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6 (805) 962-4413

7 Attorneys for Debtor and Debtor-in-Possession

8
9 IN THE UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA - NORTHERN DIVISION

11 In re) CASE NO. 9:15-bk-12171-PC
12) (Chapter 11)
13 Rancho Arroyo Grande LLC, a)
14 California Limited Liability) MOTION FOR ORDER AUTHORIZING
15 Company,) DEBTOR AND DEBTOR-IN-POSSESSION
16 Debtor.) TO SELL REAL PROPERTY; TO PAY
17) REAL ESTATE COMMISSION AND COSTS,
18) TO PAY IN FULL SECURED AND
19) UNSECURED CREDITORS OF ESTATE;
20) FOR A FINDING THAT BUYER IS A
21) GOOD FAITH PURCHASER UNDER 11
22) U.S.C. §363(m); AND FOR WAIVER OF
23) THE STAY UNDER BANKRUPTCY RULE
24) 6004(h); MEMORANDUM OF POINTS AND
25) AUTHORITIES; DECLARATION OF
26) CHRISTOPHER J. CONWAY IN SUPPORT
27)
28) Date: To Be Set
Time: 10:00 a.m.
Place: 1415 State Street,
Santa Barbara, CA 93101
Rm. 201

24 TO THE HONORABLE PETER H. CARROLL, UNITED STATES BANKRUPTCY JUDGE,
25 THE OFFICE OF THE UNITED STATES TRUSTEE, CREDITORS AND ALL OTHER
26 INTERESTED PARTIES:

27 The Debtor and Debtor-in-Possession, Rancho Arroyo Grande, LLC
28 ("the Debtor"), pursuant to 11 U.S.C. §§105(a), 363(b)(1), (f) and

1 (m), Federal Rule of Bankruptcy Procedure 6004, and Local Bankruptcy
2 Rule 6004-1 hereby moves the Court for an order authorizing the
3 Debtor to sell real property of this estate, to pay costs of sale,
4 including commissions, to pay secured and unsecured claims, for a
5 finding that the buyer is a good faith purchaser under 11 U.S.C.
6 §363(m), and for waiver of the 14 day stay provided for under
7 Federal Rule of Bankruptcy Procedure 6004(h) ("Motion").

8 The real property proposed to be sold is located at 1530 Roble
9 Drive, Santa Barbara, California ("Roble Property") and is being
10 sold to Steve Zimmerman or Assignee ("Buyer"), for the cash price of
11 \$8,900,000.00. A true and correct copy of the legal description for
12 the Roble Property is attached to the Declaration of Christopher J.
13 Conway as Exhibit "A". The terms and conditions of the Proposed
14 Sale are described in the Residential Purchase Agreement and Joint
15 Escrow Instructions and Counter Offers thereto (the "Purchase
16 Agreement"), a copy of which is attached to the Declaration of
17 Christopher J. Conway as Exhibit "B". This sale is not subject to
18 overbid.

19 This Motion is based upon the attached notice of motion, the
20 Memorandum of Points and Authorities, the declaration of Christopher
21 J. Conway in support of the Motion, and the papers and pleadings on
22 file in connection with this matter.

23 Dated: March 17, 2017

Law Offices of Karen L. Grant

24
25 By:


26 Karen L. Grant
27 Attorneys for Debtor and
28 Debtor-in-Possession Rancho
Arroyo Grande, LLC.

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I.

3 STATEMENT OF FACTS

4 1. This case was commenced by the filing of a voluntary
5 petition under Chapter 11 of the Bankruptcy Code on October 30, 2015
6 ("Petition Date"). The Debtor is a debtor-in-possession and no
7 trustee has been appointed.

8 2. The Roble Property consists of an 11,293 sq. ft. main
9 house with 9 bedrooms and 6.5 baths, a 2 bedroom guest house, pool,
10 tennis court and other improvements, including approximately seven
11 acres of landscaped gardens. The Debtor's principals, Christopher
12 and Ann Conway reside at the Roble Property. Since the inception of
13 this case, the Roble Property has been listed for sale and is
14 currently the sole remaining asset of the estate remaining to be
15 sold. In the last 30 days the Debtor has received two offers to
16 purchase the Roble Property. The first offer was for \$9.0 million
17 and was contingent on the buyer obtaining financing. The second
18 offer is an all cash offer of \$8.9 million. The Debtor has accepted
19 the cash offer and by this motion seeks an order authorizing the
20 sale.

21 3. The Roble Property is subject to the following liens and
22 encumbrances:

23 (a) Real property taxes assessed against the Ranch
24 Property by the County of Santa Barbara for 2015-2016 totaling
25 \$30,402.96 pursuant to an amended proof of claim filed by Harry E.
26 Hagen, Treasurer-Tax Collector on August 25, 2016;

27 (b) A first deed of trust recorded July 28, 2003, as
28 Instrument No. 2003-0100359 ("WF Deed of Trust") in favor of Wells

1 Fargo Home Mortgage ("Wells Fargo") securing a Note in the original
2 amount of \$3,000,000 ("WF Note). On February 29, 2016, Wells Fargo
3 filed a proof of claim on its secured claim in the amount of
4 \$2,363,668.69. The Debtor estimates that Wells Fargo is currently
5 owed approximately \$2,576,000 on the WF Note.

