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LONDON PROPERTIES

DISCLOSURE RESPONSIBILITY ADDENDUM

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT — READ IT CAREFULLY.

This Disclosure Responsibility Addendum (the "Addendum") shall be considered a part of that certain California Residential Purchase Agreement and Joint Escrow Instructions (the "Contract") dated _____referencing real property commonly known as **291 Parsons Ave, Merced, CA 95341** (the "Property") wherein _____ appears as Buyer and **David Scheurich** appears as Seller, together with any counter offers or other written amendments thereto, all of which shall collectively be referred to herein as the "Contract". **"Broker," as used herein, shall be London Properties, Ltd., its agents, officers and directors, together with any names to which said corporation may subsequently be changed, and any and all fictitious business names (DBAs) under which it may engage in business, and upon assignment, any properly licensed Broker to which this contract may subsequently be assigned by London Properties Ltd. or its agents, together with any other licensed real estate Brokers who have become a signatory to this agreement.** Buyer, Seller and Broker, collectively shall be referred to herein as the **"Parties".**

1. **BUYER'S CHECKLIST:** The following paragraphs are intended to serve as a **"checklist" for Buyer in performing Buyer due diligence investigations of the Property.** In order to protect Buyers and ensure that the Property and ancillary conditions fully meet Buyers expectations, Broker hereby strongly suggests that Buyer, within the inspection contingency time set forth in the Purchase Contract thoroughly and independently investigate any and all of the items which may be of interest or concern, including but not limited to, those below.

Note important reminders: Buyer and Seller acknowledge and agree that Broker herein: (i) has not and shall not decide what price buyer should pay or seller should accept for the property; (ii) has made no representations or warranties regarding the condition of the property or it's suitability for Buyer's intended purpose(s); (iii) does not guarantee the performance, adequacy, or completeness of inspections, disclosures, reports, service, products or repairs provided by or representations made by Buyer, Seller or any third parties; (iv) shall not be responsible for verifying square footage of the property or improvements, acreage, water or utility, quantity, quality or availability, any representations of information provided by third parties which may be contained in investigation records, multiple listing service listings, disclosures, reports, crop production records, operating expense records, advertisements, flyers, or other promotional material; (v) shall not be responsible for identifying the location or existence of boundary lines, easements, encumbrances, taxes, bonds, judgments, liens, or other items, including, but not limited to those of record affecting title to the property; (vi) shall not have any obligation to investigate or conduct an inspection of any condition or matter within any common areas or off the site of the property, or disclose any information about such condition or matter unless actually known to Broker; (vii) shall not be responsible for inspecting public records, permits, zoning, building codes or building permits, or matters concerning the use of the property; (viii) shall not be responsible for identifying or disclosing defects on the property unless such defects are observable by a reasonable visual inspection of reasonably accessible areas of the property or are actually known to Broker; (ix) is not qualified to and shall not be responsible for reviewing, investigating, or interpreting any legal document, deed, title report, title policy or third party contract, or any item therein; (x) shall not be responsible for providing legal or tax advice regarding any aspect of this transaction; (xi) shall not be responsible for providing any advice or information that exceeds the knowledge, education, and experience required to perform real estate licensed activity; (xii) shall not be responsible for the identification or disclosure of any protected species, lead paint, mold, asbestos, tanks, lead, contamination, radon, fuels, oils, methane, chemicals, or hazardous waste, trash, wetlands, fill or environmental issues of any kind located on the property, except where the existence of such is actually known to Broker; (xiii) shall not be responsible for identifying or discussing the existence or non-existence of water conserving plumbing fixtures; (xiv) Buyer and Seller are hereby advised and are strongly encouraged to review all of the above matters with appropriate title officers, escrow officers, tax professionals, property inspectors, independent legal counsel and other appropriate knowledgeable professionals.

