is a relative thing. If a Seller decides to try to keep a liquidated damage amount because of a failed closing, and if a Buyer decides to sue to try to get it back, what will the “legal” vs. “equitable” arguments be? Creative minds will no doubt come up with many.

The revised (4.16.2020) CVA, at best, merely gives a 30 day extension of time to conduct contingencies - or to close escrow. At worst, it allows a Buyer an unintended opportunity to cancel the deal. What the revised CVA provides for, and what the first round CVA did not, is found in Sect. 4.B.(ii):

“... If, after [the extended time] the Buyer or Seller Delivering the NUCC is still unable to close ... Buyer's deposit shall be returned to Buyer OR ☐ Buyer's deposit shall be released to Seller if otherwise allowed in the Agreement.”

That little box ☐ - is a big change. It is the “Seller keeps liquidated damages” box. That was not included in the first round Form.

Does it make sense to present this CVA to a Seller? Probably. Caution has to be used when explaining it. And - certainly - a Broker/Agent should not make a recommendation as to what box to check or not. That's a decision for the Seller to make. An Agent's obligation is to point out the choices available to the client, not to advise which choice to make.

NUCC (Notice of Unforeseen Coronavirus Condition)

What's the difference in the NUCC from the first round Form? Only the language that further protects the Broker/Agent.

“Note: Brokers and Agents (i) will not violate any Stay Home Orders, notwithstanding any Party's instructions, and (ii) will obey all Fair Housing laws while pursuing safe COVID 19 practices. Brokers and Agents cannot and will not determine the legal sufficiency of the good faith use of the stated reasons for purposes of requesting an extension of or a cancellation and/or who is entitled to the funds in escrow.”

Bold in original.

You bet the bold was in the original.

The Broker/Agent will not get into a pissing contest over who is entitled to the liquidated damages amount, and sure as heck is not gunna say if the reason the Buyer gives to get the money back is legit.

OK then.

Well, thanks for your help.

What was that lawyers name again?

PEAD (Coronavirus Property Entry Advisory and Declaration)

The Property Entry Form was changed a lot in the new (4.16.2020) revision. Gone are those

onerous “thou shalt” kinds of proclamations. Instead there are, softer, but still important advisories...

The “purpose” of entry onto the property is defined now (in large part, I think, to comport with the “necessary” or “essential” purpose under SiP orders).

Next, rather than “agreeing to” take certain steps, the Seller now “acknowledges being advised to” take those steps - like cleaning and disinfecting, etc.

A prospective Buyer is cautioned that while “others” (i.e. the Seller?) have been advised to clean and disinfect, but having done so might be “impossible” or “may not have occurred.” The Buyer then agrees to ASSUME THE RISK of entry into a contaminated property.

ALL CAPS and bold, in the original.
Ah huh.

While more softly stated, the PEAD is clear ... inspecting property nowadays is
H.A.Z.A.R.D.O.U.S. A.C.T.I.V.I.T.Y.

RLA - CAA

And, finally, we return to the residential Listing Agreement - Coronavirus Addendum or Amendment.

Again, there is the “mutual benefits” language, and, again, I’m still unclear what the Seller’s “benefit” is here.

With regard to showings, the prospective purchase is no longer asked “not” to enter, but will be given the form to sign, and won’t “be given permission” to enter until they do. Even though the Broker/Agents “cannot and will not physically prevent entrance” by someone who has not signed and agreed to the PEAD, the Broker/Agents will “take efforts to prevent such person’s future access to the property.”

So, this was troublesome the first time ‘round, and remains so to me here. The Broker/Agent won’t physically prevent entrance ... that makes sense. I wouldn’t want a Broker/Agent straddling the front door with a shotgun in hand - barring entry like some WWI dough boy on sentry duty. But then, what “effort” will the Broker/Agent take to bar “future” entry? BTW, that’s “best effort” (a high threshold indeed...). And, why not use that same methodology, whatever it is, in the first place? Or, is the Broker/Agent going to go into court (presuming one can find an open courthouse) to file a restraining order? We’ll have a vaccine before the court gets around to such a case...

The “necessary” activities get spelled out more clearly in this version of the RLA-CAA, that’s good.