6 (c) A second deed of trust recorded December 5, 2014, as
7 Instrument No. 2014-0055724 in favor of USI Servicing, Inc. ("USI"),
8 securing a Note in the original amount of \$2,000,000.00 ("USI Note")
9 pursuant to a proof of claim filed March 29, 2016. The Debtor
10 estimates that USI is currently owed approximately \$2,752,000 under
11 the USI Note.

12 4. The Debtor has received and accepted, subject to approval
13 of this court, an offer to purchase the Roble Property from the
14 Buyer for \$8,900,000, consisting of a \$267,000 deposit, with the
15 balance payable in cash at close of escrow. The terms of the
16 proposed sale are set forth in the Purchase Agreement, a copy of
17 which is attached to the declaration of Christopher J. Conway as
18 Exhibit "B". Escrow shall close no later than 45 days from date of
19 entry of the order approving the sale. All contingencies shall be
20 released within 35 days from the date of entry of the order
21 approving the sale.

22 5. On July 18, 2016, this Court entered an order authorizing
23 the Debtor to employ Linda Lorenzen-Hughes and Coldwell Banker
24 (collectively "Hughes") to list the Roble Property for sale. A true
25 and correct copy of the Order is attached to the Declaration of
26 Christopher J. Conway as Exhibit "C". Pursuant to the Listing
27 Agreement, Hughes is entitled to a 5% commission from the sale of
28 the Roble Property.

1 6. The Debtor and its principals are not related or
2 affiliated in any way with the Buyer. Prior to this transaction,
3 the Debtor did not have any relationship or contact whatsoever with
4 the Buyer. The court may authorize this sale pursuant to the
5 provisions of 11 U.S.C. §363(b)(1).

6 7. The proposed sale in this case is sufficient to pay all
7 secured and unsecured claims in full. Pursuant to a Stipulation
8 between the Debtor, USI and Wells Fargo Bank, N.A. ("WFB") approved
9 by this Court on December 13, 2016, WFB has a deficiency claim in
10 the amount of \$2,123,297.31 remaining after the sale of the Debtor's
11 Ranch Property, that was agreed to be paid through escrow from the
12 Debtor's sale of the Roble Property, together with the remaining
13 unsecured claims in the case. Based on the claims filed and
14 scheduled in the Case, the remaining unsecured claims total
15 approximately \$12,329, consisting of the following claims:

<u>Claimant</u>	<u>Amount</u>
Delta Liquid Energy	\$ 60.00
Department of Motor Vehicles	\$ 559.00
Padre Associates, Inc.	\$ 680.00
Ruffoni Farming & Management LLC	\$ 10,630.00
Sean Addison Pool and Spa Inc.	<u>\$ 400.00</u>
Total	\$ 12,329.00

23 II

24 **THE COURT SHOULD APPROVE THE SALE BECAUSE IT IS IN THE BEST**
25 **INTERESTS OF THE BANKRUPTCY ESTATE**

26 8. 11 U.S.C. §363(b)(1) authorizes the Debtors to sell
27 property when such sale is in the best interest of the estate. The
28 proposed sale of the Roble Property meets that requirement. The

1 Roble Property is being sold at arms-length and at fair market
2 value. The net proceeds from the proposed sale, after commissions
3 and costs are sufficient to pay all the secured and unsecured claims
4 in this case.

5 **IV**

6 **CONCLUSION**

7 WHEREFORE, Debtors pray for an order of the Court as follows:

8 1. Authorizing the Debtor to sell the Roble Property to the
9 Buyer for \$8,900,000 cash upon the terms and conditions set forth in
10 the Purchase Agreement attached as Exhibit "B" to the Declaration of
11 Christopher J. Conway;

12 2. To pay directly from escrow:

13 (a) All commissions and closing costs;

14 (b) Real property taxes assessed against the Roble
15 Property by the County of Santa Barbara;

16 (c) The secured claim of Wells Fargo Home Mortgage
17 secured by a first deed of trust recorded July 28, 2003, as
18 Instrument No. 2003-0100359 ("WF Deed of Trust");

19 (d) The secured claim of USI secured by a second deed
20 of trust recorded December 5, 2014, as Instrument No. 2014-0055724;

21 (e) The allowed unsecured claims in this case;

22 3. For a finding that the Buyer is a good faith purchaser
23 entitled to all the protections and benefits of 11 U.S.C. §363(m);

24 4. For a waiver of the 10-day period provided for in Federal
25 Rule of Bankruptcy Procedure 6004(g); and,

26 ///

27 ///

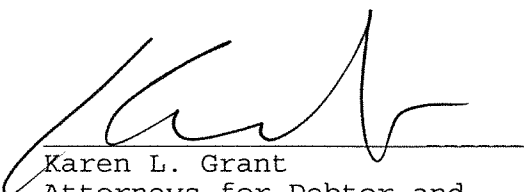
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5. For such other and further relief as the court deems just
and proper.