NO WARRANTIES. Broker does not warrant or represent: the correct location or proper setbacks of existing fences, improvements, hedges, walls or other barriers or markers, any of which may or may not be located within or along the property line; the condition of the land, soil stability, improvements or geology; the condition, adequacy or performance of HVAC, plumbing, electrical, pools, wells, septic, roofing or any other systems or components of the Property or improvements; the size, age; the conformance of the Property to any homeowner's association's rules and requirements; local land use ordinances; the boundaries of the Property; the absence or existence of environmental storage containers, or other environmental hazards including, but not limited to, garbage, electromagnetic fields, other substances, materials, products or hazardous waste of any kind; flooding, slippage, settling, movement or adequate drainage of the Property or improvements; the existence or absence of required permits, inspections, certifications or other governmental limitations, restrictions, requirements, approvals or Property's conformance with same; the existence or absence of any negative local or neighborhood conditions including, but not limited to, industrial uses, noise, schools, crime statistics, felons, registered sex offenders, the availability, adequacy, quantity, cost or speed of any utility or service including, but not limited to, phone, gas, electric, water, waste, disposal, sewer, wireless internet, other telecommunication or technology services or other services of any kind; safety of the neighborhood area or the Property improvements including, but not limited to, locks, alarms, barriers, fences, pool area enclosures or other components of any kind. Broker has no knowledge of and makes no warranty or representation regarding the quality, quantity, potability, or reliability of any water supply or Buyer's ability to occupy or use the Property for Buyer's intended purpose. Repairs or additions may have been made to subject Property without the required governmental permits. Buyer and Seller hereby acknowledge that Broker has made no independent investigation (other than as required by law) of the Property or any of the items set forth herein.

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2. **INFORMATION PROVIDED**: Any and all information previously or subsequently provided verbally, in writing, or otherwise and any information which Broker may provide to Buyer which was obtained from Seller, **submitted to or obtained from any Multiple Listing Services**, other Brokers, advertisements, professional inspector or other third parties **may or may not be accurate**. While Broker does not doubt its accuracy, and believes such information was obtained from reliable sources, **Broker has not verified it and makes no guarantee, warranty or representation that it is truthful, accurate, or complete. It shall be Buyer's sole responsibility to confirm independently its accuracy and completeness.** Any projected income or expenses, opinions, assumptions, or estimates used are for illustrative purposes only and do not represent the current or future performance of the Property. If the value of this transaction, to the Buyer, depends on economic information on tax consequences, they should be evaluated by Buyer's tax, financial and legal advisors prior to entering into any contract. Buyer and Seller hereby acknowledge receipt of a "Property Transaction Booklet" published by California Association of Realtors®. Buyer and Seller agree that any new reports or other disclosure documents received by Buyer from the Seller or Broker after receipt of the TDS are automatically deemed an amendment to the TDS. **Buyer is hereby advised to conduct a careful, independent investigation of the Property and past revenues, income and expenses and any information (including accuracy and completeness hereof) provided by Broker, Seller or any third party. Absent such verification, Buyer's reliance on any such information shall be at Buyer's sole risk**. Buyer hereby acknowledges that previous changes in property value or the past income and expense history of the subject Property are no guarantee of future performance. Both are subject to unpredictable variables such as weather, management, operational skill, market factors, and general economic conditions. Broker does not assume and hereby expressly disclaims any responsibility for the future operating and investment results of subject Property or reduction in the properties future value. **Buyer and Seller hereby releases and agrees to indemnify and hold harmless Broker from any and all cost, loss, damage, claim, action, judgment, award, expense or liability of any kind, including, but not limited to, attorney's fees that originate from or are in any way attributable to any of the above information, or buyer's ability to use or occupy the property.**

3. **ATTORNEY'S FEES:** Buyer, Seller, Broker and all parties hereby agree that in any action, proceeding, or arbitration of any kind arising from the Contract or otherwise related to this transaction, including, but not limited to, those for misrepresentation, breach of agency, negligence, fraud, breach of contract, or the failure of the "Parties" , including Broker, to perform, the prevailing party, **provided they have fully complied with any obligations for mediation that may be otherwise set forth in the contract, including Broker,** shall be entitled to reasonable attorney's fees and costs as the court may allow. In the event of any arbitration, including but not limited to those in which Broker may participate, the arbitrator shall render all awards in accordance with substantive California law and shall not have the power to commit errors of law or legal reasoning. Any and all awards may be vacated as corrected on appeal to a court of competent jurisdiction for any such error. It is hereby agreed that any and all arbitration awards and decisions shall, to the maximum extent allowed by law, be subject to judicial review, interpretation, confirmation, amendment, or reversal by applicable California Courts.

