North Bay Association of REALTORS® SONOMA COUNTY DISCLOSURES ADVISORY

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USAGE NOTE: This Advisory is intended for use only in Sonoma County, and only with the current California Association of REALTORS® form "Statewide Buyer and Seller Advisory" ("SBSA"). Please read it carefully along with all other local advisories and all disclosures by the Seller, agents, and brokers.

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1.0 INTRODUCTION

This Advisory provides general information about selling, buying, and leasing real property in Sonoma County and is effective as of December 4, 2022. It is not intended to be a comprehensive guide to buying or leasing real estate nor is it designed to alarm you. Although it does not limit any legal duty of real estate brokers or agents (collectively hereafter, "broker" or "brokers"), it does point out some limitations on real estate brokers' duties. This Advisory points out that when purchasing something as important and valuable as real estate. Buyers have a legal responsibility to protect themselves by taking special precautions to investigate the issues detailed in this Advisory and in the California Association of REALTORS® "Statewide Buyer and Seller Advisory" ("SBSA"), in the Seller's and real estate professionals' disclosures, and any other issues which might impact the use, value, or desirability of the Property. Consult with the appropriate experts of your choosing and with governmental agencies, and do not rely solely on Seller's disclosures and information from real estate brokers. When Buyers have questions, doubts, or concerns, they should conduct their own investigation with their own chosen professionals. For more information about Sonoma County, including many issues that may affect ownership of real property in Sonoma County, Buyers can go online at: http://sonomacounty.ca.gov/Home/

BROKERS ADVISE BUYERS TO INVESTIGATE ALL ASPECTS OF THE CONDITION AND SUITABILITY OF PROPERTY FOR BUYERS' INTENDED USES. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

The information in this Advisory changes over time as new issues develop, including actions taken at the federal, state, county, city and/or private, local level. Some of the issues that are covered in this Advisory are point of sale or retrofit requirements that may also get triggered by remodeling efforts or efficiency requirements. You should investigate the applicability of these requirements to the past, present and future sale, purchase, ownership and/or development of the Property.

- Sellers must understand the importance and significance of their disclosure obligations.
 Sellers need to take the time to carefully and fully complete all aspects of the disclosure
 documents. Sellers must disclose anything that is known to the Sellers that might materially
 affect the value or desirability of the Property. Sellers who need help in completing their
 disclosure obligations should consult with their own attorney; Brokers cannot determine the
 legal sufficiency of any disclosure.
- Whether documents are signed electronically or in hard copy, Sellers and Buyers should read this Advisory in conjunction with a careful review of all disclosures required by Sellers and by the real estate Brokers involved in the transaction including, without limitation, the Transfer Disclosure Statement and the Supplemental Property Questionnaire, if provided by Seller
- Buyers are responsible for conducting their own investigations into the issues discussed in
 this Advisory as well as those issues that are not referenced below to the extent that those
 additional issues may affect the Buyers' determination of the use, value, desirability, or
 development of the Property. That investigation should take place prior to the Buyer's
 removal or waiver of any inspection contingency. Buyers are urged to:
 - Carefully read the information contained in any advisories, disclosures, inspections, and/or reports that Buyers receive from any source.
 - Conduct additional/further investigations and inspections regarding any issues that concern Buyers which are raised in those advisories, disclosures, inspections, and/or reports received by Buyers from any source.

- Thoroughly and thoughtfully inspect and evaluate the Property and, in so doing, meet Buyers' obligation to protect themselves, including those facts which are known to or within the diligent attention and observation of the Buyers.
- Buyers need to inquire into other or additional matters (beyond those contained in this Advisory) to the extent that those additional issues affect the Buyers' determination of the use, value, desirability or development of the Property.
- Buyers must bear in mind that a Property may suffer defects and deficiencies of which
 neither Sellers nor Brokers are aware. Buyers should also recognize that not all issues can be
 objectively determined, and some issues can have varying impacts on different people since
 some people may be more sensitive than others.
- Buyers are urged to engage licensed professionals to evaluate all aspects of the Property and to consult all appropriate governmental agencies. Buyers' right to conduct certain types of investigations may be limited by the Purchase Agreement.
- Any representations about the issues in this Advisory made by third parties have not been verified by Brokers and need to be independently confirmed by Buyers.
- Although licensed to list, sell and lease real estate, Brokers may not have expertise on the issues in this Advisory.

This Advisory is not meant to be a complete source of information on all matters which can become issues in real property purchase and sale contracts. Given Buyers' legal duty to exercise reasonable care to protect themselves regarding facts that are known to them or within their diligent attention or observation, Buyers are urged to investigate, without limitation, the items in the following paragraphs of this Advisory as well as the condition of the foundation, roof, plumbing, heating air conditioning, electrical, mechanical, energy efficiency, security, appliances/personal property, pool/spa, and all other systems and components.

The real estate licensees involved in the transaction do not warrant or guarantee the accuracy of the information contained in this Advisory or the adequacy of the information contained herein as it relates to a specific real property transaction.

2.0 GENERAL PROPERTY ADVISORIES

2.1 EXISTING HOUSING STOCK

Many properties have been built under prior versions of building, health and safety, zoning, and other codes or regulations, and thus may not comply with current fire, earthquake, electrical, setback, or other building standards. For example, an older home may have an electrical panel that cannot, without costly upgrades, accommodate an electric vehicle charger or a backup battery or photovoltaic (solar) power system. The Property's components, appliances, fixtures, systems, and materials may have varying degrees of remaining useful life and may be subject to failure without notice. In addition, not all aspects of the Property will comply with a Buyer's religious or cultural preferences. Some homes contain appliances, products or manufactured materials which may be defective, create problems with the use or value of other aspects of the home, and/or may be subject to manufacturer or governmental recall and/or a class action lawsuit. All homes include many components which require ongoing maintenance. Deferred maintenance will decrease the life span and/or functionality of many of these components. Buyers should personally contact the local building inspection and code enforcement agencies as well as obtain the advice of contractors, architects, engineers or other professionals regarding the status and condition of the Property prior to removing inspection contingencies. Brokers do not have expertise in this area.

2.2 FENCE MAINTENANCE

If the Property has a fence that is located on the boundary line, California Civil Code Section 841 provides that the adjoining private landowners have an equal obligation to maintain the fence.

However, fences are not often located entirely or exactly on the boundary line, and when that is true, the party who is responsible for maintaining the fence is a legal determination. Broker recommends that all questions regarding who is responsible for repairing or maintaining a fence should be reviewed with a qualified California real estate attorney. Brokers are not qualified to make that determination, and brokers do not have expertise in this area.

2.3 FLOORS AND WALLS

The personal property of the Seller may make a visual inspection of floors and walls difficult. The existence of certain types of floor coverings, such as carpeting and rugs, as well as certain types of wall coverings, such as wallpaper and paneling, and furniture prevent inspectors and brokers from inspecting the condition of the floors and walls beneath those materials. When exposed, these areas may have a different pattern of wear or shade of color. If Buyers wish to determine the condition of the floors and walls beneath such coverings, Buyers will need to secure the written authorization of Seller to conduct investigations with appropriate professionals since removal of floor coverings may be required.