Dated: March 17, 2017

Law Offices of Karen L. Grant

By: 
Karen L. Grant
Attorneys for Debtor and
Debtor-in-Possession

DECLARATION OF CHRISTOPHER J. CONWAY

I, Christopher J. Conway, state and declare as follows:

1. I am the managing member of Rancho Arroyo Grande LLC, a California Limited Liability Company, debtor and debtor-in-possession in the chapter 11 bankruptcy case filed on October 30, 2015 ("the Debtor").

2. I have personal knowledge of the facts stated in this declaration and could and would competently testify thereto if called upon to do so.

3. Among the assets of the estate is certain real property located at 1530 Roble Drive, Santa Barbara, California ("Roble Property"). A true and correct copy of the legal description for the Roble Property is attached hereto as Exhibit "A". Since the inception of this case, the Roble Property has been listed for sale and is currently the sole remaining asset of the estate remaining to be sold. In the last 30 days the Debtor has received two offers to purchase the Roble Property. The first offer was for \$9.0 million and was contingent on the buyer obtaining financing. The second offer is an all cash offer of \$8.9 million. The Debtor has accepted the cash offer and by this motion seeks an order authorizing the sale.

4. The Roble Property is subject to the following liens and encumbrances:

(a) Real property taxes assessed against the Ranch Property by the County of Santa Barbara for 2015-2016 totaling \$30,402.96 pursuant to an amended proof of claim filed by Harry E. Hagen, Treasurer-Tax Collector on August 25, 2016;

1 (b) A first deed of trust recorded July 28, 2003, as
2 Instrument No. 2003-0100359 ("WF Deed of Trust") in favor of Wells
3 Fargo Home Mortgage ("Wells Fargo") securing a Note in the original
4 amount of \$3,000,000 ("WF Note). On February 29, 2016, Wells Fargo
5 filed a proof of claim on its secured claim in the amount of
6 \$2,363,668.69. The Debtor estimates that Wells Fargo is currently
7 owed approximately \$2,576,000 on the WF Note.

8 (c) A second deed of trust recorded December 5, 2014, as
9 Instrument No. 2014-0055724 in favor of USI Servicing, Inc. ("USI"),
10 securing a Note in the original amount of \$2,000,000.00 ("USI Note")
11 pursuant to a proof of claim filed March 29, 2016. The Debtor
12 estimates that USI is currently owed approximately \$2,752,000 under
13 the USI Note.

14 5. The Debtor has received and accepted, subject to approval
15 of this court, an offer to purchase the Roble Property from the
16 Buyer for \$8,900,000, consisting of a \$267,000 deposit, with the
17 balance payable in cash at close of escrow. The terms of the
18 proposed sale are set forth in the Purchase Agreement, a copy of
19 which is attached hereto as Exhibit "B". Escrow shall close no
20 later than 45 days from date of entry of the order approving the
21 sale. All contingencies shall be released within 35 days from the
22 date of entry of the order approving the sale.

23 6. On July 18, 2016, this Court entered an order authorizing
24 the Debtor to employ Linda Lorenzen-Hughes and Coldwell Banker
25 (collectively "Hughes") to list the Roble Property for sale. A true
26 and correct copy of the Order is attached hereto as Exhibit "C".
27 Pursuant to the Listing Agreement, Hughes is entitled to a 5%
28 commission from the sale of the Roble Property.

1 7. Pursuant to a Stipulation between the Debtor, USI and
2 Wells Fargo Bank, N.A. ("WFB") approved by this Court on December
3 13, 2016, WFB has a deficiency claim in the amount of \$2,123,297.31
4 remaining after the sale of the Debtor's Ranch Property, that was
5 agreed to be paid from through escrow from the Debtor's sale of the
6 Roble Property, together with the remaining unsecured claims in the
7 case. Based on the claims filed and scheduled in the Case, the
8 remaining unsecured claims total approximately \$12,329, consisting
9 of the following:

<u>Claimant</u>	<u>Amount</u>
Delta Liquid Energy	\$ 60.00
Department of Motor Vehicles	\$ 559.00
Padre Associates, Inc.	\$ 680.00
Ruffoni Farming & Management LLC	\$ 10,630.00
Sean Addison Pool and Spa Inc.	<u>\$ 400.00</u>
Total	\$ 12,329.00

17 8. I believe that confirmation of the sale is in the best
18 interests of the Debtor and its creditors in that the sale will
19 satisfy in full the secured and unsecured claims in this case.

20 9. Neither my wife nor I am related or affiliated in any way
21 with the Buyer. Prior to this transaction, neither my wife nor I
22 had any business or social relationship or contact whatsoever with
23 the Buyer.

24 I declare under penalty of perjury pursuant to the laws
25 of the United States of America that the foregoing is true and
26 correct. Executed this 17 day of March, 2017 in Santa Barbara,
27 California.