And, finally, the Whopper Clause is gone. That indemnity language from the first round of Forms has been replaced with: “Seller releases Broker and its agents, from any loss, liability, expense, claim or cause of action that may arise from allowing entry upon the Property...” So, while a

Seller isn't indemnifying and holding the Broker/Agent harmless, the Seller is releasing the Broker/Agent from all liability arising from the RLA-CAA.

I don't know folks. I'd have to think long and hard about recommending a client sign this, even as modified.

Sellers in contract right now, are in deals that had high price tags, no contingencies, and large deposits.

They bargained for those deals. And those bargained-for deals did NOT have contingencies that would allow for a Buyer to back out - without penalty. If the Buyer flakes (for good reason or not – what if the Buyer thinks the house price will drop and simply doesn't want to 'overpay'? What if that Buyer waits 6 months and then buys a similar or the same house for thousands, or tens of thousands, less?), can or should the Seller be able to keep those deposits? It would offset the potential losses in value...

A Seller might not want to keep a property on the market right now. For any number of reasons, including the one that most Sellers are thinking about - that potential price drop. With so many Buyers out of work, and with the market in the toilet, is this a "prime time" to sell?

A lot of commentators are talking about the next several months being a "once in a generation" buying opportunity - because prices will be so depressed.

Might it not just be better to cancel the Listing - and re-list later? Clearly, the Brokers/Agents don't want to hear that. But, can they sell something at last month's price next month? The last 6 - 8 weeks have shown us that anything is possible - but I'd wager my 6 pack of toilet paper against your emailed grocery pick-up list that there is going to be a significant (and I hope only short term) drop in pricing. Listings are going to get renegotiated, no matter what. This RLA-CVV — doesn't do it, at least not for me.

Every situation is going to be different. And every single one should be treated differently. The Forms may fit some, or even a lot, of existing listing arrangements. May. While it sounds self serving, I'd suggest every Seller gets themselves to a lawyer - and have a discussion that isn't biased by a Broker/Agent's desire to maintain a listing agreement.

In the meantime,
If you have small kids, give them a hug (without freaking them out).
If you've adult kids, set up a virtual cocktail party, and say hello.
If you've got teens – accept my condolences.

And, go wash your hands.

CDNH
HansonLawFirm.com
ContactUs@HansonLawFirm.com
877-411-9181



CORONAVIRUS ADDENDUM OR AMENDMENT

(To be used with an offer or counter offer or as an amendment after Acceptance)
(C.A.R. Form CVA, 04/16/20)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement or ☐ Other _____ dated _____ (the "Agreement")
on property known as _____ ("Property")
in which _____ is referred to as Buyer
and _____ is referred to as Seller

OR ☐ This is an amendment to the already accepted Agreement. This amendment shall be deemed revoked unless within 3 or _____ Days after being Signed by the initiating Party it is Signed by the other Party and a Copy Delivered to the initiating Party or that person's Authorized Agent.

1. The current worldwide Coronavirus (COVID-19) pandemic has had unprecedented impacts on real estate transactions, including, but not limited to: travel restrictions; self-imposed and governmentally required isolations; closures of both governmental and private offices and businesses providing integral functions to the closing of a real estate transaction, such as inspecting, repairing, packing and moving, funding, and recording; and declarations of States of Emergency and so-called shelter-in-place or stay-at-home ("Stay Home") orders, among others ("Unforeseen Coronavirus Circumstance"). While the Agreement allocates risk as between the Parties by way of contingencies, covenants, and disclosures, it does not address the concept commonly referred to as "Force Majeure" or the right of a Party to suspend or terminate performance when circumstances, which the parties could not have anticipated and are beyond their control, make performance of the contract impossible or impracticable.
2. This form is intended to contractually address an Unforeseen Coronavirus Circumstance. The Parties' agreement to this form is optional. It is not binding on either Party unless Signed by both. Its purpose is to reflect the Parties' (i) mutual obligation to deal fairly with each other and act in good faith to accomplish the purpose of the Agreement, and (ii) attempt to avoid any uncertainty that may otherwise exist as a result of the COVID-19 pandemic by resolving potential disputes by mutual agreement. The Parties are advised to seek the advice and counsel of a qualified California real estate attorney.
3. If either Buyer or Seller is affected by an Unforeseen Coronavirus Circumstance, the affected Party shall Deliver to the other a Notice of Unforeseen Coronavirus Circumstance (C.A.R. Form NUCC) which both identifies and provides verification of (i) the Unforeseen Coronavirus Circumstance applicable to the affected Party and (ii) the identified circumstance's impact on the affected Party's ability to perform. The Parties agree that upon Delivery of the NUCC (if checked, ☐ NUCC is attached) the following terms in paragraph 4 or 5 shall apply (check 4A, 4B or both, OR 5):