2.4 FIREPLACES; WOOD-BURNING APPLIANCES

Residential wood burning is the leading source of wintertime air pollution in the Bay Area and studies have confirmed there are significant health impacts from exposure to fine particulate matter found in wood smoke.

Many cities now prohibit residents from operating any wood-burning appliance that is not certified by the EPA or Air Pollution Control Districts. Some city ordinances prohibit the Property from being sold or transferred unless any non-compliant "wood heater" is first removed from the Property, or rendered permanently inoperable, or replaced by a certified wood heater under a building permit. The parties must contact the jurisdiction in which the Property is located to determine whether any of these ordinances apply, and where required, to schedule an inspection of the wood heater to determine whether it is certified. Brokers do not have expertise in this area.

The Bay Area Air Quality Management District ("BAAQMD") established the Wood Smoke Rule, Regulation 6, Rule 3 to reduce wintertime smoke pollution and protect public health. Under that Rule, no wood-burning devices of any kind may be installed in new homes or buildings being constructed in the Bay Area, and as of November 1, 2018, rental properties in areas with natural gas service must provide a permanently installed form of heat that does not burn solid fuel. The Wood Smoke Rule also requires anyone selling, renting, or leasing a property in the Bay Area to disclose the potential health impacts from air pollution caused from burning wood. This link to the BAAQMD website, and the following text are intended to serve as the required disclosure:

https://www.baaqmd.gov/rules-and-compliance/wood-smoke/information-and-data

Fine particulate matter, also known as PM2.5, can travel deep into the respiratory system, bypass the lungs and enter the blood stream. Exposure may cause short-term and long-term health effects, including eye, nose and throat irritation, reduced lung function, asthma, chronic bronchitis, cancer and premature deaths. Exposure to fine particulates can worsen existing respiratory conditions. High PM2.5 levels are associated with increased respiratory and cardiovascular hospital admissions, emergency department visits, and even deaths. Children, the elderly and those with pre-existing respiratory or heart conditions are most at risk from negative health effects of PM2.5 exposure.

See the BAAQMD website for more details: https://www.baaqmd.gov/rules-and-compliance/wood-smoke. Also, Buyers should consult with a licensed professional to inspect, properly maintain, and operate a wood burning device according to manufacturer's specifications to help reduce wood smoke pollution. The Air District encourages the use of cleaner and more efficient, non-wood burning heating options such as gas-fueled or electric fireplace inserts to help reduce emissions and exposure to fine particulates. When the BAAQMD issues a Winter Spare the Air Alert during the winter season from November 1 through the end

of February, it is illegal to burn wood, manufactured fire logs, pellets or any solid fuels in fireplaces, wood stoves or outdoor fire pits. To check when the air quality is unhealthy and when a Winter Spare the Air Alert is issued, call 1-877-4NO-BURN or visit www.baaqmd.gov or www.sparetheair.org

The information in this section was provided by BAAQMD. Brokers have not verified and will not verify any of the information provided by BAAQMD. Brokers do not have expertise in this area.

2.5 LAND USE AND CONSTRUCTION-RELATED LAWS AND INSPECTIONS

Federal, State, and City and County governments have enacted and/or may in the future enact laws, ordinances, regulations, and amendments/revisions thereto (including voter-approved ballot measures within these jurisdictions) which affect and restrict land uses, development, and other conduct on the Property, including without limitation fire-related vegetation management and home hardening requirements, restrictions on vacation rentals, cannabis related activities, weddings, parties, concerts, wine tasting, and other events both public and private, as well as other uses and the development, construction, modification, demolition, and improvement on the Property (including remodeling, grading and water use), and other permissible and prohibited activities on the property (collectively "Laws"). Such Laws may also include regulations that require, among other things, setbacks between development and designated streams, creeks and wetlands, environmental mitigation measures, erosion control permits, grading permits, and other permits necessary for new development or remodeling of any structure, vineyard, earthmoving, or land conversion. New and amended Laws affecting watersheds, land uses, water use and conservation, development and construction continue to be developed, proposed, revised, debated and enacted. Properties are subject to inspection by County code enforcement officials in order to monitor compliance with many of these laws. As part of Buyer's investigation of the property, Buyer is advised to obtain the latest information regarding all such applicable Laws, whether enacted or merely proposed, that currently affect or that might in the future affect the property or the cost to make any changes or improvements to the property. Such information may be obtained by contacting all the County and city governmental agencies that may have jurisdiction over the Property and by searching in the archives of the local and statewide news media. Examples of Federal, State, County and city governmental agencies that may have information on these Laws include, but are not limited to. the U.S. Army Corps of Engineers San Francisco District at (415) 503-6795 and at http://www.spn.usace.army.mil/regulatory/index.html , the U.S. Fish and Wildlife Service at Fish http://www.fws.gov/ the California Department . of and Wildlife https://www.wildlife.ca.gov/, the County's or City's building and planning departments and code enforcement officials, and all the other governmental agencies described in this Disclosures Advisory and in the California Association of REALTORS® Statewide Buyer and Seller Advisory ("SBSA") form. Brokers do not have expertise in this area.

2.6 LOCAL CONDITIONS: FACILITIES AND EVENTS

Buyer and Seller are advised that wildfires have recently destroyed thousands of homes and businesses in Sonoma, Napa, Mendocino, and Lake Counties. Fire-related concerns include government approval of lot clearing for toxics and debris, quality of soil, air, and other environmental concerns, insurability of structures, and other issues such as nearby rebuilding projects, changes in building codes and regulations, and the cost and availability of construction labor and materials. Many properties that were not directly impacted by these wildfires may currently be impacted or will continue to be impacted by those fires in the same and similar ways, including properties being evaluated for purchase by Buyers. The Property may also be directly or indirectly impacted by other disasters and naturally occurring events such as earthquakes, climate, and extreme weather events. Such impacts may include but are not limited to visual impacts on the Property and/or neighborhood, and noise, traffic, vibrations, dust, odors, and other effects of rebuilding or repair efforts, as well as power outages and water

and other utility availability issues arising from disasters, climate, and weather events. Buyer and Seller are further advised that local amenities, facilities, and services which may benefit or add to the richness of the community may also produce noise, vibration, dust, odors, traffic delays and detours, and other effects and inconveniences at various times. Such local amenities, facilities and services include but are not limited to public and private construction projects, quarries, horse race tracks and motor vehicle speedways, casinos, airports, fairgrounds located in various cities and towns, cycling, running, and other athletic events, parades, farmers' markets, concert halls and performing arts centers, and other venues for public and private events, music and performances throughout the County, which venues include but are not limited to wineries, private events centers, hotels, public and private conference centers, public and private parks, fields, schools, and other public and private properties. The perception of how these events and conditions may affect the parties or the Property and use thereof are subjective: what bothers one person may not be noticed by or may be acceptable to others. Buyer is advised to personally visit the Property at various times of day and night and to investigate the local conditions, including without limitation: the effects of fires, other disasters and naturally occurring events, and any sources of and amounts of noise, traffic, vibration, dust, odors, or other effects of local conditions, amenities, facilities, and services to determine whether their potential effects are acceptable to Buyer and/or will impact the value, desirability, development, use and enjoyment of the Property. Brokers do not have expertise in this area.

