



Sotheby's
INTERNATIONAL REALTY



NICK ROSHDIEH GROUP



INTRODUCTION

Dear Home Buyer,

Your home is likely to be one of the largest and most important financial investment decisions of your life. For this reason, I have prepared this home buying guide for your benefit. Having a better understanding of a real estate transaction from start to finish will help you enjoy this moment in your life. Buying a home can be and should be exciting!

I offer all of my clients a full range of real estate related services. For someone who is thinking of buying a home, I am committed to four main objectives; saving you time, saving you money, providing knowledgeable advice with seamless service, and offering counseling to protect your best interest... all with the purpose of finding and purchasing the perfect home for your family's needs.

My job is to provide you knowledgeable consultation and inform you of all information that pertains to your transaction so that you will be able to make the best possible decision for your family. I assure you that in return for your trust and loyalty, I will give you my best effort. I thank you in advance for the opportunity to work for you.

NICK ROSHDIEH GROUP



MY PLEDGE TO QUALITY SERVICE

- To exclusively represent your interests, the home buyer.
- To keep confidential your financial information and price intentions.
- To consult with you to determine the type and location of property that will meet your needs.
- To diligently search for the type and location of property that meets your needs.
- To point out the strengths and weaknesses of properties we see together.
- To negotiate, exclusively on your behalf as the home buyer, the best possible purchase price, terms and other pertinent conditions.
- To give you my undivided trust, loyalty and confidence.
- Supply updated information in local real estate practices.
- Provide information on neighborhoods, community activities, school systems, and demographics.
- Supply you with only homes that match your family's criteria.
- If necessary, assist you to find a mortgage lender that offers the best home loan for you.
- Keep you informed of new home communities that may fit your criteria.
- Be by your side through the entire process.

AS YOUR DEDICATED BUYERS AGENT, IT IS MY GOAL TO FIND YOU THE PERFECT HOME AT THE BEST POSSIBLE PRICE. WHETHER IT IS WITHIN ONE MONTH OR ONE YEAR, I HAVE THE PATIENCE AND COMMITMENT TO FIND YOU THE RIGHT HOME AT THE RIGHT TIME.



THE SIX DIFFERENCES THAT SET ME APART FROM ANY OTHER AGENT

1. I will sit down with you for every real estate documentation signing to ensure transparency so you are clear on what is being asked of you to sign. I am extremely proficient on real estate disclosures and documentation pertaining to your transaction.
2. I will follow up with a telephone call after every important e-mail is sent to ensure good communication and understanding.
3. I pride myself on availability through the most convenient forms of communication for you. i.e. telephone, e-mail, text messaging.
4. Our team offers the most advantageous personalized Home Finders Service giving you the same advantage as a Realtor.
5. We have a full-time dedicated Transaction Coordinator to professionally service your file along with myself to ensure all seller's information and disclosures are conveyed and transparent within the required time frame.
6. Because I value your time and will be giving you stellar service, I will analyze and physically preview properties that suit your needs prior to our showing appointment.



TOP 5 REASONS TO BUY A HOME

1. Tax deductibility of mortgage interest, tax deductibility of property taxes and tax advantages: Property taxes and qualified home interest are tax deductible. Consult your tax advisor for the latest information.
2. Scheduled Savings: When you buy a home, mortgage payments serve as a type of scheduled savings plan. Over time, you accumulate 'equity' on ownership interest in the property that you can often borrow against or convert into cash by selling the house.
3. Appreciation in value: A home is likely to be your largest investment. In the long run, appreciation in the value of your home will outpace inflation. You can use the equity in your home as collateral.
4. Stable housing costs: Rents typically increase year after year. Depending on the type of loan the principal and interest portion of most mortgage payments remain unchanged throughout the entire payment period.
5. The American Dream: Whether it's your first home or your fifth home, there is a sense of pride and joy in owning your own home, versus being a tenant.

TYPICAL PROPERTY “DUE DILIGENCE” PROCESS

HOME INSPECTION:

It's a must to have the property thoroughly inspected by a certified Home Inspector. Details of the Home Inspection to follow on the next page.

PEST - TERMITE INSPECTION:

It is common to have a licensed inspector perform and complete a pest control report on the subject property.