4. **Extension of Time:**

- A. ☐ **Extension of Time for Buyer to Remove Contingencies:** The time to remove the following contingencies, provided they have not already been waived or removed, shall be extended for 30 or _____ Days after Delivery of the NUCC:

ALL CONTINGENCIES, OR, if checked, only: ☐ Loan, ☐ Investigation, ☐ Appraisal, ☐ Other _____

If, after this time, Buyer does not remove the applicable contingency because of the Unforeseen Coronavirus Circumstance, (i) either Party may cancel the Agreement by Delivering written notice of cancellation (C.A.R. Form CC) to the other and (ii) Buyer's deposit shall be returned to Buyer, minus fees and costs incurred by Buyer. A Notice to Buyer to Perform (C.A.R. Form NBP), as otherwise applicable, shall NOT (OR ☐ shall) be required before Seller may issue a CC.

- B. ☐ **Extension of Time for Buyer or Seller to Close Escrow:** The Close Of Escrow date shall be extended for an additional 30 or _____ Days beyond the scheduled COE in the Agreement. If, after this time, the Buyer or Seller Delivering the NUCC is still unable to close escrow as a result of the Unforeseen Coronavirus Circumstance, (i) either Party may cancel the Agreement by Delivering written notice of cancellation (C.A.R. Form CC) to the other and (ii) Buyer's deposit shall be returned to Buyer, minus fees and costs incurred by Buyer OR ☐ Buyer's deposit shall be released to Seller if otherwise allowed in the Agreement. A Demand to Close Escrow (C.A.R. Form DCE), as otherwise applicable, shall NOT, (OR if checked ☐ shall) be required before either Party may issue a CC.

OR 5. ☐ **Mutual Cancellation:** The Agreement shall be cancelled upon Acceptance of this amendment. Unless otherwise agreed, Buyer's deposit shall be returned to Buyer, minus fees and costs incurred by Buyer. This form CVA shall constitute irrevocable joint instructions to Escrow Holder to (i) cancel escrow file# _____ and, (ii) release the deposit as provided in this form without further instructions to the Parties, unless necessary to satisfy Escrow Holder regulatory requirements. NUCC is attached.

6. ☐ The following additional terms shall apply: _____

By signing below Buyer and Seller acknowledge that each has read, understands, has received a Copy of, and agrees to the terms of this Coronavirus Addendum Or Amendment.

Date _____

Date _____

Buyer _____

Seller _____

Buyer _____

Seller _____

© 2020, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, LLC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

CVA 04/16/20 (PAGE 1 OF 1)



CORONAVIRUS ADDENDUM OR AMENDMENT (CVA PAGE 1 OF 1)

California AOR, 525 S Virgil Ave Los Angeles, CA 90020
Jenny Li

Produced with zipForm® by zipLogix. 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Phone: (213)739-8237

Fax:



NOTICE OF UNFORESEEN CORONAVIRUS CIRCUMSTANCES

(C.A.R. Form NUCC, 04/16/20)

In accordance with the terms and conditions of the Coronavirus Addendum or Amendment (C.A.R. Form CVA), agreed to by the Parties, affected Party ☐ Buyer OR ☐ Seller hereby gives notice to the other Party, as specified in the CVA, OR ☐ this notice is being provided for informational purposes not directly tied to any agreement.