2.7 AIRPORTS AND SONOMA COUNTY AIRPORT EXPANSION

If the property is located near or within the flight patterns for any airport, including without limitation the Charles M. Schulz/Sonoma county airport (STS), the flight pattern for which includes many locations in the cities and unincorporated areas of Santa Rosa, Windsor, and Sebastopol, buyer is advised that other property owners in these areas have experienced noise, vibration, fuel residue on outdoor items, traffic and congestion, and other effects relating to airport operations. Buyer is further advised the Airport Land Use Commission reviews all land use plans and development proposals within the Sonoma County Airport's 'airport referral area.' if the subject property is located within this area, future development may be subject to regulation. Buyer is advised to contact the Sonoma County Airport at 707.524.7240 for further information. Buyer is also advised to investigate the projects described in the airport's master plan: https://sonomacountyairport.org/about-sts/master-plan/proposed-airport-projects/ and to review the neighborhood FAQ here: https://sonomacountyairport.org/business-and-community/neighbors/neighbor-faq/ and also the information on the airport's good neighbor website, here: https://stsgoodneighbor.com/

2.8 SQUARE FOOTAGE AND LOT SIZE

Different sources of size information including but not limited to Sellers and Appraisers often provide different square footage or lot size numbers for a property; public records may be, and often are, inaccurate and thus there are frequently discrepancies in the advertised and/or other publicly available statements of sizes. Buyers are advised that square footage and/or lot size numbers, which may be obtained from various sources such as public records, Multiple Listing Service, and others and are provided to Buyers regarding the Property are not, and will not be, verified by Sellers or the broker. If the square footage or lot size of the property is an important consideration in Buyers' decision to purchase the Property, then Buyers must independently conduct Buyers' own investigation through appropriate professionals and rely solely on that data. Brokers do not have expertise in this area.

2.9 VEGETATION AND TREES

<u>VEGETATION MANAGEMENT LAWS FOR FIRE SAFETY</u>: State and local laws require that homeowners in State Responsibility Areas (an "SRA") clear out flammable materials such as brush or vegetation around their buildings to 100 feet (or the property line) to create a defensible space buffer. Make sure to check with the local fire station about laws in the County, as many local jurisdictions may have more stringent requirements. For example, Sonoma County

requires one level of clearing within 30 feet (or to property line) around all structures, and 10 feet from roads and driveways, and another level of clearing between 30 feet and 100 feet (or to the property line) from all structures. Clearing "defensible space" can help slow or halt the progress of an approaching wildfire and keeps firefighters safer if they are trying to defend the home from fire. Both State and certain local governments have established boundaries of high fire hazard severity zones. For Cal Fire Hazard Severity Zone Maps, see:

https://osfm.fire.ca.gov/divisions/community-wildfire-preparedness-and-mitigation/wildland-hazards-building-codes/fire-hazard-severity-zones-maps/.

PROTECTED TREES. Most cities and counties have an ordinance that requires property owners to obtain a permit prior to removing Protected Trees from their property. Protected Trees are defined within the code of each city and county with such an ordinance. Removing or damaging any Protected Tree without the proper permit constitutes an infraction. In addition to the cost of the infraction, violators may be liable for damages. A City may place a lien on the Property if imposed fees are not paid on a timely basis. That lien may subsequently be added to the county property tax bill.

<u>HAZARDOUS TREES</u>: Some cities and counties define hazardous tree conditions within their Building Codes and address ways of mitigating those conditions on both private and public property. There are often stringent time frames for responding to hazardous tree claims. If hazardous tree claims are not resolved privately, a claimant may, as a last resort, pursue the claim through the court system.

<u>VIEW ORDINANCES</u>: Some cities and counties have view ordinances that restrict the height of trees so that trees do not unreasonably obstruct the view that existed at the time of purchase of the property. Certain trees that are part of the natural habitat can be exempt from this law. Often a view property will have recently trimmed trees and shrubs revealing the view. Buyers should take note that maintaining that view could entail not only trimming foliage on their own property, but also enlisting the cooperation of their neighbor to keep their foliage trimmed, usually at the Buyers' expense. Cities do not take an active role in these issues; rather they encourage the private resolution of such disputes. Each jurisdiction may have a different mechanism for handling these situations, and Buyer is encouraged to review the city or county codes during their inspection period.

<u>DISEASED TREES/VEGETATION</u>: Trees and other vegetations on the Property are susceptible to diseases, including without limitation Sudden Oak Death Syndrome, and other problems that cannot be detected by Brokers.

ARBORIST CONSULTATION RECOMMENDED: Buyers are encouraged to seek the advice of a qualified, licensed and/or certified arborist for any questions regarding trees or other vegetation that are on the Property or on neighboring properties.

Brokers do not have expertise in this area.

2.10 RIVER, CREEK, WETLAND, AND LEVEE PROTECTION

Many properties are impacted by creeks, channels, streams, wetlands, levees, and/or culverts (a man-made structure used to enclose a flowing body of water which is usually designed to allow water to pass underneath a road or other structures). If the Property includes, abuts, or is located near such features, Buyer should investigate the possibility of sea level rise or other causes of flooding and/or water intrusion or other nuisances that may result from proximity to those water sources by contacting appropriate experts. Brokers cannot determine these issues. In addition, some counties and cities have enacted regulations regarding creeks and culverts making maintenance of these creeks and culverts the responsibility of adjacent property owners. Such expenses can be considerable. Buyer should review local ordinances and maps with government agencies and Buyer's own experts regarding these issues and before commencing any work in, over or near any river, creek, channel, stream, wetland, culvert, or levee. Brokers do not have expertise in this area.

2.11 FLOOD ADVISORY

Flood insurance rates are increasing due to many factors. The 2012 federal Biggert-Waters Flood Insurance Reform Act eliminated many subsidies for properties in flood zones as determined by the Federal Emergency Management Administration ("**FEMA**") which financially supports flood insurance. FEMA has experienced extraordinary expenses dealing with multiple natural disasters. Under the "Homeowner Flood Insurance Affordability Act of 2014," properties in flood zones, designated in a Natural Hazard Report ("NHD report"), will experience annual premium increases which could be as much as 18% to 25% per year. Brokers recommend that Buyer consult his or her lender and insurance agent during Buyer's inspection contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.

2.12 SEPTIC SYSTEM/ONSITE WASTEWATER TREATMENT SYSTEM ("OWTS") REGULATIONS

If the Property has a septic system or other type of Onsite Wastewater Treatment System ("OWTS"), it is essential that Buyer secured a current, written report detailing the inspection of the tank and the leach field lines by a licensed, competent professional to determine the condition of the system as well as the adequacy of the system for Buyers' specific needs. Visual inspection of the tank alone is insufficient. Brokers do not have the necessary expertise to make those determinations. Expansion or remodeling of the dwelling may be restricted due to the condition of the septic system. Securing approval for changes in the dwelling may be conditioned upon testing, removal, repair, or other changes to the system which may be expensive. The Regional Water Quality Control Board has enacted regulations for the North Coast Region including the Russian River Watershed in both Sonoma and Mendocino Counties, which requires owners of OWTS located within 600 feet of the Russian River and many of its tributaries to (i) maintain their OWTS in good working condition, including inspections and pumping of solids, as necessary, and (ii) have an inspection of the OWTS every five (5) years, including the tanks, dispersal areas, and related equipment. The inspection must be done by a person authorized to design OWTS, including a licensed professional engineer, or a registered Environmental Health Specialist or certified Soil Scientist. The current OWTS/septic system may not be in compliance with current or future code requirements and code compliance may be required for any future work done on the Property. Neither Seller nor broker make any representation or warranty regarding the condition, capacity, quality, compliance, or future expansion of any such system, nor whether it is adequate for Buyer's intended uses of the Property. Buyer should investigate these issues with appropriate experts. Brokers do not have expertise in this area.