28 
Christopher J. Conway

EXHIBIT "A"

EXHIBIT B

Order Number: 4206-4770301
Page Number: 17

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

PARCEL 5: APN: 063-200-012

THAT PORTION OF LOTS 276 AND 277 OF SANTA BARBARA ESTATES RESUBDIVISION OF A PORTION OF HOPE RANCH PARK IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED IN MAP BOOK 15 AT PAGES 188 TO 201 INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT STATION 12 + 91.29 IN THE CENTER LINE OF ROBLE DRIVE AS SHOWN ON SHEET NO. 7 OF SAID MAP OF SANTA BARBARA ESTATES RESUBDIVISION OF A PORTION OF HOPE RANCH; THENCE WITH THE CENTER LINE OF ROBLE DRIVE ALONG THE ARC OF A CIRCLE, WHOSE CENTRAL ANGLE IS 46° 10' WHOSE RADIUS IS 55.21 FEET AND WHOSE LONG CHORD BEARS NORTH 50° 50' EAST, A DISTANCE OF 43.29 FEET TO A POINT; THENCE LEAVING THE CENTER LINE OF ROBLE DRIVE SOUTH 65° 41' EAST A DISTANCE OF 105.11 FEET TO A POINT; THENCE SOUTH 55° 13' EAST A DISTANCE OF 39.67 FEET TO A POINT; THENCE SOUTH 50° 17' 40" EAST A DISTANCE OF 84.74 FEET TO A POINT; THENCE SOUTH 70° 29' 30" EAST A DISTANCE OF 241.37 FEET TO A POINT; THENCE SOUTH 29° 10' 50" WEST A DISTANCE OF 557.13 FEET TO A POINT IN THE CENTER LINE OF CLIFF DRIVE; THENCE WITH THE CENTER LINE OF CLIFF DRIVE, NORTH 83° 49' WEST A DISTANCE OF 494.86 FEET TO A CONCRETE MONUMENT SET AT THE INTERSECTION OF CLIFF DRIVE AND ROBLE DRIVE; THENCE LEAVING THE CENTER LINE OF CLIFF DRIVE AND ALONG THE CENTERLINE OF SAID ROBLE DRIVE, NORTH 6° 11' EAST A DISTANCE OF 277.60 FEET TO A POINT WHICH IS THE BEGINNING OF A CURVE; THENCE ALONG THE ARC OF SAID CURVE WHOSE RADIUS IS 358.39 FEET AND WHOSE LONG CHORD BEARS NORTH 24° 03' EAST A DISTANCE OF 219.98 FEET TO A POINT; THENCE NORTH 41° 55' EAST A DISTANCE OF 33.19 FEET TO A POINT WHICH IS THE BEGINNING OF A CURVE; THENCE ALONG THE ARC OF SAID CURVE WHOSE RADIUS IS 358.39 FEET AND WHOSE LONG CHORD BEARS NORTH 57° 55' EAST A DISTANCE OF 197.54 FEET TO THE POINT OF BEGINNING.

A-11

EXHIBIT "B"



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER COUNTER OFFER No. 2
(C.A.R. Form BCO, 11/14)

This is a counter offer to the: Seller Counter Offer No. 2, Seller Multiple Counter Offer No. _____, or Other _____ ("Offer"), dated March 16, 2017, on property known as 1530 Roble Dr., Santa Barbara, CA 93110 ("Property"), between Steve Zimmermann or Assignee ("Buyer") and Christopher J. Conway, Ann W. Conway ("Seller"). Date March 16, 2017

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
 - A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. OTHER TERMS: Price: \$2,800,000

DS
CWC
AWC
AZ

All Time frames for due diligence shall start as of the court acceptance date. Should the Court decide on an overbid situation this Buyer's Offer shall be rescinded.

D. The following attached addenda are incorporated into this Buyer Counter offer: Addendum No. _____

- 2. EXPIRATION: This Buyer Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
 - A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by AM PM on _____ (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or Carey Kendall, who is authorized to receive it.
 - OR B. If Buyer withdraws it in writing (CAR Form WDO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Buyer [Signature] Date 3/16/17
Buyer Steve Zimmermann or Assignee Date _____

4. ACCEPTANCE: I/WE accept the above Buyer Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a copy.
Seller Christopher J. Conway Date 3/16/2017 Time AM PM
Seller Ann W. Conway Date 3/16/2017 Time AM PM

CONFIRMATION OF ACCEPTANCE:

(____/____/____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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Reviewed by _____ Date _____



BCO 11/14 (PAGE 1 OF 1)

BUYER COUNTER OFFER (BCO PAGE 1 OF 1)

Village Properties, 3445 Sepento Street, P.O. Box 936 Santa Ynez, CA 93450 Phone: 805.499.3630 Fax: 805.496.1499 1530 Roble Dr
Carey Kendall Produced with ePropForm® by ePropLogix 45070 Fifteen Mile Road, Fraser, Michigan 48025 www.villageproperties.com

DocuSign Envelope ID: 548C0F88-57C7-4381-8154-4EDB8CBA900A



CALIFORNIA ASSOCIATION OF REALTORS®

SELLER COUNTER OFFER No. 2
 May not be used as a multiple counter offer.
 (C.A.R. Form SCO, 11/14)

Date March 14, 2017

This is a counter offer to the: Purchase Agreement, Buyer Counter Offer No. 1, or Other _____ ("Offer"), dated March 13, 2017, on property known as 1830 Rabbit Dr. Santa Barbara, CA 93110-3452 ("Property"), between Steve Zimmerman or Assurances ("Buyer") and Christopher J. Conway, Ann W. Conway ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.