1. The Unforeseen Coronavirus Circumstance that is applicable to the affected Party and that is the reason for the extension of time or mutual cancellation specified in paragraph 4 or 5 of the CVA is as follows (check all that apply):

A. Loan-Related:

- ☐ Loss of income due to an Unforeseen Coronavirus Circumstance which prevents Buyer from qualifying for the specified loan (ex. layoff, furlough, reduced hours.)
- ☐ Notary appointment delay
- ☐ Lender delay due to Unforeseen Coronavirus Circumstance
- ☐ Review appraiser delay

Additional Explanation: _____

B. "Stay Home" or other Government Order Presenting Difficulties in Scheduling:

- ☐ Home inspection
- ☐ Government required inspection
- ☐ Movers/Stagers
- ☐ Other: _____
- ☐ Pest control inspection
- ☐ Appraisal inspection
- ☐ Final verification of condition

Additional Explanation: _____

C. Personal Impact (affected Party, immediate family or household member):

- ☐ Confirmed diagnosis of COVID-19
- ☐ COVID-19 related hospitalization
- ☐ Government ordered quarantine
- ☐ Physician ordered quarantine

Additional Explanation: _____

D. ☐ Other: _____

2. Verification of the Unforeseen Coronavirus Circumstance and its impact on performance is as follows, or, if checked ☐ attached:

Note: Brokers and Agents (i) will not violate any Stay Home Orders, notwithstanding any Party's instructions, and (ii) will obey all Fair Housing laws while pursuing safe COVID-19 practices. Brokers and Agents cannot and will not determine the legal sufficiency or the good faith use of the stated reasons for purposes of requesting an extension or a cancellation and/or who is entitled to the funds in escrow.

By signing below, the affected Party acknowledge that they have read, understand, received a copy of this Notice of Unforeseen Coronavirus Circumstances and that the information contained in it, or attached to it, is true.

Affected Party: Buyer's or Seller's Signature _____

Date _____

Affected Party: Buyer's or Seller's Signature _____

Date _____

© 2020, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, LLC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020



NUCC 04/16/20 (PAGE 1 OF 1)

NOTICE OF UNFORESEEN CORONAVIRUS CIRCUMSTANCES (NUCC PAGE 1 OF 1)



CORONAVIRUS PROPERTY ENTRY ADVISORY AND DECLARATION

(C.A.R. Form PEAD, 04/16/20)

**(A new declaration should be obtained from each visitor, each time they enter a property)
(May be used for more than one property provided a copy is delivered to each Listing Broker.)**