PRELIMINARY TITLE REPORT:

This report will review all areas of ownership for the subject property, such as the legal description, tax liens, bonds and assessments, CC&R's (Covenants, Conditions & Restrictions), easements, vesting and exceptions.

APPRAISAL:

If you are obtaining a loan to purchase the property, the mortgage lender will demand an appraisal from a licensed appraiser to obtain a 3rd party opinion as to the current market value of the property.

NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES:

A report from a licensed firm will be generated to disclose any known issues regarding the environment and location of the property.

SELLERS DISCLOSURES:

The seller is required to complete several questionnaires and disclosures and is obligated to disclose to you, the buyer, all facts, and any possible issues the property may have.

AGENTS DISCLOSURES:

In addition to the seller's disclosure, the seller's agent and the buyer's agent are required to walk through the home and make visual inspections and notations of any corrective items that they may notice.

HOME OWNERS ASSOCIATION DISCLOSURES (IF APPLICABLE):

If the subject property is located in a Homeowners Association (HOA) community, then the property manager working for the HOA, and under the direction of the Seller, is to supply you all the current HOA disclosures and documentation information for your review and approval.

MELLO-ROOS DISCLOSURES (IF APPLICABLE):

If the subject property is located in a Mello-Roos district, a report will be generated which will state the current Mello-Roos Tax Gee's.



HOME INSPECTION: WHAT TO EXPECT

Your home inspection is an important part of the closing process. We usually have 17 days to complete the home inspection. I will schedule the inspection well within the time frame. I advise you to attend the entire inspection so be sure to schedule accordingly. I will be recommending a great home inspector to you.

The purpose of the home inspection is to have a professional take a look at not only the major systems of the home (furnace, a/c, plumbing, roof, and electrical), but also things like the dishwasher, windows, foundation and even the kitchen sink.

A good inspector will spend about 2–4 hours inspecting a home or condo, even if it is in good condition. You can expect the inspector to look at everything from the outside-in, including the roof (if accessible) and the attic.

What kinds of things should worry you? This is somewhat of a personal comfort level, but keep the following in mind when we talk about asking the seller to fix anything.

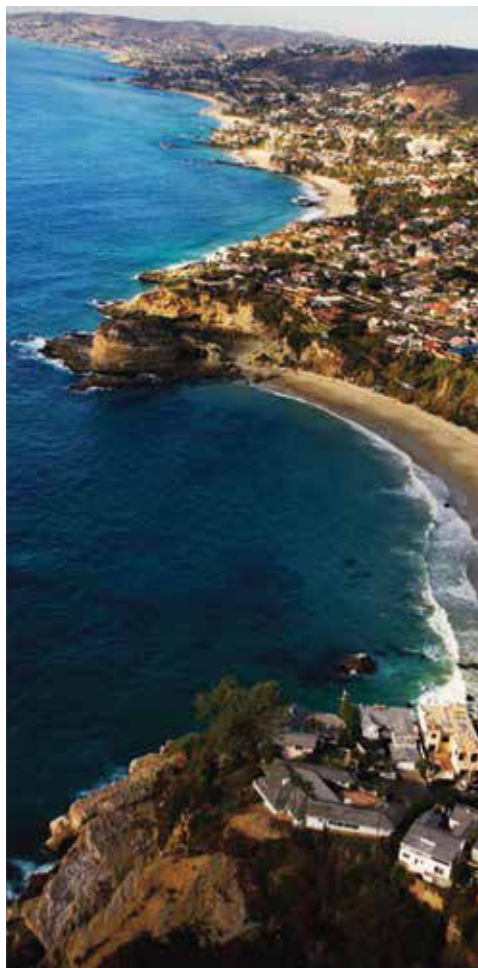
- Major systems are the most important and most likely to be fixed by the seller if necessary.
- Decorating and/or personal preference items are not likely to be addressed by the seller.
- Minor concerns could go either way, like broken window seals, leaky faucets, downspouts, etc.



WHAT IS AN ESCROW?

Buyers and sellers of a property establish terms and conditions for the transfer of ownership of the property. These terms and conditions are given to a third party known as the escrow holder. In turn, the escrow holder has the responsibility of seeing that terms of the escrow are carried out. The escrow is an independent neutral account and the vehicle by which the mutual instructions of all parties to the transaction are complied with.