C. **OTHER TERMS:** 1. Purchase Price to be: \$9,200,000. Deposit to be 3% of purchase price.
2. Buyer to ensure that the ice-maker in the wet bar off of the library does not work.

D. The following attached addenda are incorporated into this Seller Counter offer: Addendum No. _____

2. **EXPIRATION:** This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
- A. Unless by 6:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by AM PM on _____ (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or _____, who is authorized to receive it.
 - OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
 - OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

3. **MARKETING TO OTHER BUYERS:** Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. **OFFER:** ^{Decisions by} **SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY**
 Sold by Christopher J. Conway Date 3/14/2017
 Sold by Ann W. Conway Date 3/14/2017

5. **ACCEPTANCE:** ~~IWE ACCEPT~~ **SUBJECT TO THE ATTACHED COUNTER OFFER** and acknowledged receipt of a Copy.
 Buyer [Signature] Date 3.15.17 Time AM PM
 Buyer [Signature] Date _____ Time AM PM

CONFIRMATION OF ACCEPTANCE:

(____/____/____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) _____ at _____ AM/PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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Reviewed by _____ Date _____



SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)

B-13



CALIFORNIA ASSOCIATION OF REALTORS®

BUYER COUNTER OFFER No. 1
(C.A.R. Form BCO, 11/14)

This is a counter offer to the: Seller Counter Offer No. 1, Seller Multiple Counter Offer No. _____, or Other _____ ("Offer"), dated March 9, 2017, on property known as 1530 Robie Dr1, Santa Barbara, CA 93110 ("Property"), between Steve Zimmerman or Assignee ("Buyer") and Christopher J. Conway, Ann W. Conway ("Seller"). Date March 13, 2017

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
 - A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for Inclusion in paragraph 1C of this or another Counter Offer or an addendum.
 - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
 - C. OTHER TERMS: 1) Parties agree to extend Time frame on SCO1 to reflect this BCO1.
2) Purchase Price to be \$8,900,000
3) Escrow to close 45 days from Acceptance and contingencies to be released 35 days from acceptance
 - D. The following attached addenda are incorporated into this Buyer Counter offer: Addendum No. _____

- 2. EXPIRATION: This Buyer Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
 - A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by _____ AM _____ PM on _____ (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or Caray Kendall, who is authorized to receive it.
 - OR B. If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. OFFER: BUYER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Buyer [Signature] Steve Zimmerman or Assignee Date 3/14/2017
Buyer _____ Date _____

4. ACCEPTANCE: I/WE accept the above Buyer Counter Offer (if checked SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Seller [Signature] Christopher J. Conway Date 3/14/2017 Time _____ AM/_____ PM
Seller [Signature] Ann W. Conway Date 3/14/2017 Time _____ AM/_____ PM

CONFIRMATION OF ACCEPTANCE:
(____/____/____) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) _____ at _____ AM/_____ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.

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525 South Virgil Avenue, Los Angeles, California 90020

B-14

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CALIFORNIA ASSOCIATION OF REALTORS®

SELLER COUNTER OFFER No. 1
May not be used as a multiple counter offer.
(C.A.R. Form SCO, 11/14)

Date March 9, 2017

This is a counter offer to the: [X] Purchase Agreement, [] Buyer Counter Offer No. , or [] Other ("Offer"), dated March 6, 2017, on property known as 1530 Roble Dr, Santa Barbara, CA 93110-2442 ("Property"), between Steve Zimmerman or Assignee ("Buyer") and Christopher J. Conway, Ann W. Conway ("Seller").

- 1. TERMS: The terms and conditions of the above referenced document are accepted subject to the following:
A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer.
C. OTHER TERMS: 1. Purchase Price to be \$ 9,500,000. Deposit to be 3% of Purchase Price.
2. Escrow to close 45 days from mutual acceptance.
3. Natural Hazard Report to be Property ID.
4. Escrow and Title to be Chicago Title in Santa Barbara or Montecito office.
5. All contingencies to be removed within 30 days of mutual acceptance. Buyer will be given 33 days from acceptance for prelm approval.
6. Buyer to La Cumbre Water Stock transfer fee of \$150 per custom.
D. The following attached addenda are incorporated into this Seller Counter offer: [X] Addendum No. One

- 2. EXPIRATION: This Seller Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 4 (if more than one signature then, the last signature date)(or by [] AM [] PM on (date)) (i) it is signed in paragraph 5 by Buyer and (ii) a copy of the signed Seller Counter Offer is personally received by Seller or , who is authorized to receive it.
OR B. If Seller withdraws it anytime prior to Acceptance (CAR Form WOO may be used).
OR C. If Seller accepts another offer prior to Buyer's Acceptance of this counter offer.

3. MARKETING TO OTHER BUYERS: Seller has the right to continue to offer the Property for sale. Seller has the right to accept any other offer received, prior to Acceptance of this Counter Offer by Buyer as specified in 2A and 5. In such event, Seller is advised to withdraw this Seller Counter Offer before accepting another offer.