Property Addresses

1. **RISKS OF EXPOSURE:** The Coronavirus (COVID-19) pandemic is a worldwide risk to human health. COVID-19 is highly contagious and has a mortality rate many times greater than the flu. COVID-19 can spread easily and exponentially. While people of all ages are at risk of catching COVID-19, persons with compromised immune systems and older persons may be at particular risk.
2. **"STAY HOME ORDERS":** In order to reduce the spread of COVID-19, the State of California, as well as many California cities and counties have issued so-called "Safer at Home" or "Shelter in Place" ("Stay Home") Orders, obligating many businesses to close and residents to stay at home with limited exceptions for essential activities.
3. **REAL ESTATE SALES ACTIVITIES AS ESSENTIAL:** Under Federal and State guidelines, activities required to facilitate a real estate transaction are considered essential activities. Nevertheless, this designation does not make them free from COVID-19 risks. All persons must still practice "social distancing" and take all steps necessary to protect themselves and others. **Some county and city orders are more restrictive than, and may take precedence over, Federal and State guidelines. You understand that if you engage in any activities in violation of any Stay Home Order, you are acting against the advice of Broker. Brokers and Agents (i) will not violate any Stay Home Orders, notwithstanding any Party's instructions and (ii) will obey all Fair Housing laws while pursuing safe COVID-19 practices.**
4. **PURPOSE OF ENTRY:** The purpose of the entry is for viewing or inspecting a Property or performing an activity or providing services in furtherance of or to facilitate a real estate transaction or service.
5. **SELLER OR OCCUPANT REPRESENTATIONS:** If the person Signing below is a seller or occupant, Signer is voluntarily allowing someone to enter the Property. Signer **acknowledges being advised to clean and disinfect the Property after the persons allowed to enter leave the Property.** Special attention should be given to areas that are likely to be touched such as doorknobs, handles, and counter tops.
6. **PROPERTY ENTRANT REPRESENTATIONS:** If the person Signing below is a prospective or actual buyer, real estate agent, or other person whose services facilitate the completion of a real estate transaction or service, Signer is voluntarily entering the Property. Signer acknowledges that **although others have been advised to clean and disinfect the property after each entry, doing so may not be possible, and may not have occurred prior to your entry, due to Stay Home Orders and other circumstances.** Signer agrees to take all reasonable and necessary precautions to protect Signer and others from the spread of COVID-19, including, but not limited to, the following:
 - A. Following all Federal, State, and local laws and Stay Home Orders, even though such laws and orders may be changing rapidly.
 - B. Exercising care to protect yourself, and assessing your own risks, by considering your age, underlying health conditions, recent travel, possible exposure to COVID-19, doctor's recommendations, and local, State and Federal recommendations. You agree and understand that it is your responsibility to evaluate the risks and protect yourself.
 - C. Washing your hands with soap and water or using hand sanitizer, and wearing rubber gloves, a protective face mask, and protective shoe coverings. Remember to not touch your eyes, nose, or mouth.
 - D. Practicing social distancing by keeping at least 6 feet between yourself and others. Do not gather in groups, and do not touch surfaces or items in the Property. If you believe it necessary to touch surfaces or items in the Property, consider the risks of doing so.
 - E. After viewing the Property, discarding any gloves, masks, or shoe coverings worn during the visit and washing hands with soap and water for at least twenty seconds.
7. **ALL SIGNERS REPRESENTATIONS:**
 - A. **You understand that allowing access to or accessing a property for any of the purposes above may be dangerous or unsafe and could expose you or others to COVID-19 and that you are allowing or conducting those activities voluntarily.**
 - B. **You represent that:**
 - (1) To the best of your knowledge, you are not currently afflicted with, and have not knowingly, within the last 14 days, been in contact with someone afflicted with, COVID-19;
 - (2) You are not experiencing a fever, or signs of respiratory illness such as cough, shortness of breath or difficulty breathing, or other COVID-19 symptoms and;
 - (3) You understand that persons may be afflicted with COVID-19 and: (i) not exhibit symptoms; (ii) not be aware that they are afflicted or (iii) may not voluntarily agree to disclose their condition.
 - C. **You will inform Broker if, after the date this document is signed, there is a change in your health condition or knowledge that potentially puts others at risk or invalidates the representations made in this document.**
8. **EXCEPTIONS TO REPRESENTATIONS AND ADDITIONAL TERMS:**



9. **AGREEMENT, DECLARATION AND ASSUMPTION OF RISK:** By signing below, you are declaring the foregoing is true, that you agree to take all recommended and reasonable actions to protect yourself and others from exposure to COVID-19, and that **you ASSUME THE RISK**, as applicable, of entering the Property, or allowing someone to enter the Property. You understand and agree that no one, including but not limited to real estate brokers and agents, can guarantee that you will not be exposed to or contract COVID-19.

By signing below, the person allowing entry or the person entering Property acknowledges that Signer has read, understands, voluntarily agrees to the foregoing, and has received a copy of this Coronavirus Property Entry Advisory and Declaration.

Person allowing entry or person entering Property: ☐ Seller, ☐ Buyer, ☐ Broker, ☐ Other Entrant, or ☐ Occupant

_____	_____	_____
(print name)	(signature)	Date
_____	_____	_____
(print name)	(signature)	Date


I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS SIGNED PEAD FORM.

Buyer's Broker's Initials (_____)

Seller's Broker's Initials (_____)

Seller's Initials (_____) (_____)

© 2020, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

 Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, LLC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

PEAD 04/16/20 (PAGE 2 OF 2)

CORONAVIRUS PROPERTY ENTRY ADVISORY AND DECLARATION (PEAD PAGE 2 OF 2)





LISTING AGREEMENT CORONAVIRUS ADDENDUM OR AMENDMENT

(C.A.R. Form RLA-CAA, 04/16/20)

The following terms and conditions are hereby incorporated in and made a part of the Listing Agreement or ☐ Other _____
("Listing Agreement") dated _____ ("Property")
_____ on property known as _____

in which _____ is referred to as Broker
and _____ is referred to as Seller

OR ☐ This is an amendment to the already existing Listing Agreement between Seller and Broker.