HOW DOES THE ESCROW PROCESS WORK?



The escrow is a depository for all monies, instructions and documents necessary for the purchase of your home, including your funds for down payment and your lender's funds and documents for the new loan. Generally, the buyer deposits a down payment with the escrow holder and the seller deposits the deed and any other necessary documents with the escrow holder. Prior to the close of escrow the buyer deposits the balance of the funds required and agreed upon by the parties with the escrow holder. The buyer instructs the escrow holder to deliver the monies to the seller when the escrow holder:

- Forwards the deed to the title company for recording.
- Is notified by the title company that a policy of title insurance can be issued showing title to the property is vested in the name of the buyer.

The escrow holder thus acts for both parties and protects the interests of each within the authority of the escrow instructions. Escrow cannot be completed until the terms and conditions of the instructions have been satisfied and all parties have signed escrow documents. The escrow holder takes instructions based on the terms of the purchase agreement and the lender's requirements.

HOW DO I OPEN AN ESCROW?

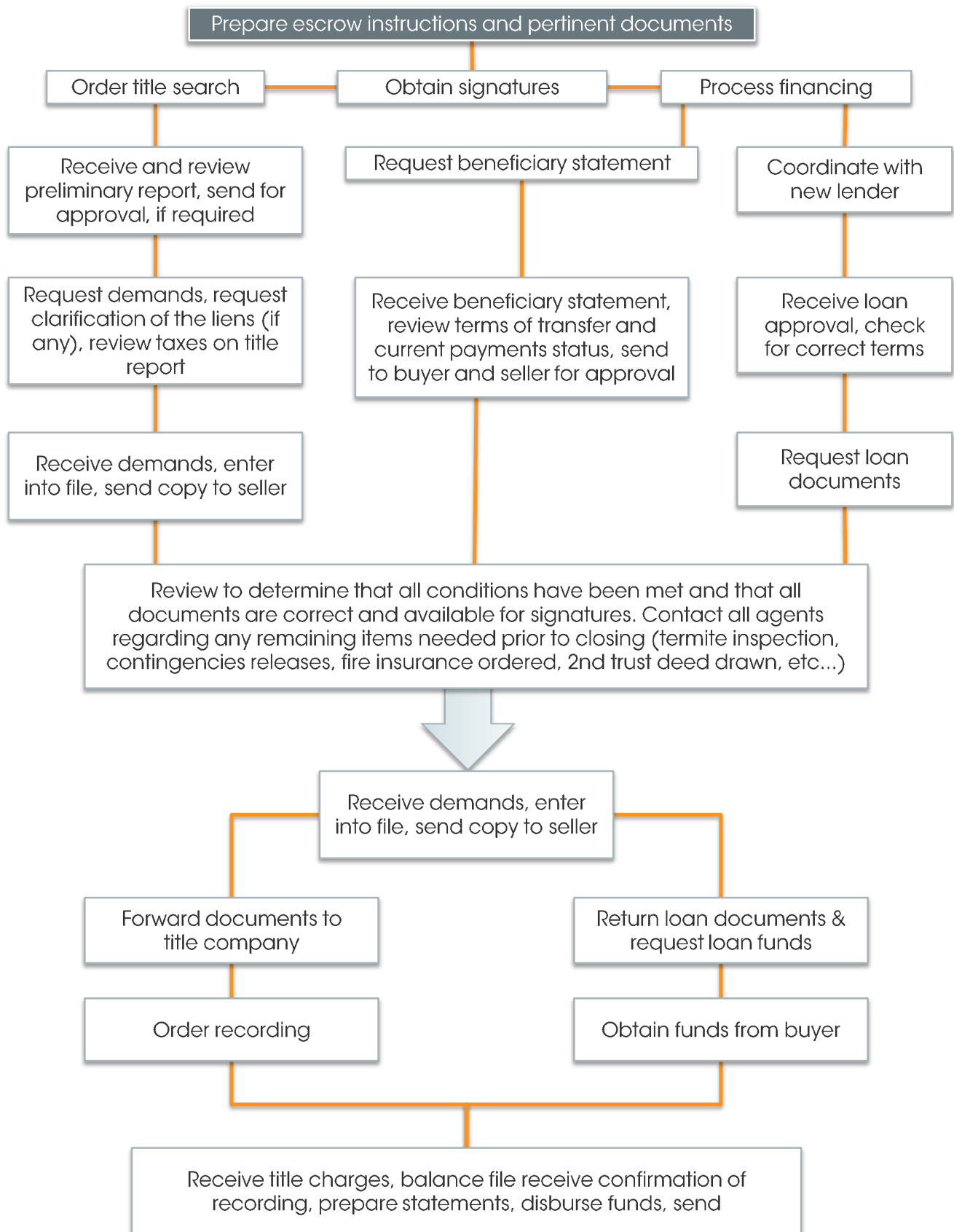
As soon as you execute your purchase, I will open escrow for you and the escrow company will generate the joint escrow instructions for your review, approval and execution. Then, I will place your initial deposit into the official escrow account. Your purchase agreement/joint escrow instructions represent your written statement to the escrow holder. Escrow will also require that title insurance be provided for the protection of your new home.