4. OFFER: SELLER MAKES THIS COUNTER OFFER ON THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY.
Seller Christopher J. Conway Date 03/09/2017
Seller Ann W. Conway Date 03/09/2017

6. ACCEPTANCE: I/WE accept the above Seller Counter Offer (if checked [X] SUBJECT TO THE ATTACHED COUNTER OFFER) and acknowledge receipt of a Copy.
Buyer Steve Zimmerman or Assignee Date 3-14-17 Time [] AM/ [] PM
Buyer Date Time [] AM/ [] PM

CONFIRMATION OF ACCEPTANCE:

(/) (Initials) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Seller, or Seller's authorized agent as specified in paragraph 2A on (date) at [] AM/ [] PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Seller or Seller's authorized agent whether or not confirmed in this document.

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Reviewed by Date



SCO 11/14 (PAGE 1 OF 1)

SELLER COUNTER OFFER (SCO PAGE 1 OF 1)

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. One

The following terms and conditions are hereby incorporated in and made a part of the: Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other Seller Counter Offer #1

dated March 9, 2017, on property known as 1530 Roble Dr

Santa Barbara, CA 93110-2442

in which Steve Zimmerman or Assignee is referred to as ("Buyer/Tenant") and Christopher J. Conway, Ann W. Conway is referred to as ("Seller/Landlord").

7. Sources representing size of residence and acreage vary according to sources quotes. Hope Ranch map states 8 acres, prellim title report states a net acreage, tax records state approx. 7.92 acres and appraisal states 7.91 acres. Square footage of residence also varies per drafts person, public records and appraisal. Buyer is to satisfy self of parcel size and square footage of main residence and accessory buildings.

8. Seller will not be responsible for Items #7.A.2 and 3. Buyer shall be responsible for all investigations.

9. Delete any reference to item #7.B.2.(f).

10. Item #7.D.10: Delete Air Conditioning. Property does not have air conditioning.

11. Included in sale is farm equipment in garage. Buyer understands that all mechanic's tools and equipment in the workshop adjacent to the service garage, and all the tools and equipment in the service garage not related to garden maintenance are excluded from the sale.

12. Once contingencies are removed, buyer shall give 24 hour notice to Seller for access to property.

13. Buyer to Initial Item #22 re: Dispute Resolution.

14. Seller to exclude from sale wine cooler in Rose Cottage. Wine cooler does not belong to Seller.

15. Seller to exclude all artwork and mirrors on the walls, except for the large tri-fold mirror in the upstairs hall which is bolted in place. Also excluded are the antique fireplace fender and tools.

16. Seller states that Saunas in Pool House is not fully operational. One of the wine refrigerators in the laundry room is not cooling properly.

17. Seller states that they do not have keys to many door locks. Seller will not re-key door locks, but provide keys in Seller's possession.

18. Buyer is aware 2017 Hope Ranch annual fee is approximately \$2231 based upon acreage.

19. The water softener is leased.

20. Delete any reference to the SWPI - Septic Inspection, Well Inspection, Property Monument and Allocation of Cost Addendum

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date Subject to Attached BCO 1
3/14/17

Date March 9, 2017 Designated by:

Buyer/Tenant [Signature]
Steve Zimmerman or Assignee

Seller/Landlord x Christopher J. Conway
Christopher J. Conway

Buyer/Tenant _____

Seller/Landlord x Ann W. Conway
Ann W. Conway

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

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CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. Two

The following terms and conditions are hereby incorporated in and made a part of the: Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other Seller Counter Offer #1

dated March 9, 2017, on property known as 1530 Roble Dr, Santa Barbara, CA 93110-2442

in which Steve Zimmerman or Assignee is referred to as ("Buyer/Tenant") and Christopher J. Conway, Ann W. Conway is referred to as ("Seller/Landlord").

- 21. This sale is subject to and conditioned upon approval of the Bankruptcy Court. Seller's attorney will petition the court for no overbids.
- 22. This sale is "AS IS" however the buyer is encouraged to make any inspections which affect the buyers intended use of the property and not for renegotiating purchase price nor requesting credits for repairs.
- 23. Assignee to be designated and shall be an entity of buyer prior to removal of all contingencies, for Seller approval, which is not to be unduly withheld. Buyer to complete AOAA - Assignment of Agreement Addendum, see attached.
- 24. Delete any reference to Item #3 on RPA Addendum #1 regarding tree pruning. Property is not being marketed as ocean view property and was not considered ocean view when purchased.
- 25. Seller to cooperate in 1031 tax deferred exchange at no cost or liability to Seller and shall not delay close of escrow without Sellers prior approval.
- 26. Residential Lease After Sale (RLAS) shall be mutually agreed upon 7 days from acceptance of offer.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date Subject to attached BCO 1

Date March 9, 2017 DocuSigned by:

Buyer/Tenant [Signature]
Steve Zimmerman or Assignee

Seller/Landlord x Christopher J. Conway
Christopher J. Conway

Buyer/Tenant _____

Seller/Landlord x Ann W. Conway
Ann W. Conway

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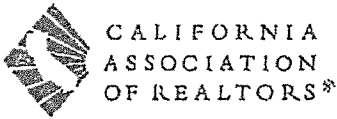
Reviewed by _____ Date _____



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.

(b) A duty of honest and fair dealing and good faith.