4. **GOVERNING LAW, JURISDICTION, AND VENUE STATUTE OF LIMITATIONS:** The Contract shall be governed by and construed in accordance with the laws of the State of California, and any lawsuit based upon any cause of action arising between the parties whether under the Contract, or otherwise, shall be brought in a court of record in Fresno County, California, or a court of the United States of America located in Fresno County, California, and the parties consent to the jurisdiction of these courts in any legal proceeding, and waive any objection which they may have to venuing of any legal proceeding in these courts, including any claim that the legal proceeding has been brought in an inconvenient forum. **LIMITATION OF CLAIMS**: **The Parties hereby agree that, unless otherwise specifically prohibited by California law, any and all claims, demands, actions, arbitration's or proceedings of any kind against any of the other Parties for any loss, damage, liability, cost or expense of any kind arising from or related to the Property or, including, but not limited to, Broker duties, obligations, representations, performance or lack thereof with respect to the Property, and any claims based on negligence or actual or constructive fraud, must be made or commenced, if at all, within one (1) year from the earlier to occur of (i) closing of escrow of the Property, or (ii) termination of any agreement involving Broker to list, sell, or purchase the Property. Buyer and Seller hereby acknowledge and agree that this provision establishes a shorter limitation period than those periods provided by California statute, and that this one (1) year period shall be deemed fair, sufficient and not a violation of any principal of public policy.**

5. **ENTIRE AGREEMENT:** All understandings between the parties are incorporated in the Contract. Its terms are intended by the parties as a final, complete and exclusive expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The Contract may not be extended, amended, modified, altered or changed, except in writing signed by Buyer, Seller and Broker. In the event that any provision of the Contract is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. The Contract and any supplement, addendum or modification, including any copy, whether by copier, facsimile, or other electronic means, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

6. **PRINCIPAL RESPONSIBILITIES**: Broker shall have no obligation to ensure the performance of any duties or obligations of either Buyer or Seller to each other. **Broker shall have no responsibility or liability whatsoever to verify Buyer's qualifications, loan status, the placement of any funds or deposit into escrow in a timely manner, or, absent actual knowledge, to monitor or inform either Buyer or Seller of the failure of any principal to perform any contractual duty or obligation. Broker shall have no responsibility whatsoever for the performance, lack of performance or monitoring the performance of any duty, action or obligation of either Buyer or Seller.**

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7. **REPORTS: Buyer hereby acknowledges that Broker shall not be responsible or liable for any verbal or written representation, or information provided by any inspectors, contractors, or other third party. Neither the Seller nor Broker have or shall independently verify the information contained in such report, including but not limited to, information provided in any pest inspection report, home inspection report or Natural Hazard Disclosure (NHD) Report. Buyer hereby releases Seller and Broker from any and all liability, cost, obligation, loss or expense Buyer may subsequently incur as a result of any errors, omissions or inaccuracies in such report or form, which were not personally known to Seller and Broker.**

8. **TOWER DISTRICT DISCLOSURE:** If the Property is located within the city of Fresno, south of Shields Avenue, north of Divisadero Street, east of Fruit Avenue, and west of Blackstone Avenue, Buyer hereby acknowledges that the Property is located within the boundaries of The Tower District, as designated by the City of Fresno Specific Plan. The City of Fresno has certain special restrictions and requirements for the issuance of building permits and other developments upon the properties within this District and Buyer is hereby encouraged to contact the City of Fresno Planning and Public Works Departments and investigate the effects of any and all special City requirements and regulations prior to proceeding with the purchase of the Property. **The closing of this escrow evidences Buyer's approval of the above and Buyer hereby releases Broker from any and all liability or responsibility thereof.**

   (See www.londonproperties.com/tower.html or search www.fresno.gov)

9. **UNDERGROUND TANK DISCLOSURE:** Buyer hereby acknowledges that: 1) The Property may contain an underground storage tank; 2) Absence actual knowledge of the existence of any such tank, Broker shall not be responsible to identify or disclose to Buyer the existence of same. In any event, it is hereby understood and agreed that Broker and agents are unaware if any tank has leaked or may currently be leaking or has other defects and/or conditions which may affect the Property's value or create liability for the Property owners; 3) It is Broker's understanding that California and/or Federal law may, among other liabilities, hold previous, current and/or subsequent owners liable for the cost of removing any contaminants that may appear as a result of such tank. **Therefore, Buyer is encouraged to employ appropriate professionals to inspect, evaluate and report the status, ramifications and condition of said tank prior to close of escrow**; and 4) California law now requires most underground storage tanks and piping installed prior to 1984 to be upgraded or replaced. For information, you may be able to contact California USTs Program with the State Water Resources Control Board (www.waterboards.ca.gov), P.O. Box 100, Sacramento, CA 95812, email: info@waterboards.ca.gov; or other applicable Governmental agencies.