HOW WILL I KNOW WHERE MY MONEY HAS GONE?

Written evidence of your deposit is generally included in your copy of the purchase agreement/joint escrow instructions. Your funds will then be deposited in a separate escrow or trust account and processed through a local bank.



HOW DOES THE ESCROW PROCESS WORK? (CONT.)



WHO PAYS WHAT IN A TYPICAL ESCROW?



THE SELLER CAN GENERALLY BE EXPECTED TO PAY FOR:

- Title insurance premium-owners policy
- Real estate commission
- Documentary transfer tax (e.g. \$1.10 p/\$1,000 of sales price-may vary by area/state)
- Any city transfer/conveyance tax (recording tax)
- Payoff of all loans in seller's name (or existing loan balance if being assumed by buyer)
- Interest accrued to lender being paid off
- Statement fees
- Reconveyance fees and any prepayment penalties
- Termite work (according to contract)
- Home warranty (according to contract)
- Seller's portion of escrow fee
- Any judgments, tax liens, etc. against seller
- Tax proration (for any taxes unpaid at the time of title transfer)
- Any unpaid homeowner's dues (can be paid by either buyer or seller)
- Recording charges to clear all documents of record against seller
- Any bonds or assessments (according to contract)



THE BUYER CAN GENERALLY BE EXPECTED TO PAY FOR:

- Title insurance premium-for lender's coverage
- Termite inspection – according to contract (can be paid for by either buyer or seller)
- Buyer's portion of escrow fee
- Notary fees
- Homeowner's transfer fee (usually about \$175)
- Inspection fees (roofing; property inspection, Geological etc. – usually about \$300)
- Home warranty (according to contract)
- City transfer/conveyance tax (according to contract)
- Fire insurance premium for first year

WHAT IS MELLO-ROOS?

Mello-Roos is a special tax that is imposed on real estate within a designated community. These Mello-Roos districts are created to raise public financing through the sale of bonds, for the purpose of paying for public improvements and services for that community. The services may include water lines, sewer treatment, drainage, streets, schools, electricity, parks, etc. The Mello-Roos tax is used to pay for the bonds used to pay for these improvements.

The passage in 1978 of Proposition 13 restricted local governments ability to pay for capital facilities and services by increasing property taxes. In 1982, Senator Henry Mello and Assemblyman Mike Roos enacted the Community Facilities District (now called Mello-Roos) to provide local governments with an additional way to raise needed funds. Below are common questions and answers regarding Mello-Roos...



HOW MUCH IS MELLO-ROOS IN ORANGE COUNTY?

It can vary from about \$400 per year on up to about \$3,000 per year dependent upon the city, community and the lot. Many communities have no Mello-Roos at all.

HOW DO I ESTIMATE THE MELLO-ROOS WHEN BUYING A HOME?

During the Escrow process, the Seller will deliver a disclosure which will state in writing the exact amount of the Mello-Roos fee. I can also estimate the Mello-Roos prior to making an offer on a home.

HOW IS THE MELLO-ROOS TAX PAID?

The Mello-Roos is included in your normal tax bill which is billed to you twice per year.

DOES THE MELLO-ROOS TAX GO UP WHEN I SELL MY HOME?

No, unlike the Prop 13 portion of your property tax, the Mello-Roos portion of your property tax does not change when you sell your home.

CAN I DEDUCT MELLO-ROOS PAYMENTS FROM MY INCOME TAX?