(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.

(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer Seller Landlord Tenant Date 3/20/2017 Steve Zimmerman of Assignee

Buyer Seller Landlord Tenant Date

Agent Village Properties BRE Lic. # 01206734

By Real Estate Broker (Firm) BRE Lic. # 00753340 Date 3/5/17

(Salesperson or Broker-Associate) Carey Kendall

Agency Disclosure Compliance (Civil Code §2079.14): When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant. When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here: 3/9/2017

Seller's agent: 429819DAAD74AF.. Date Christopher J. Conway Seller/Landlord: C38D70F4516D4A4.. Date Ann W. Conway

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2) Village Properties, 2615 Sepulcro Street, P.O. Box 694 Santa Ynez, CA 93460 Phone: 805.488.1620 Fax: 805.486.1489 1539 Robie Dr Carey Kendall Produced with zipForm® by zipLogix 18070 Fifean Mills Road, Fraser, Michigan 48026 www.ziplogix.com

CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensee who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 781 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2885, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 6 (commencing with Section 2346) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.
 (DO NOT COMPLETE. SAMPLE ONLY) _____ is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent) _____ is the agent of (check one): the buyer exclusively; or the seller exclusively; or both the buyer and seller.
 (DO NOT COMPLETE. SAMPLE ONLY)
 (Name of Selling Agent if not the same as the Listing Agent) _____

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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AD REVISED 12/14 (PAGE 2 OF 2)

Reviewed by _____ Date _____



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

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Property Address: 1530 Roble Dr, Santa Barbara, CA 93110

Date: _____

2. SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS: Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others. Brokers do not have expertise in this area. Standard title insurance does not insure the boundaries of the Property. If Buyer wants information about the exact square footage, lot size or location of Property corners or boundaries, Broker recommends that Buyer hire an appraiser or licensed surveyor to investigate these matters or to prepare a survey of the property during Buyer's inspection contingency period.

3. SOIL AND GEOLOGIC CONDITIONS: Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion erosion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves or wells. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections.

4. GEOLOGIC HAZARDS: Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Brokers do not have expertise in this area. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s).

5. ENVIRONMENTAL HAZARDS: Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, pcb's, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home."

6. EPA'S LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE: The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at www.epa.gov/lead for more information. Buyer and Seller are advised to consult an appropriate professional.

7. FORMALDEHYDE: Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde



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In the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants."

8. MOLD: Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

9. WATER INTRUSION: Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

10. SEPTIC SYSTEMS: Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level.

11. WELL AND WATER SYSTEM(S): Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed,



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qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

12. WOOD DESTROYING PESTS: Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. Brokers do not have expertise in this area. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property Inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's inspection contingency period.

13. EASEMENTS, ACCESS AND ENCROACHMENTS: Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.

14. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES: Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Brokers do not have expertise in this area. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones.

15. FIRE HAZARDS: Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Brokers do not have expertise in this area. Buyer is advised that there is a potential for fires even outside designated zones.

16. FLOOD HAZARDS: Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer is advised that there is a potential for flooding even outside designated zones.

17. ZONE MAPS MAY CHANGE: Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA.

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18. BUILDING PERMITS, ZONING AND CODE COMPLIANCE: Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use of the Property, its development and size. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

19. VIEWS: Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

20. FUTURE REPAIRS, REPLACEMENTS AND REMODELS: Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. The phase out of the use of R-22 Freon will have an impact on repairs and replacement of existing air conditioning units and heat pumps. More information is available from the Environmental Protection Agency at <http://www.epa.gov/ozone/title8/phaseout/22phaseout.html>. New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at http://www1.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

21. GOLF COURSE DISCLOSURES: Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls - Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting - The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use - A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system - Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts - Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences - It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. (vii) View obstruction - Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. (viii) Water restrictions - As some municipalities face water shortages, the continued availability of water to the golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter.

22. SCHOOLS: Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.

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23. NEIGHBORHOOD NOISE SOURCES: Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.

24. PETS AND ANIMALS: Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine or other contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and might not be eliminated by cleaning or replacing carpets or other cleaning methods. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

25. SWIMMING POOL, SECURITY AND SAFETY: Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. Brokers do not have expertise in this area. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements.

26. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS: Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, and tempered glass. Brokers do not have expertise in this area. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance.

27. WATER SHORTAGES AND CONSERVATION: Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.

28. NEIGHBORHOOD, AREA, PERSONAL FACTORS, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS: Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer. California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at <http://cahighspeedrail.ca.gov>. The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions.

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29. UNDERGROUND PIPELINES AND UTILITIES: Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's inspection contingency period. Brokers do not have expertise in this area.

30. MARIJUANA AND METHAMPHETAMINE LABS: Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California's medical marijuana law is in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property, additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" (http://ag.ca.gov/cms_attachments/press/pdfs/n1601_medicalmarijuanaguidelines.pdf) and the U.S. Department of Justice memo regarding marijuana prosecutions at <http://www.justice.gov/opa/documents/medical-marijuana.pdf>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.

31. INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE: Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or SSD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.

