



# USE OF NON-STANDARD FORMS ADVISORY

(C.A.R. Form NSF, 6/22)

Property Address: 304 Fairmount Avenue, Oakland, CA 94611

1. **TRANSACTION DOCUMENTS:** You will be asked to review, sign or initial many documents as part of the purchase/sale of real property or a mobile/manufactured home. Organizations such as the California Association of REALTORS® (C.A.R.), a local Association of REALTORS® (Local AOR), or other entities that have no interest in your individual transaction, have prepared documents that are used by real estate licensees and their clients to enable buyers and sellers to enter into a purchase/sale transaction and address many issues that might arise during the transaction. Documents that are prepared by such organizations are referred to as “standard forms.” These standard forms may be prepared for use statewide or regionally.
2. **ADVANTAGES OF STANDARD FORMS:** Standard forms are prepared by persons knowledgeable in real estate practice and law and designed to address commonalities that occur in such transactions without favoring buyer or seller in any individual transaction. Standard forms are easily accessible by real estate licensees. Because of their widespread presence, their use in a transaction can help facilitate the purchase/sale process from beginning to end.
3. **NON-STANDARD FORMS:** Non-standard forms are commonly associated with and prepared by a person or entity that is either a buyer or seller or a representative of such principal. Real estate licensees who are not associated with such principals may not be aware of the terms contained in those documents, have access to them or their development, or be aware of changes made to them. Therefore, those agents cannot provide their buyers or sellers advice on how to proceed in a transaction involving non-standard forms or whether the terms in such forms are beneficial or detrimental to the client's interests. What follows are some examples of terms that have appeared in some non-standard forms:
  - A. Waivers of statutory rights created by the California legislature, local government or under federal law, even if not permitted under the applicable law;
  - B. Blanket, automatic waivers of all contingencies;
  - C. Applying the “passive” or “automatic” contingency removal method to the transaction, regardless of other documents in the transaction rather than the “active” method that requires written removal of contingencies;
  - D. Providing for non-refundable or automatic release of deposits, regardless of fault;
  - E. Attempt to limit liability of other parties by including release language, hold harmless clauses, indemnification agreements or other wording to limit the responsibility or liability of one party or the legal rights of the other.
4. **BROKER ADVICE:** Because non-standard forms may contain terms and conditions that differ from standard forms, and your real estate licensee is obligated to present to you all documents received from another party to your transaction, you are advised that:
  - A. Non-standard forms may contain terms and conditions that differ from standard forms;
  - B. Non-standard forms may contain terms and conditions which are not in your best interest or may negatively impact your legal, contractual and financial rights and obligations; and
  - C. Your real estate licensee cannot advise you on the legal and practical implications of non-standard forms.

You are advised to consult a qualified California real estate attorney of your choice before making the decision to proceed in a transaction with non-standard forms. If you fail to do so, you are acting against the advice of your broker.

**The person(s) signing below has read and understands this Use of Non-Standard Forms Advisory and acknowledges receipt of a copy.**

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

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NSF 6/22 (PAGE 1 OF 1)



## USE OF NON-STANDARD FORMS ADVISORY (NSF PAGE 1 OF 1)