2.13 STORAGE TANKS

Many ranches, farms, and some older homes in this area may have or have had an above-ground or underground storage tank ("UST") for the fuel for farm vehicles, machinery, for home heating oil, or other purposes. The California State Water Resources Control Board, the related Water Quality Control Boards, and their regional offices (collectively the "Water Board"), in conjunction with city and/or county fire officials, regulate tanks used for storing flammable or combustible liquids, whether or not such tanks are currently in use. Buyer is advised to consult with appropriate experts to determine whether there are such storage tanks located on the surface or underground on the Property, and to consult with such experts and all city, county and state agencies with authority when storage tanks are present on the property, to determine applicable requirements. Regulations may require inspection, testing, removal, and soil and/or groundwater clean-up of any toxic material that may have leaked from the tank. Buyer and Seller are advised to speak directly to the Water Board, City or County Fire Department, and Building Department concerning specific regulations affecting above-ground tanks or USTs. Brokers do not have expertise in this area.

2.14 INSURANCE

During their inspection contingency, Buyers should consult with an insurance broker to determine the cost and availability of homeowners' insurance as well as the types of coverage that may be available and any conditions that the insurance company intends to impose. For example, many insurance companies are refusing to provide homeowners' insurance coverage unless certain retrofit requirements are met, such as compliance with fire safe standards for vegetation and construction, installation of safety glass gas shut-off valves, etc. The fact that an insurance company may require these modifications does not necessarily mean that the Seller is obligated to pay for and/or make them, and this subject should be addressed by Buyer and Seller during Buyer's inspection period and prior to Buyer waiving their contingencies. In addition, prior claims submitted by Buyers on other properties may affect the final cost of the homeowners' insurance on the Property Buyers should investigate these matters thoroughly prior to removing their inspection contingency. Brokers do not have expertise in this area.

2.15 C.L.U.E. REPORTS OF INSURANCE CLAIMS

Standard real estate disclosure forms specify that Sellers must provide Buyers with insurance claims history for the property for a period of five years preceding the sale. Sellers do not always know (or remember) the insurance claims history. Because a C.L.U.E. report itself is not required. Sellers may disclose the insurance information themselves as part of the disclosure process. If Sellers want to rely on C.L.U.E. for the most accurate information regarding past insurance claims, Sellers may be able to either: (a) go online https://risk.lexisnexis.com/products/clue-property and create an account that will enable the Sellers to order a C.L.U.E. report; or (b) contact their homeowner insurance policy broker who may be able to provide a copy. Buyers can also add to their contract offer the obligation for Sellers to provide them a C.L.U.E. report. Brokers do not have expertise in this area.

2.16 TITLE INSURANCE AND PRELIMINARY REPORTS

There are various types of title insurance policies with different costs and coverages, such as an ALTA or CLTA Policy, and each with or without certain types of endorsement(s) that can add or change coverages. There are also title insurance policies that protect the interests of a Seller who finances all or part of the purchase price. Buyer and Seller should discuss the choice of title insurance policies with a title insurance company. Buyer (and Seller where appropriate or as described above) are advised to obtain title insurance, in addition to the parties' obtaining a preliminary report from the title insurance company, to carefully review the report, obtain and review copies of all exceptions described in the report, and review all other matters which may affect title to the property, including without limitation any easements and maintenance agreements (or the lack thereof), covenants, conditions, restrictions, encumbrances and other matters, whether or not in the public record. If Buyer or Seller has any questions regarding the state of title, whether arising from the preliminary report, the exceptions shown in the preliminary report, or other matters affecting title, the parties should consult with qualified professionals, including but not limited to title insurance companies' title officers, licensed surveyors and qualified real estate attorneys. Brokers do not have expertise in this area.

2.17 SURVEILLANCE CAMERAS, AUDIO MONITORING, AND PRIVACY

Buyer and buyer's broker are advised that sellers may have security/surveillance cameras with microphones located within and outside the structures on the property. These cameras can be monitored for sound, and audio/video recordings made of the buyer and buyer's broker talking and communicating with gestures while on the property. Buyer and brokers are advised not to have any discussions regarding the transaction terms and conditions while on the property, and instead it is suggested they take written notes for later review and discussion when buyer is comfortable with the privacy and confidentiality of the location for the discussion.

2.18 ONLINE INFORMATION

Online information regarding the Property (including ownership, taxes, sale prices, etc) and the neighborhood may exist online on various websites including those of governmental agencies, real estate brokers, Zillow, Trulia, Redfin, in various blogs, discussion boards, Nextdoor, Facebook, Instagram, and other social media sites, etc. For example, Nextdoor and similar websites, and some neighborhood associations and homeowner associations (HOA's) have websites; whereas other unofficial sites written by third parties may exist, all with postings about the community. Some of the websites offer viewers the opportunity to express opinions and air complaints some of it pertaining to the Property or the neighborhood. The information contained on those sites may consist of opinion, speculation, unfounded assertions or rumors, making it difficult to determine what is factual and what is not. Neither Seller nor the brokers are aware of all such possible sources of information or of their accuracy, nor will they conduct a search of such websites or other sources, nor will they investigate or evaluate the accuracy of any online information. Brokers do not have expertise in this area.

2.19 ONLINE PHOTOS/VIDEOS

Sellers and Buyers are advised that photos (including video) of the property may be included in the MLS listing and on the listing broker's website and to other brokers' websites, and various national listing aggregation sites such as Realtor.com, Trulia, Zillow, Redfin, and others. From there, photos may be copied on to other websites as well, with or without the permission of the host site. After the close of escrow, or a termination of a listing, Sellers and Buyers are advised that it is not possible for the listing or selling broker to remove these photos from websites over which they have no control.

2.20 PROBATE SALES AND COURT CONFIRMATION

An executor or administrator of a probate estate (the "Representative") may sell estate property under certain conditions. The sale of estate real property is typically subject to confirmation by the Probate Court. The Independent Administration of Estates Act ("IAEA") provides a simplified method of probating estates with limited court supervision. Under the IAEA, the Representative may list real property with a broker for a period not to exceed 90 days without prior court approval and to sell the Property without court confirmation, unless a person named in the will or other person who is entitled to receive a Notice of Proposed Action objects; in which case court confirmation will be required. The Representative's ability to sell without court supervision or approval under IAEA is not absolute and is conditioned upon there being no objections by interested persons (generally, the heirs). If there is any objection, Court Confirmation may be necessary. The California Association of REALTORS® Residential Purchase Agreement currently has an available "Probate Agreement Purchase Addendum" and a "Probate Advisory" that address these issues.