10. **REQUIRED USE**: In the event the Seller of subject Property is now, or was previously a party to any listing, marketing agreement or any other authorization to sell agreement, all hereinafter "Listing", with London Properties, Seller hereby acknowledges that one of the terms and conditions of said Listing requires the execution of this **"Disclosure Responsibility Addendum"** by any eventual buyer of the Property. **Seller is hereby advised to contractually require any and every such buyer's execution hereof, both in and prior to acceptance of any offer, counter offer or other sales agreement. Where Seller fails to make such a requirement of Buyer as a condition precedent to the sale of the subject Property, Seller hereby acknowledges that they will incur an obligation to indemnify and hold harmless Broker from any future claims, demands, costs, loss, liabilities, judgments, awards, etc. all as provided in said prior "Listing". This Disclosure Responsibility Addendum shall be operative and binding between the "Parties" whether or not executed by London Properties Ltd.**

11. **MOBILE HOME:** In the event there does exist on the subject Property any mobile home, **which is not attached** to a permanent foundation and/or is **not being taxed by applicable** County assessor as Real Property, then title to same **may not be transferred by deed**. In the event title to such mobile home is of importance to Buyer, they are hereby advised to perfect transfer of title and registration via California Department of Housing Community Development (HCD), prior to or concurrent with close of escrow. Failure to obtain clear title and registration to said mobile home may allow third party owners to remove same after close of escrow. Broker has made no representation or warranty that such mobile home has any value, is included in the purchase of the subject Real Property, or will be legally transferred to Buyer. Buyer hereby releases Broker from any and all liability, loss, cost or expense of any kind regarding failure to perfect an adequate transfer of title.

12. **ASSIGNMENT PERMISSION**: Broker hereby reserves the right to assign all of its duties and obligations in this transaction. All parties to this contract hereby acknowledge, consent and agree that all rights and interests herein together with any rights, obligations, interests or duties in any contract, transaction, sale and/or escrow referenced in or associated with this contract (including but not limited to commissions resulting therefrom), may be unilaterally assigned and delegated by Broker to any other licensed California Real Estate Broker, all without further consent or approval of the undersigned or any other party.

13. **SELLER FINANCING:** Where this purchase includes financing carried back or provided by the seller, **Buyer is hereby advised that they are entitled to receive, prior to closing, a "Seller Financing Disclosure Statement". Buyer and Seller are hereby advised to carefully review the terms, conditions, and information set forth therein.** In the event the subject property contains four or less residential units, and the Seller herein has agreed to extend any credit or carry financing for the Buyer, Seller is hereby advised to seek legal counsel to investigate any requirement they may have to comply with any applicable Truth in Lending Act and to provide applicable "TILA" disclosures. It is hereby agreed that Broker herein shall have no obligation or duties of any kind to investigate Seller's duties, nor to provide or prepare any "TILA Disclosures."

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14. **PERMITS/EASEMENTS:** In the event the Property, or the use thereof, is encumbered by or enjoys the benefit of or use of any easement, common utility agreement, water agreement, drainage easement, U.S. Forest Service (or other governmental) use permit or any other appurtenant right, Buyer hereby agrees and warrants that **they shall, prior to close of escrow, review such matters with legal counsel**. Buyer hereby acknowledges that **Broker has made no warranty or representation** regarding any of the above referenced items, the Property, or Buyer's ability to extend or transfer any leases, permits or otherwise continue enjoying the use or benefit of the Property (including permits, easements, etc.) or Buyer's ability to remove any such encumbrances. Closing of this escrow shall be deemed Buyer's irrevocable acceptance and approval of the above referenced items.