32. OWNER'S TITLE INSURANCE: The Truth in Lending/RESPA Integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that escrows provide the following notice to borrowers:

"IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

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1530 Roble Dr



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Date: _____

Additionally, even the CFPB on its "ask CFPB" "What is owner's title insurance?" page advises "You may want to buy an owner's title insurance policy, which can help protect your financial interest in the home." Moreover, not obtaining an owner's policy may increase the cost of the lender's policy (required by most lenders), possibly require the separate purchase of a preliminary title report, and may have an impact on the sale of the Property in the future.

Buyers who decide to opt out of obtaining an owner's title insurance policy are acting against the advice of Brokers as well as the advice provided in the California Civil Code and by the CFPB.

33. CALIFORNIA FAIR PLAN: Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

34. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS: Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions on Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

35. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS: Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in Section 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. Brokers do not have expertise in this area.

36. PACE LOANS AND LIENS: The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on the property for the amount owed plus interest. The property owner repays the entity for the improvements as a special tax assessment on the property tax bill over a period of years. A PACE lien is similar to a property tax lien in that it has "super priority." Sellers are obligated to disclose, pursuant to the C.A.R. purchase agreement, whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

37. SOLAR PANEL LEASES: Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

38. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHAVA APPROVAL: Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4746.

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The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.

39. LEGAL ACTION: Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters.

40. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES: Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations Section 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.

41. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION: Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following non-exclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces, Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trax Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at <http://www.cpsc.gov> during Buyer's inspection contingency period. Another source affiliated with the CPSC is [Saferproducts.gov](http://www.saferproducts.gov) which allows a Buyer to search by product type or product name. Buyers may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyers satisfy themselves regarding recalled or defective products. Brokers do not have expertise in this area and Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit.

42. RENTAL PROPERTY RESTRICTIONS: Buyer and Seller are advised that some cities and counties impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property and the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority during Buyer's inspection contingency period. Brokers do not have expertise in this area.

43. LAND LEASE: Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

44. HOME WARRANTY: Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.

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45. INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA: Buyer and Seller are advised that Broker may employ a service to provide a "virtual tour" or internet marketing of the Property, permitting potential buyers to view the Property over the Internet. Neither the service provider nor Brokers have control over who will obtain access to such services or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual or commercial web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies. Broker will not investigate any such sites, blogs, social media or other Internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Brokers have no control over how long the information concerning the Property will be available on the Internet or through social media. Brokers do not have expertise in this area.

46. ESCROW FUNDS: Buyer and Seller are advised that California Insurance Code Section 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.

47. ONLINE OR WIRE FUNDS TRANSFERS: Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers, verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed.

48. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL: Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following "Notice of Your 'Supplemental' Property Tax Bill" to the Buyer:

"California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. Even if you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your Tax Collector's Office."

Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.

49. NON CONFIDENTIALITY OF OFFERS: Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form CND). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the Instructions of the Seller.

50. FIRPTA/CALIFORNIA WITHHOLDING: Buyer and Seller are advised that: (i) Internal Revenue Code Section 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 16% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the buyer acquires the property as Buyer's residence and the price paid does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

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51. LIQUIDATED DAMAGES: Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form RID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

52. MEDIATION: Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails.

53. ARBITRATION: Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

54. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

55. DEATH ON THE PROPERTY: California Civil Code Section 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when. Section 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing.

56. ELECTRONIC SIGNATURES: The ability to use electronic signatures to sign legal documents is a great convenience, facilitating the ability to send and receive documents and reach agreement in a real estate transaction. However, Buyers and Sellers are cautioned to carefully read each provision. Arrows indicating "sign here" are merely there for the convenience of finding the next signature line. Only sign if you consent to the terms provided in the document. Brokers strongly advise Buyers and Sellers to read the entire document before signing even if they have reviewed an earlier draft. Do not just scroll through or skip to the next signature line. You are signing a legally binding agreement. Read it carefully. Ask your Broker, Agent or legal advisor if you have questions or do not understand a provision, and sign only if you agree to be bound by the terms.



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87. LOCAL ADDENDA (IF CHECKED):

The following local disclosures or addenda are attached:

- A. _____
- B. _____
- C. _____
- D. _____

Buyer and Seller acknowledge and agree that Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property; (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) do not have any obligation to conduct an inspection of common areas or areas off the site of the Property (v) shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Brokers; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

Buyer and Seller are encouraged to read this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of this Advisory.

BUYER [Signature] Steve Zimmerman or Assignee Date 3/6/2017
 BUYER _____ Date _____

(Address) _____ DocuSigned by:
 SELLER Christopher J. Conway Date 3/9/2017
 SELLER [Signature] Date 3/9/2017
 C36D70F4518D4A...

(Address) _____
 Real Estate Broker (Selling Firm) Village Properties Cal BRE Lic. # 01206734
 By _____ Cal BRE Lic.# 00763349 Date _____
Caray Kendall
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ Email _____

Real Estate Broker (Listing Firm) Coldwell Banker Residential Cal BRE Lic. # 00614212
 By [Signature] Cal BRE Lic.# 00583737 Date _____
Linda Lorenzen / Sally Dawin
 Address 3150 State St City SB State CA Zip 93105
 Telephone 8058061842 Fax _____ Email linda@lorenzenpartners.com

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