Probate property is always sold "As-Is" and certain standard disclosure forms, such as the Real Estate Transfer Disclosure Statement, are not necessarily required, but other disclosures remain a requirement, disclosure of the Representative's actual knowledge of all material facts affecting the value or desirability of the Property, hazard zones, lead paint, and other disclosures are still required. The California Association of REALTORS® Residential Purchase Agreement includes an available "**Probate Advisory**" that addresses these issues.

If Court Confirmation is required and is subject to open competitive bidding (which is true in probate, conservatorship, guardianship, receivership, or bankruptcy sales), it is strongly recommended that Buyers personally appear in Court when their offer is scheduled for confirmation. Buyers should understand that in most sales requiring Court Confirmation, the Property may continue to be marketed and that their broker and others may represent other competitive bidders prior to and at the Court Confirmation hearing. Different courts have their own local rules for how to handle the possibility of over-bids, including whether initial deposits need to be in a certain amount or whether an over-bid needs to be a specific percentage above the original offer. Any questions regarding the specific rules for the Court where the

confirmation hearing is to be held should be directed to the clerk of that Court. It is also strongly recommended that Buyers consult a qualified real estate or estate and trust attorney who is knowledgeable about Court Confirmation sales since real estate brokers are not qualified to provide legal advice. Brokers do not have expertise in this area.

2.21 PERSONAL PROPERTY AND STAGING ITEMS

Sellers and Listing Brokers often engage the services of "Staging" companies to assist in presenting the Property in its best light. The furniture, furnishings and accessories provided by the staging company are removed prior to close of escrow and do not transfer to the Buyer. Standard Purchase Agreement forms specify that NO personal property is included in the sale unless specifically designated in the Agreement or an Addendum. The images and information in the Multiple Listing Service, flyers and other marketing materials are NOT part of the Purchase Agreement. NONE of the staged furniture or other items (e.g. window treatments, mirrors, rugs, lamps, plants, etc.) is included in the sale unless specifically added in the Purchase Agreement that has been signed by Buyers and Sellers. Buyers who wish to purchase any staged items should enter into a separate written agreement with the staging company. Brokers do not have expertise in this area.

2.22 ANIMALS

Current or previous owner(s) may have had domestic and/or other indoor or outdoor animals on the Property that may have caused damage to various aspects of the Property. Odors from animal urine or waste may be dormant for long periods and then become active because of heat, humidity, moisture, or other factors such as some cleaning techniques, or be temporarily masked by other odors such as fresh paint or new carpet. Animal urine and feces can also damage floors, subfloors, floor coverings, walls, baseboards, and other components. Animals can also attract fleas, ticks, and other pests that can remain on the Property after the animal has been removed. Short of demolition and reconstruction, complete elimination of odors and other problems created by animals may not be possible even by professional cleaning efforts or replacing carpets, pads and other affected components. The Property may be subject to local ordinances regulating the maintenance, breeding, number, or type of animals permitted, or other requirements such as spaying or neutering and Buyer should investigate these laws and regulations if applicable to Buyer's intended use of the Property. Buyers should also investigate whether any applicable Homeowner or Common Interest Association has imposed restrictions on animals. Neighbors may have animals that can cause problems including but not limited to noise and odors. Common pets such as dogs can bark, cats are not easily contained, and in some cases more unusual animals (e.g. poultry, exotic birds, and reptiles) may create issues that also impact the value, use, and enjoyment of the Property. California is home to a wide variety of animals, birds, reptiles and insect life, including but not limited to ants, bedbugs, bats, rodents, snakes and larger wild animals such as mountain lions and deer, some or all of which may enter or inhabit the Property and may be difficult to eliminate or control. These creatures can damage landscaping, might be a hazard to people, pets, or other animals, and may cause issues that impact the value or the Buyers' use and enjoyment of the Property. Proximity to rural or open space areas increases the likelihood of such issues. Buyers should investigate these issues with licensed professionals, including local animal/pest control companies, and/or other qualified agencies or organizations during Buyers' inspection period. Brokers do not have expertise in this area.

3.0 FEDERAL, STATE AND REGIONAL CONDITIONS ADVISORIES

3.1 GEOLOGIC CONDITIONS:

<u>UNSTABLE HILLSIDES</u>: Many hillside properties are active and potentially active landslide areas. Many of the geologic forces which have shaped California over the eons are still active today. The only way to determine the nature of the soil and bedrock under a structure, and how these forces may affect those structures, is with a geologic or geotechnical inspection and report.

EXPANSIVE SOILS: Some parts of the area have expansive, or adobe, soil which will expand and contract with the wet and dry seasons. This expansion and contraction can cause movement or shifting of structures and their foundations.

HIGH WATER TABLES: Some parts of the County have high water tables that can intensify mold growth and compromise the stability of soil and/or foundation. In addition, high water tables may affect the use and enjoyment of the surrounding land, particularly during months of heavy rain. Buyers should consult the appropriate experts to help evaluate the effect of highwater tables on the subject property and, when necessary, consider drainage modifications to protect the structure and improve the use and enjoyment of the surrounding landscape.

Reports from Natural Hazard Disclosure ("NHD") companies may not contain all information from all sources regarding the Property and surrounding conditions and cannot be relied on for all information regarding natural hazards which may affect the Property. Brokers recommend that Buyers have any Property they are purchasing inspected by a qualified geologist, geologic or geotechnical engineer, or other qualified professional. Brokers do not have expertise in this area.

3.2 WET WEATHER CONDITIONS:

At times, this area may have months with heavier than usual rainfall and "atmospheric rivers" can result in literally months' worth of rainfall occurring in only a few hours. During these times, hillside properties may be susceptible to earth movement and drainage problems, and properties on flatlands may be susceptible to flooding. Properties which may not have experienced water intrusion into or under structures in the past may experience these conditions for the first time as a result of these weather-related phenomena. Sellers are obligated to disclose to Buyers those material defects or conditions known to them which affect the value or desirability of the property; however, Sellers may be aware of recent changes in the condition of the property or its improvements caused by unusually wet weather, and Sellers may have never personally experienced these weather conditions. Accordingly, brokers recommend that, in addition to a home inspection, Buyers have such additional inspections by inspectors or engineers regarding these conditions as Buyers may desire. Brokers do not have expertise in this area.