Most Tax accountants are of the opinion that the Mello-Roos tax is not legitimate income tax deduction. Please consult with your Tax Advisor for final determination.

HOW LONG DOES MELLO-ROOS TAX STAY IN EFFECT ON MY HOME?

Typically, the Mello-Roos assessment is written for about 15 to 25 years dependent on the community facilities district. Although, many of the districts have the right to renew the Mello-Roos tax if needed.

WHAT IS A HOMEOWNER'S ASSOCIATION?

A Homeowner's Association, or HOA, is an organization created by a group of property owners, or property developers which helps to oversee any shared property belonging to the homeowner group, and which usually has a legal means of reinforcing any agreed upon rules the homeowners must follow. A lot of new single residence communities establish an HOA as properties first begin to sell, and they're also very common in things like condominium or townhouse complexes.

Lots of times when housing developments are built, they include some shared property that any person owning a home can use. Things like swimming pools, gyms or small parks are going to require maintenance. Here the HOA can step in to define use and restrictions on these, and they can collect dues from property owners to pay for maintenance.

People may also wish to live in communities where they can be assured of routine maintenance of common areas or even of building exteriors. Again, dues collected may pay for these things. Homeowners may desire communities where the look of properties in the area remains similar. They can empower the HOA to restrict types of construction that can occur, or even regulate the degree to which each resident must maintain their own property.

A person who owns property in the HOA cannot avoid being part of it and must agree to pay dues and abide by any rules set by the association. Attending meetings isn't necessarily obligatory, but many residents are vitally interested in this if they hope to change any bylaws or to protest any proposed changes to rules. The boards of the HOA are usually made up of homeowners in the specific community, and each association may make rules about term limitations. This means for most HOAs, people will periodically need to vote for new board members and could participate in the board too.

One of the methods HOAs use to enforce rules is by levying fines against those who do not follow them. Failure to correct behavior or activities considered illegal and to pay fines may result in legal action that forces residents to move out and sell their homes. Refusing to pay dues also can result in legal action.

A homeowner's association can be really non-intrusive and collect small amounts of dues. Others can demand over several hundred US Dollars (USD) per month and have rules that owners feel are unduly restrictive. It helps to investigate an HOA prior to purchasing property within one. Perspective buyers should look at all rules they'll need to follow and may want to research if there are any current legal complaints against the association. Buyers also need to budget for the extra money they'll pay in dues, and determine whether these fees have a habit of rising regularly.

People renting property may wonder what their obligations are if the property is part of an HOA. This really depends. Technically the property's owner is the member of the association, but he may or may not ask the renter to pay the dues. At minimum, renters need to be sure they are following any rules for property use and appearance so that they don't incur fees for their landlords.





MY COMMITMENT

TO MAKE A DIFFERENCE

WE ARE A BIG BELIEVER IN GIVING BACK TO THE COMMUNITY

- Alzheimer's Disease Research
- American Cancer Society
- American Indian Relief Counsel
- AMFAR AIDS Research
- Arthritis Foundation
- ASPCA Foundation
- Boys Town
- Child Fund
- Children's Hospital Of Orange County
- Children's Cancer Research Fund
- Christian Appalachian Project
- Cystic Fibrosis Foundation
- DeltaRescue.org
- Easter Seals Disability Services
- Feed The Children
- Feeding America
- FoodForThePoor.org
- Habitat for Humanity
- Help Hospitalized Veterans
- Hope Services
- Laura's House
- Lupus Foundation of America
- Make A Wish Foundation
- Memorial Sloan Cancer Center
- Mercy Home For Boys And Girls
- Narcotic Educational Foundation Of America
- National Cancer Research Center
- National Fallen Firefighters Foundation
- National Law Enforcement Officers
- National Multiple Sclerosis Foundation
- National Parks Conservation Association
- National Veterans Foundation
- National Wildlife Federation
- Orange County Area Annual Fund Drive
- Orange County Pet Rescue
- Orange County Rescue Mission
- Orangewood Children's Foundation
- Paralyzed Veterans of America
- Pediatric Cancer Research Foundation
- Salesian Missions "Feed The Hungry"
- Special Olympics
- St. Joseph Indian School
- The Humane Society of United States
- The Leukemia And Lymphoma Society





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