15. **WILLIAMSON ACT:** Broker has made no representation or warranty regarding, and hereby expressly disclaims, any knowledge of the inclusion of the Property in, or subjection of the Property to, any specific tax district, assessment area, special tax bond or tax deferral status, including, but not limited to, status within the California "Williamson Act". In the event the Property is subject to reduced taxes because of inclusion in the "Williamson Act", Buyer acknowledges that they may not be able to secure building permits for further improvements or construction. Buyer acknowledges that any change of use or further improvement of the property may result in their incurring substantial tax penalties and/or assessments. For further information, Buyer and Seller are advised to seek independent legal counsel and visit www.conservation.ca.gov.

16. **SELECTION OF SERVICE PROVIDERS**: Where Broker , at the request of either Buyer or Seller, directly engages or employs on the behalf of either Buyer or Seller or recommends the service of any contractor, inspector, report provider, title company, lender, home warranty company, vendor, insurance agent, pest control company or supplier of any goods or services of any kind, hereinafter "Provider", or where Buyer or Seller directly engages or employs any Provider subsequent to procuring the identity, recommendation, or referral of such Provider from Broker, then in either event it is hereby agreed as follows:
    A. Broker has made and makes no representation, warranty, promise, or guarantee regarding the Provider's qualifications, license status, insurance coverage, financial solvency, reliability, or the quality of the Provider's work, performance, goods or services.
    B. Broker hereby advises Buyer and Seller to employ, allow to be employed or engaged by Buyer, Seller or Broker, only such Providers as they have each independently verified to be qualified, appropriately licensed, insured and bonded to perform any work or inspection.
    C. Buyer and Seller are free to select any Provider other than those that may have been engaged, recommended, provided, employed, or referred by Broker.
    D. Buyer and Seller, as applicable, hereby release and agree to hold harmless Broker from any and all cost, damage, liability, loss, expense, claim, charge or action of any kind resulting from the engagement or employment of any Provider; their work, inspections, reports, goods or services, including any damage they may do, liabilities they may create, or any error or omission that they may make and including any costs or amounts they may bill or charge for their work, goods, or services.

17. **CONTINUING AGREEMENTS COST**: The Property may contain solar, alarm, propane, water treatment or other systems that may or may not be subject to leases, financial obligations, maintenance agreements or liens which require payments to third parties. In such event, other than as set forth in any Seller Transfer Disclosure Statement or other written disclosure provided by Seller, Broker has no knowledge regarding such systems, agreements, contracts or continuing obligations associated therewith and has **not made and will not make any representations or warranty that these obligations may or may not continue beyond close of escrow.** Where they do continue Buyer, by acquiring title, may be obligated for additional cost or expenses. If this is of importance to Buyer, they are hereby advised, by Broker, to make further inquiries and investigations during any applicable due diligence and/or investigation periods provided for in the purchase contract.

18. **CONTAMINATED WATER ADVISORY:** The City of Fresno (the "City") has reported that homes in Northeast Fresno, including, but not limited to those within zip code areas 93720 and 93730, have been found to contain discolored water and in some cases, high levels of lead contamination. The City believes lead may originate from the installation of galvanized pipes lined with zinc. Such pipes may be corroding and releasing lead into plumbing systems. Broker hereby disclaims any further knowledge of this issue, the specific location of which properties may or may not be affected, or the eventual solution to these issues. It is Broker's understanding that the City of Fresno has stated the city water supply to the home meters continue to meet all Federal and State drinking water standards and is "clean, safe, and reliable". Where the property is located in this geographical area, and contamination issues are of concern to Buyer they are encouraged to perform water tests during applicable due diligence periods set forth in the Contract and/or to contact the City of Fresno Public Utilities Department for more information.

    Governmental agencies have found that some water wells in the City of Fresno contain excessive levels of "TCP", a chemical solvent introduced to underground water as a result of previous pesticide and/or industrial uses. Private wells in some County areas have also indicated high levels of this contaminate. TCP has been added by the State of California to a list of chemicals known to cause cancer. In the event this or other water quality issues are of concern, Buyer is hereby advised to contact all applicable water district or government agencies for further information. In the case of private wells or water systems, Buyer is advised to have water from such wells specifically tested for this substance and other contaminants.