3.3 CLIMATE ADVISORY; WATER RESOURCES:

Due to severe drought conditions, other extreme weather events, climate change, environmental conditions and resource availability relative to the Property changes and will continue to change. For example, water usage has been and may again in the future be restricted by orders of the State, as well as by orders of local governments, as well as by restrictions mandated by water districts and by private community water companies. Current and future restrictions may also impact the Property by increasing water costs, including the cost of well monitoring and inspections to assess the common groundwater resources available to well owners in the area of the Property. These limitations may affect the quality of life at the Property and the ability to use water in the home and for landscaping, agricultural, and livestock purposes. Buyers should thoroughly investigate this issue, as well as the cost to arrange for delivery and storage of water by private suppliers if it becomes necessary. Buyers are advised to contact all water resource providers and agencies including without limitation private water suppliers, and the public or private entities that supply water to the Property, and local government agencies involved in water resource supplies and monitoring such as city government, the Sonoma County Water Agency, and the applicable Groundwater Sustainability Agency, if any, with jurisdiction over the Property, to determine if there are any current or anticipated future restrictions on the use or availability of water to the Property. Examples include the Santa Rosa Plain Groundwater Sustainability Agency

(<u>https://santarosaplaingroundwater.org/</u>), the Petaluma Groundwater Sustainability Agency (<u>https://petalumavalleygroundwater.org/</u>), and the Sonoma Valley

(https://sonomavalleygroundwater.org/gsa-structure/). Brokers do not have expertise in water

usage, water availability, water rights, or any related matters. Brokers do not have an obligation to research or investigate any water issues relating to the Property including but not limited to inspecting public records concerning water. Brokers do not have expertise in this area.

3.4 PERMITS; NONCONFORMING USES, UNPERMITTED ALTERATIONS AND IMPROVEMENTS

Any construction work of any kind on the Property which was done without first obtaining the necessary permits or final permit approvals/certificates of completion ("nonconforming improvements") may be subject to government orders to either legalize the improvement, if possible, or to demolish the improvement. Also, the owner of the Property may be subject to fines, penalties, permit, design, and construction costs, and other expenses to bring the Property into conformity or to demolish the unpermitted improvement. It may not be feasible to legalize nonconforming improvements because of zoning, permit and/or other legal or regulatory limitations. Building inspection and code enforcement agencies are allowed to conduct inspections of the Property for permit, code and other violations at any time upon notice to the owner. Nonconformance of improvements may be discovered when one applies for a permit to do work on the Property. Whenever nonconforming uses are discovered, the then-current owner is subject to the above-described consequences and/or expenses. While Sellers are obligated to disclose any known nonconforming improvements, Seller may not be aware of all illegal or non-permitted improvements or uses on the Property, especially those that were made prior to Seller's ownership. Brokers are not required by law to inspect public records and cannot determine the legal status of improvements based solely on a visual inspection of the Property. Thus, Buyers are strongly urged to investigate possible nonconforming improvements by personally contacting the local building inspection and code enforcement agencies as well as obtaining the advice of contractors, architects, engineers or other professionals regarding the status and condition of the Property prior to removing inspection contingencies. Brokers do not have expertise in this area.

3.5 CODE COMPLIANCE AND ENFORCEMENT

Even if the Property is new construction, not all aspects, components and structures on the Property may comply with current code. This may be because government inspectors may have missed the non-complying item, or code requirements have changed since the improvements were first constructed or, in some cases, improvements may have been made by the current owner, or even by prior owners without the knowledge of the current owner. Real estate brokers are not qualified to identify code violations. If the applicable city or county building department discovers the code violations, the current owner may be required to bring the property into current code compliance or to remove or demolish the portion of the property that is in violation. Various building departments take different approaches to enforcement; some are stricter than others. Prior to removal of their inspection contingency, Buyers should have the entire Property inspected by a qualified home inspector and other licensed contractors, architects, engineers, or other professionals who are trained and experienced in identifying code violations and who can advise Buyer as to local codes, regulations, and government code enforcement practices and procedures Brokers do not have expertise in this area.

3.6 UNDERGROUND UTILITIES

Some towns, cities, and utility companies are currently or may in the future bury overhead utility lines underground in the vicinity of the Property. These projects can result in special tax assessments and set-up costs for individual homeowners, as well as noise, vibration, dust, traffic delays, and other issues common to any construction project. It is recommended that Buyers investigate this issue with Pacific Gas and Electric Company ("PG&E"), cable/data providers such as Comcast, AT&T, etc., and the applicable city or county public works department. Brokers do not have expertise in this area.

3.7 CRIME

The existence of crime is a fact of urban life. Some areas experience more crime than others and patterns of crime change over time. At times, local law enforcement agencies may target designated areas for special but temporary enforcement measures. Individual criminal acts may occur in any neighborhood and may occur close to or on the Property. Some crimes may be reported in the local news while others are not reported on by the media. Because of the everchanging nature of the nature, frequency, location, statistics, and other information regarding crime, neither Seller nor Brokers will investigate any matter relating to crime or criminal activity. If criminal activity is a concern or a factor in a Buyer's decision to purchase a particular property, or to buy in a particular neighborhood, Buyers are urged to check with the local law enforcement agencies and to research such information, prior to removing their inspection contingency. Brokers do not have expertise in this area.

3.8 RENTAL PROPERTY AND RELATED LAWS

When rental properties are offered to the public, the owner and real estate broker must act in compliance with all local, state, and federal laws and regulations, including without limitation laws governing restrictions on eviction, limitations on rent increases, restrictions on vacation rentals, discrimination in housing, disabled tenant accommodations including service animals, laws restricting animal deposits, and other matters. If Buyer intends to rent the Property or any residential dwelling located on the Property, Buyer is advised to investigate these issues with an experienced real estate attorney, and the appropriate government authority or HOA during Buyer's inspection contingency period. Brokers do not have expertise in this area.

The County of Sonoma and several cities within the County including without limitation Santa Rosa, Sonoma, Petaluma, Healdsburg, Sebastopol, and Windsor regulate "vacation rentals" and "short-term rentals". If Buyer's intended use of the Property is to operate a vacation rental, Buyer should investigate all applicable regulations and permit requirements. Examples of such regulations/permit requirements can be found on the County of Sonoma's website: https://permitsonoma.org/regulationsandinitiatives/vacationrentals and also on the City of Santa Rosa's website: https://srcity.org/3625/Short-Term-Vacation-Rentals. Brokers do not have expertise in this area.

3.9 NEW CONSTRUCTION WARRANTIES, DEFECTS AND LAWSUITS

The Real Estate Transfer Disclosure Statement ("TDS") requires Sellers to disclose if there are any lawsuits by or against the Sellers threatening or affecting the real property along with questions related to construction defects, citing Civil Code Sections 900, 903, 910 and 914. These codes are part of a law that is often referred to as "SB800" or Title 7, which generally applies to residential real property built by a "Builder" (as defined in Section 911) and sold for the first time after January 1, 2003. The law provides for a limited one-year warranty from the Builder and Builders may provide "enhanced protection agreements" which may extend or expand on the warranty or the warranty period. Homeowners are required to follow all reasonable maintenance obligations and schedules communicated in writing by the Builder and product manufacturers, as well as commonly accepted maintenance practices. Failure to do so may provide a defense against a homeowner claim and Builders often require specific prelitigation procedures and remedies in the event of a claim against the Builder. Sellers who have questions about how to answer this TDS question should consult with a qualified California real estate attorney for advice. If the Sellers disclose any lawsuits or claims, Buyers should investigate such disclosures with a California real estate attorney. Buyers should review the Builder's warranty, if applicable, as well as the applicability of SB800, with a qualified California real estate attorney. Brokers do not have expertise in this area.