The current worldwide Coronavirus (COVID-19) pandemic has had unprecedented impacts on the real estate industry, from solicitation and marketing, to pre-contract showings, negotiations and inspections, to contract formation and expectations, to post-contract inspections and repairs, to loan applications, appraisals and approvals, to closing. The various local, State and Federal states of emergency and so-called "Stay Home" orders have changed the way sellers and real estate licensees need to approach otherwise allowable or acceptable business practices. Seller and Broker acknowledge that there are mutual benefits in addressing the effects of the COVID-19 pandemic on the sale of the Property. In consideration for the mutual benefits contained herein, Seller and Broker agree as follows. This Addendum or Amendment shall remain in force until the earlier of either (i) the termination of all government orders, including local, State, and Federal, impacting the Property due to the COVID-19 pandemic or (ii) the mutual written termination of this Addendum or Amendment by Seller and Broker. **Brokers and Agents (i) will not violate any Stay Home Orders, notwithstanding any Party's instructions and (ii) will obey all Fair Housing laws while pursuing safe COVID-19 practices. Nothing contained in this Addendum or Amendment shall be construed to allow an activity that is otherwise prohibited by any law.**

1. **PROPERTY SHOWINGS:** Seller agrees ☐ DOES NOT agree - see paragraph 4) to allow prospective purchasers to enter the Property as specified below. Seller has been advised of the potential for visitors to the Property to be carriers of the COVID-19 virus. Broker has provided Seller with a ☒ **Coronavirus Property Entry Advisory and Declaration (C.A.R. Form PEAD)**, and Seller and Broker agree to abide by the showing protocols set forth in PEAD and those in the C.A.R. Best Practice Guidelines (document found at <https://www.carcovidupdates.org/best-practices-guidelines>) or similar document approved by Broker and provided to Seller. Seller agrees (i) to the provisions in the PEAD and (ii) to inform Broker of any COVID-19 related changes in Seller's health or knowledge that may put others at risk. Prospective purchaser visitors will not be given permission to enter the Property until and unless:

- A. They sign a statement representing that the visitor (i) to the best of the visitor's knowledge is not currently afflicted with, and has not knowingly, within the last 14 days, been in contact with someone afflicted with, the COVID-19 virus, (ii) is not experiencing a fever, or signs of respiratory illness such as cough, shortness of breath or difficulty breathing, and (iii) that they agree to abide by safe practices while visiting the Property (C.A.R. Form PEAD). Broker will provide Seller with a copy of all Signed PEAD forms received from any brokers or other person entering the Property. Broker cannot verify the representations made by others in the PEAD form.
- B. ☐ They provide verification that they are financially able to purchase the Property, such as (i) verification of an all-cash purchase or (ii) a prequalification or preapproval from a lender or loan broker.
- C. ☐ They represent that they have previously viewed the Property online.

2. **MARKETING ACTIVITIES:** In furtherance of the goal of selling the Property, and provided Broker and others follow the same requirement specified in paragraph 1A for prospective purchaser visitors, Seller agrees ☐ DOES NOT agree - see paragraph 4) to give permission to Broker and other authorized persons, to access the inside and outside of the Property in order to engage in ALL MARKETING ACTIVITY, including but not limited to those listed below, OR, only (see paragraph 4) those checked below:

- | | |
|---|--|
| <input type="checkbox"/> Install signage | <input type="checkbox"/> Prepare and remove staging |
| <input type="checkbox"/> Provide landscape services | <input type="checkbox"/> Prepare an agent's visual inspection and disclosure |
| <input type="checkbox"/> Paint | <input type="checkbox"/> Prepare a virtual tour or take photographs |
| <input type="checkbox"/> | <input type="checkbox"/> |