19. **MONTE VERDI SUBDIVISION WASTE DISPOSAL:** Properties located within the Monte Verdi subdivision #4351 in the County of Fresno water service area ("**CSA 44D**") have been known to experience serious issues with the applicable water treatment facility ("**WTF**") and water wells. In 2013, property owners within CSA 44D approved a request for an approximate 2.8 million dollar loan, the proceeds of which would be used to make improvements to WTF. A special tax assessment of approximately "$22,669" was to be levied on each property within the CSA 44D boundaries. Each property owner

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within CSA 44D has a responsibility to make annual loan payments of approximately $1,100 to repay this loan. Recent information provided by the County of Fresno indicated the final bids for the necessary improvements are now estimated to be from $3.2 to $4.6 million. Final improvement cost may require additional special assessments. Broker has no knowledge as to how or when this issue will be resolved. Broker has been advised that: 1) waste from the "WTF" is currently being removed by trucking; 2) at least one of the water wells within the subdivision is either shut down or is need of repair; 3) property owners within the Monte Verdi area and CSA 44D have experienced some shortage of potable water; 4) the Monte Verdi Home Owners Association ("MVHOA") is considering the establishment of a Community Service District. In the interim, Buyers of homes within "CSA 44D" or the Monte Verdi subdivision are advised to contact the County of Fresno Special Districts Administration or the MVHOA for further information.

20. **SHORT SALE TAX OBLIGATION:** Where the property is being sold in a situation where any lender accepts a payoff amount less than the then outstanding balance of any note or mortgage such lender may hold ("Short Sale"), Seller is hereby advised: **a)** such relief of indebtedness may be a taxable event for which the Seller may incur an obligation to pay State and/or Federal income tax; **b) Seller should seek independent counsel regarding tax and other potential liabilities prior to executing any listing agreement and/or prior to accepting any offer to sell; c)** holders of Junior Mortgages have been known to approve Short Sales by accepting partial payments in escrow of amounts less than the full outstanding balance due as consideration for the release of their encumbrance and then, subsequent to close of escrow, pursuing the seller personally for any remaining amounts not paid in full through escrow; **d) Release of a Trust Deed (to allow a short sale closing) is not the same as relief of liability.** Sellers may wish to secure a written full release of all future liability from all lenders, prior to participating in any "Short Sale"; **e)** Broker has made no representations or warranties regarding forgiveness of debt, the tax consequences of such forgiveness, potential continuing liability for debt amounts, or other ramifications of participating in a Short Sale; **f)** Participating in a Short Sale may also result in negative reporting to one or more credit agencies. Such negative comments will appear on future credit reports and may substantially lower Seller's credit scores.

21. **WIRE FRAUD:** Buyer and Seller acknowledge that during the course of real estate transactions, criminals may take advantage of unguarded communication, weak passwords or other security measures to set up legitimate appearing wiring instructions, the use of which could result in transferring funds to the criminals account. These instructions frequently contain legitimate appearing telephone numbers, the use of which may serve to confirm fraudulent wiring/transfer instructions. Buyer and Seller hereby release Broker from any and all potential claims and any liability, costs or loss of any kind, either party may experience because of wire fraud or money transfers involved in any transaction.

    Accordingly, Buyers and Sellers who make any wire transfer of funds, they are advised to:

    1. Be alert to the potential for wire funds transfer scams or fraud attempts.
    2. Obtain the phone number of the Escrow Officer **at the beginning of the transaction.**
    3. Do not ever wire funds prior to calling your Escrow Officer to confirm wire instructions. Only use a phone number you were provided previously. Do not use any different phone number included in the emailed wire transfer instructions.
    4. Orally confirm the wire transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
    5. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer.
    6. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

22. **WATER REGULATIONS AND AVAILABILITY:** Due to severe drought conditions, water has been restricted by many California counties, municipalities and/or water authorities. The California State Water Resources Control Board may have also instituted, or may in the future institute, mandatory water restrictions. Water restrictions may impact the Property in a number of ways including limiting water usage and/or increasing water costs.

    It is strongly recommended that Buyer, within the contingency/investigation period provided in the purchase contract, thoroughly investigate all water issues which may be of concern to Buyer. Such investigation should include, but not be limited to: a) inquiring whether the Seller is aware of any water restrictions, has experienced any well or other water source shortages, or has received any notices regarding water issues; b) requesting information and available data from governmental or private water providers including applicable City, County and State agencies, private water districts or home owners associations; c) publicly searching whether there are any water limitations **within any investigation time periods provided for in the contract;** d) performing on-site investigations and testing to determine availability, quality, quantity and potability of any private well or other water source. Buyer acknowledges that if the local authorities, agencies, or suppliers have not yet instituted water limitations or restrictions, they could do so in the future.