3.10 PRIVATE ROADS; ROAD AND WATER EASEMENTS AND RELATED MAINTENANCE

If the Property is accessed or affected by a private roadway that is shared with one or more other properties, or if water or other utilities are provided to the Property using easements,

Buyers need to determine whether or not there is a recorded easement and maintenance agreement, and whether or not the road or other utility users, including the current owner of the Property, are in compliance with any such easement or maintenance agreement. If no maintenance agreement exists, Civil Code Section 845(s) provides that the cost of road or utility line maintenance "shall be shared proportionately to the use made of the easement by each owner." Buyers should consult with a qualified California real estate attorney regarding these matters. Brokers do not have expertise in this area.

3.11 POTENTIAL INCREASE IN OWNERSHIP COSTS AND/OR REDUCTION IN SERVICES

Due to extraordinary recent and ongoing economic and environmental conditions, governmental and quasi-governmental entities and private companies that may provide services directly to the Property or to the community in which the Property is located (including without limitation cities, counties, water, sewer, and other types of utility and/or assessment districts and private water companies), have lost or may in the future lose revenue from what were previously thought to have been relatively stable funding sources, such as sales tax, property transfer tax, and other revenue sources, and the also may be restricted by resource availability due to environmental conditions such as drought or high utility demand due to atmospheric heat events. One of the possible results of actual or potential revenue losses or restrictions in resource availability is that the cost of ownership of the Property, including such costs as utility rates, fees, and taxes, can increase substantially. Also, services provided by governmental and quasi-governmental entities may be reduced due to budget shortfalls. Buyer is advised to investigate the financial stability of governmental and quasi-governmental entities and utility suppliers, including water, sewer, and other types of utility and assessment districts that provide service to the Property and/or to the community in which the Property is located, and to investigate environmental and resource demand conditions that may affect the availability and cost of services and utilities being provided to the Property and neighborhood. Such information may be obtained by contacting federal, state, county and city governmental agencies and quasigovernmental agencies such as utility districts and private water companies that may have jurisdiction over or that serve the Property, and by searching in the archives of the local and statewide news media. Brokers do not have expertise in this area.

3.12 SEA LEVEL RISE: RIVER AND COASTAL CONDITIONS

If the Property is in a coastal or coastal influenced area including a creek, river or estuary area, Buyer is advised that these areas are subject to sea level rise, the effects of which include without limitation: (a) changes in the mean high tide line that may determine the Property boundary, (b) enactment of hazard abatement districts that result in assessments being levied against the Property to fund improvements to limit the effects of sea level rise, (c) erosion of beaches, bluffs, shoreline, riverbanks, (d) relocations of roadways, utilities, seawalls, riprap, and bulkheads due to erosion and subsidence, any of which can include the need for governmental agencies to condemn (either temporarily or permanently) some or all of the Property. Such property is also subject to frequent strong winds, wind-driven rain, fog, salty sea air and mist, and direct sunlight, any of which, alone or in combination, can prematurely age the interior and exterior of structures. Warping and cracking of surfaces, failed seals on dual-paned windows, loss of roof shingles, and water intrusion, among other problems, are not uncommon with such properties, and such properties require regular, thorough maintenance. Buyer is advised to fully investigate these with appropriate professionals, including having a geological inspection, to identify the effect of the listed conditions, if any, on the property, and to identify the increased maintenance and repairs that may be needed for property in coastal areas. Brokers do not have expertise in this area.

3.13 ENDANGERED SPECIES ACT

Under the Federal Endangered Species Act (16 U.S.C. §§ 1531-1544) and the California Endangered Species Act (Fish & Game Code § 2050 et seq.), all species that have been listed as "endangered," "threatened," or in some cases species that are "candidates" for declaration as

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endangered or threatened are protected from, among other things, being killed or being harassed, harmed, pursued, hunted, wounded or trapped in any way. There are many species of plants and animals in Sonoma County that are so listed, an example being the California Tiger Salamander, which was listed as an "endangered species" in March 2003. In addition to protecting the listed species themselves, these laws protect the designated "critical" or "essential" habitat of these species. The presence of a listed plant or animal on the property can have serious consequences for Buyer's plans, including but not limited to prohibition or limitations on building, remodeling, grading, landscaping, and agricultural, livestock, and equestrian activities, and costs relating to governmental requirements for environmental mitigation of the effects of buyer's plans or activities. Violating these laws can result in substantial fines, civil penalties, forfeiture of certain personal property, and prison sentences. Buyer should contact the U.S. Fish and Wildlife Service at http://www.fws.gov/ and the California Department of Fish and Wildlife at https://www.wildlife.ca.gov/ to determine if the property is within designated critical or essential habitat for any listed species. Buyer should also consider engaging qualified professionals, who may include biologists, botanists, ecologists, and others experienced with application and enforcement of the Endangered Species Act and its requirements. Brokers do not have expertise in this area.

4.0 COUNTY AND CITY ADVISORIES

4.1 RIGHT TO FARM ORDINANCE

The County of Sonoma permits the operation of properly conducted agricultural operations on agricultural land within the unincorporated area of Sonoma County and has declared it County policy in the Sonoma County Right to Farm Ordinance (Sonoma County Code, Chapter 30, Article II) to conserve, protect, enhance, and encourage such operations. If the property you are purchasing is located near an agricultural operation on agricultural land, residents or users of the property may at times be subject to inconvenience or discomfort arising from that operation, including, without limitation, noise, odors, fumes, dust, smoke, insects, operation of machinery during any time of day or night, storage and disposal of manure, and ground or aerial application of fertilizers, soil amendments, seeds, and pesticides. One or more of these inconveniences or discomforts may occur because of any properly conducted agricultural operation on agricultural land. The County of Sonoma has determined in the Sonoma County Right to Farm Ordinance that inconvenience or discomfort arising from a properly conducted agricultural operation on agricultural land will not be considered a nuisance for purposes of the Sonoma County Code or County regulations, and that residents or users of nearby property should be prepared to accept such inconvenience or discomfort as a normal and necessary aspect of living in a county with a strong rural character and an active agricultural sector. For more information about the Sonoma County Right to Farm Ordinance, please contact the Sonoma County Agricultural Commissioner's office at 2604 Ventura Avenue, Santa Rosa, CA 95403. Brokers do not have expertise in this area.

4.2 SONOMA-MARIN "SMART" RAIL SYSTEM AND FREIGHT TRAIN SERVICE

Some properties in Sonoma County are located adjacent to or near railroad tracks that are used by freight trains and the SMART Train (the "Sonoma-Marin Area Transit" train). Buyer and Seller can obtain more information about freight train service by contacting the North Coast Railroad Authority or by going online to: http://www.northcoastrailroad.org/, and about the SMART Train by contacting SMART or by going online to: http://www.sonomamarintrain.org/ Precisely what impact, if any, the freight train service and the SMART rail and related trail transportation system will have on any given property is unknown, although noise and vibration from construction, repairs, testing, and train service will, at a minimum, affect some properties in Sonoma County. The construction and/or use of the SMART rail and the freight train transportation system may affect people differently. Brokers and agents do not have expertise in this area and buyers are advised to satisfy themselves about this issue during their inspection contingency period. Brokers do not have expertise in this area.