3. **NECESSARY ACTIVITIES:** In furtherance of the goal of completing the sale of the Property, and provided Broker and others follow the same requirement specified in paragraph 1A for prospective purchaser visitors, Seller agrees ☐ DOES NOT agree - see paragraph 4) to give permission to Broker and other authorized persons, to access the inside and outside of the Property in order to engage in all necessary real estate activities to facilitate the sale of the property, including but not limited to those below:

- ▶ Conduct a Homeowner's Association site inspection
- ▶ Prepare an appraisal or buyer insurance inspection
- ▶ Obtain county or other municipal or government inspections or permit approvals
- ▶ Prepare an agent's visual inspection and disclosure
- ▶ Put up or remove fumigation tents
- ▶ Conduct a final verification (walk-through)
- ▶ Pack and move Seller's furniture or belongings
- ▶ Prepare a home inspection, and necessary follow-up inspections, on behalf of the buyer
- ▶ Perform repairs agreed to in the purchase agreement, or improvements necessary to get the Property ready for sale, or prepare bids or estimates

Broker's Initials (____)

Seller's Initials (____) (____)



4. SELLER PROHIBITING OR LIMITING ACCESS TO PROPERTY:

- A. If, pursuant to paragraph 1, 2, or 3 Seller instructs Broker that no, or limited, access to the Property will be permitted for marketing, showings, inspections or other purposes relating to the Property's sale, Seller understands that by denying or limiting access, Broker, other brokers, and prospective buyers will not be able to perform many activities typically conducted in, or in preparation for, a real estate transaction and may limit the value or desirability of the Property.
- B. Seller understands that as a result of prohibiting or limiting access, Broker and other brokers may not be able to fully perform their duties, including performing a diligent, visual inspection of the Property and buyers may not be able to conduct contractual inspections, including a final verification of the Property.
- C. If Seller is prohibiting or limiting access, Seller is advised to seek the advice of a qualified California real estate attorney prior to modifying any contract or addendum to any real estate agreement entered into between Seller and a buyer. Such modification may be required in order to contractually prohibit or limit access by a buyer or other brokers.

5. **BROKER MARKETING PLAN:** If Broker's Listing Agreement included a marketing plan, that plan is modified to comport with safety guidelines and best practices established by Broker or the local Association of Realtors® or ☐ in the attached addendum.

6. ☐ **TEMPORARY WITHDRAWAL OF PROPERTY FROM MARKET:** Broker agrees to pause marketing of the Property, including changing to an appropriate status on the MLS, and not to conduct any showings of the Property while this Addendum or Amendment is in effect. The Listing Agreement shall remain in effect during the temporary withdrawal and Broker shall immediately begin all appropriate marketing efforts upon termination of this Addendum or Amendment. The termination date of the Listing Agreement shall ☐ shall NOT be extended by the same amount of time that the temporary withdrawal is in effect but in no event shall the termination date be extended beyond _____ (date).

7. **SCOPE OF BROKER DUTY:** Seller understands and agrees that Broker will abide by the terms of this Addendum or Amendment and use Broker's best efforts to obtain compliance by others. Broker cannot and will not verify the representations of others nor guarantee their compliance with Seller's and Broker's instructions. Broker cannot and will not physically prevent entrance to the Property by others who do not agree to the instructions. If Broker becomes aware of such person's failure to comply with the instructions, Broker will promptly inform Seller and take efforts to prevent such person's future access to the property. Seller wants the potential benefits, and ASSUMES THE RISK, of allowing others to enter the Property. Seller releases Broker and its agents, from any loss, liability, expense, claim or cause of action that may arise from allowing entry upon the Property or are related in any manner to this Addendum or Amendment.

8. ADDITIONAL TERMS: _____

By signing below Seller and Broker acknowledge that each has read, understands, has received a copy of, and agrees to the terms of this Listing Agreement Coronavirus Addendum or Amendment.

Seller _____ Date _____

Seller _____ Date _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA)

Real Estate Broker (Firm) _____

By (Agent) _____ DRE Lic# _____ Date _____

© 2020, California Association of REALTORS®, Inc. Used with permission. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, LLC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020



RLA-CAA 04/16/20 (PAGE 2 OF 2)

LISTING AGREEMENT CORONAVIRUS ADDENDUM OR AMENDMENT (RLA-CAA PAGE 2 OF 2)