    Buyer acknowledges that Broker: 1) has not and does not represent or warrant any information regarding and hereby disclaims any knowledge of water rights, future water usage, availability, restrictions, or limitations on quality or quantity of water available to the Property; 2) shall not have an obligation to research or investigate any water issues, availability or restrictions relating to the Property.

Buyer(s) acknowledge receipt of this page. **Buyer's Initials:** _____/_____

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23. **DISCLOSURE ISSUES AFFECTING WONDER VALLEY:** Where the Property is located within or near Wonder Valley area, Buyer is advised that the Wonder Valley Ranch Resort and Conference Center (Ranch Resort) operates both as a Conference Center and a children's summer camp.

    1. The Ranch Resort facilities are not available for use by neighbors except through special programs which may be offered.
    2. The Ranch Resort caters to many Weddings and there may be loud music in the evenings.
    3. The Ranch Resort runs a children's summer camp on-site which may create traffic and/or noise.
    4. The Ranch Resort maintains a stable located on Mustang Rd., which may cause flies in that area.
    5. The Ranch Resort operates a permitted rifle range accessed off of Mustang Rd.
    6. According to information provided by nearby properties, including the properties within Wonder Valley, properties may include open riding trails. Per the Wonder Valley Property Owners Association, these trails may not be fenced or obstructed. Where any person or animal is struck by a vehicle in open range or riding trail, the HOA has stated it shall be the driver's responsibility.
    7. Many of the parcels within Wonder Valley, especially near the creek, may fall within flood zones.

    Buyer hereby releases Broker from any and all potential claims, liabilities, including any cost, loss, or expense of any kind they may experience because of the above.

24. Buyer and Seller hereby acknowledge and agree that beginning January 1, 2017: a) Seller, under California law, has an obligation to disclose to Buyer whether or not all plumbing fixtures do, or do not, qualify as Water Conserving Fixtures (WCF); b) Broker is not qualified to make, has not made, and shall not make, any such determination or disclosure. Buyer is advised to secure such disclosure from Seller and/or to investigate and confirm the status of all plumbing fixtures during Buyer's period of due diligence; c) Buyer and Seller hereby release Broker from any and all responsibility and/or liability to identify the existence or non-existence of any WCF.

25. **TAX AND 1031 EXCHANGE DISCLOSURE: Broker has not, will not, and is not qualified to provide Seller or Buyer with any advice or information, written or oral, regarding laws, regulations, legal, tax or exchange matters. Buyer and Seller are hereby advised to contact their own legal counsel or other qualified professionals for such information prior to entering into any contract or agreement to Buy, Sell or exchange this or any other real property. Buyer and Seller hereby represent and acknowledge that they have not obtained, nor shall they obtain or rely on, any such information secured from Broker.**

Buyer and Seller hereby acknowledge having read and received a copy of this Disclosure Responsibility Addendum. THIS DISCLOSURE RESPONSIBILITY ADDENDUM SUPERSEDES AND AMENDS ANY AND ALL OTHER INFORMATION BUYER HAS OR MAY RECEIVE FROM BROKER EITHER ORALLY OR IN WRITING, INCLUDING BUT NOT LIMITED TO ANY ADVERTISEMENTS, FLYERS, MLS SERVICE, OR OTHER REPRESENTATIONS. AGREEMENT BINDING ON SIGNATURES: In the event this agreement is not executed by both Buyer and Seller, or for any other reason does not become part of the final contract between the parties, then it is hereby agreed that it shall nevertheless be a binding agreement as between Broker and any and all parties who do become signatories hereof. THE UNDERSIGNED HAVE READ, UNDERSTAND, AND AGREE TO THE CONTENTS HEREOF.

London Properties, Ltd. Cal DRE #00463722

BUYER_____ **DATE**_____ **SELLER** *David Scheurich* _____ **DATE** 10/20/2026

BUYER_____ **DATE**_____ **SELLER**_____ **DATE**_____

COOPERATING BROKER: Not required only applicable to Brokers who wish to be a part of this Agreement.

_____ _____

By Cooperating Broker **Date**

_____

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LONDON PROPERTIES, LTD. 6442 N. Maroa Ave., Fresno California 93704
April 2022

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