4.3 VINEYARD EROSION AND SEDIMENT CONTROL ORDINANCE

The County of Sonoma, through Chapter 11 of the Sonoma County Code (Sonoma County Grading, Drainage, and Vineyard and Orchard Site Development Regulations), has established permit requirements and standards for vineyard and orchard site development within the unincorporated area of Sonoma County. If at any time you plant a new vineyard or orchard or replant an existing vineyard or orchard on all or any part of the property you are purchasing, you will be required to comply with the requirements of Chapter 11 of the Sonoma County Code. For more information about Chapter 11 of the Sonoma County Code and its requirements for vineyard and orchard site development, please contact the Sonoma County Agricultural Commissioner. Brokers do not have expertise in this area.

4.4 WELL TESTING AND TREATMENT ORDINANCE

To protect groundwater, the County of Sonoma has established an ordinance regulating the placement, construction, reconstruction, abandonment, and destruction of wells. The ordinance, Chapter 25B of the Sonoma County Code, requires the following for any property containing a non-public "contaminated well" (as defined in the ordinance) producing water intended for human or animal consumption: (a) installation and ongoing maintenance of water treatment equipment, (b) water quality testing on a daily, monthly, quarterly, bi-annual, or annual basis depending on the level of contamination, (c) submission of test results annually to the appropriate Enforcing Agency (either the County's Department of Health Services or its Permit and Resource Management Department), (d) retention of water quality test results for at least three years, and (e) notification by the property owner to all tenants regarding the ongoing testing and treatment. For more information, please contact the Sonoma County Department of Health Services or its Permit and Resource Management Department. Brokers do not have expertise in this area.

4.5 SEWER LATERAL ORDINANCES

The Property may be served by a sewer system that is under the jurisdiction of a Sewer District, Water District, Community Services District, or other governmental agency ("District"). Seller and Buyer are advised that many such Districts have enacted ordinances requiring that inspection/testing and repair or replacement of sewer service laterals be completed prior to any sale or other transfer of ownership of the Property. Each such ordinance has different requirements. Other governmental agencies in the County may in the future enact similar ordinances. Buyer and Seller are advised to review the language of any sewer lateral ordinance that applies to the property and address any concerns relating to the ordinance during their negotiations of the Purchase Agreement for the sale of the property. Seller is advised to engage a qualified inspector to inspect the condition of the sewer lateral, according to the terms of the applicable ordinance and related regulations/standards, prior to entering into a Purchase Agreement for the sale of the property. Brokers do not have expertise in this area and are unable to advise Buyers and Sellers regarding these ordinances, sewer lateral testing, repair or replacement, related issues, or the associated costs, which may be significant. The parties are advised to obtain the latest information regarding all such applicable ordinances, whether enacted or merely proposed, that currently affect or that might in the future affect the Property or the cost to make any changes or improvements to the property. Brokers do not have expertise in this area.

4.6 NO-SMOKING AND SECOND-HAND SMOKE ORDINANCES

Several counties and cities have enacted ordinances that prohibit smoking of tobacco and other substances, and in some cases e-cigarettes, in multi-unit residential units, including balconies, common areas and within certain distances of all enclosed areas. These ordinances are usually designed to limit ingestion of second-hand smoke by other residents. Other cities may enact such ordinances as well. For information on such ordinances contact the city or county website where the Property is located. Brokers do not have expertise in this area.

4.7 LOCAL RENT CONTROL AND EVICTION LAW ISSUES

In addition to the statewide rent control and just cause eviction statutes, several cities and some counties in California have enacted or are contemplating enacting ordinances that also control rents and/or the grounds for eviction of tenants. Other cities may create comparable requirements and/or require the issuance of permits or mandate inspections prior to renting out any type of property. Buyer should investigate the existence of applicable ordinances and laws regulating their ability to rent property and to satisfy themselves as to whether that type of ordinance will impact their intended use of the Property. Determining the existence of and/or the applicability of any laws regulating the renting of property/the amount of rent, the eviction of tenants, and/or mandatory city rental health and safety inspections, is beyond the expertise of the real estate professionals. Brokers do not have expertise in this area.

5.0 ATTORNEY AND ACCOUNTANT RECOMMENDATIONS

In addition to the professional service providers Buyers will retain to inspect and analyze the property being purchased or sold, a situation may arise during the course of Buyers' purchase transaction that requires Buyers to either make an important decision or select a plan of action that could result in significant legal consequences and substantial impact on Buyers' personal finances. The most prudent and best plan is to identify a certified public accountant and real estate attorney in advance of the sale or purchase of the property so that Buyers and Sellers can quickly contact and seek the proper financial and/or legal advice and guidance if needed during the transaction. If a 1031 exchange is contemplated, also contact an exchange accommodator to discuss the proper method and timing of the exchange.

ACKNOWLEDGEMENTS REGARDING BROKERS AND AGENTS

The parties acknowledge the following regarding real estate brokers and agents ("broker"):

- Broker does not warrant or guarantee the condition of the Property.
- Broker shall not be responsible for failure to disclose to Buyer facts regarding the condition
 of the property where the condition (i) is unknown to broker or (ii) is not capable of being
 seen by Broker because it is in an area of the property that is reasonably and normally
 inaccessible to Broker;
- Broker has not verified square footage, size of structures, acreage or boundary lines of the
 property; representations made by others; information received from public records, Seller
 or other third parties; information contained in inspection reports or in the Multiple Listing
 Service, or that has been copied therefrom; or statements in advertisements, flyers or other
 promotional material; or any other matters described in this Disclosures Advisory; unless
 otherwise agreed in writing;
- Broker does not guarantee, and shall not be responsible for, the labor or services or products provided by others to or on behalf of Buyers or Seller and does not guarantee, and shall not be responsible for, the quality, adequacy, completeness or code compliance of repairs made by Seller or by others;
- Broker does not decide what price Buyers should pay or Seller should accept;
- Broker is not qualified to give legal, tax, insurance, or title advice; and
- Brokers lack professional expertise in the areas listed above, and do not verify the results of any inspections or guarantee the performance or reports of any inspection or professional services.
- Buyers and Sellers are advised to investigate and choose their own service providers to conduct investigations and advise them on these and all matters related to the sale and purchase of real property. In these and all other matters referred to in this Disclosures Advisory, Buyers and Sellers are advised to seek any desired assistance from appropriate qualified professionals.
- Nothing any real estate licensee may say will change the terms or effect of this Advisory.
- This document may be signed in counterparts.

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ELECTRONIC SIGNATURES

Buyers and Sellers may be able to sign transaction documents electronically making it possible to skip from one signature line to the next and thus it is easier to ignore the terms and conditions to which a signature or initial applies. If Buyers and Sellers choose to sign documents electronically, they must be certain to take the time necessary to read each document thoroughly and only sign or initial those documents with full knowledge and consent of that which they intend to sign.

BUYER AND SELLER ARE ENCOURAGED TO READ ALL 20 PAGES OF THIS ADVISORY CAREFULLY.

BY SIGNING BELOW, BUYER AND SELLER ACKNOWLEDGE THAT EACH HAS READ, UNDERSTOOD, AND RECEIVED A COMPLETE COPY OF THIS ADVISORY.

Dated:		
	Buyer	
Dated:	Duver	
	Buyer	
Dated:	 Seller	
	Collor	
Dated:		
	Seller	