CITY OF SANTA CRUZ RESIDENTIAL RENTAL INSPECTION AND MAINTENANCE DISCLOSURE

THIS DISCLOSURE CONCERNS the property located at _____

_in the <u>City of Santa Cruz</u>, State of California.

NOTICE TO BUYER: RESIDENTIAL PROPERTY LOCATED WITHIN THE CITY LIMITS OF SANTA CRUZ WHICH IS OR WILL BE RENTED OR LEASED TO TENANTS MAY BE SUBJECT TO THE CITY'S RESIDENTIAL RENTAL INSPECTION AND MAINTENANCE PROGRAM (ORDINANCE 2010-17, SANTA CRUZ MUNICIPAL CODE SECTION 21.06.010 ET SEQ.).

SCOPE OF THE INSPECTION ORDINANCE

The Inspection Ordinance applies to residential rental dwelling units (referred to herein as a "Rental Unit") which are rented or leased to a tenant for residential purposes for 30 consecutive days or longer. The Inspection Ordinance applies to (but is not limited to) single family residences, duplexes, triplexes, apartment houses, townhouse dwellings, condominiums, boarding houses, lodging houses, rooming houses, single room occupancy units, small ownership units, hotel and motel units, sober living facilities, fraternities, sororities, and dormitories in the City of Santa Cruz.

The Inspection Ordinance does not apply to:

- legal accessory dwelling units;
- rooms rented to single individuals in an owner-occupied single family residence;
- motel or hotel units subject to a transient occupancy tax;
- units inspected by another governmental entity for housing and safety standards;
- newly constructed multiple dwelling units (including condos and townhouses) for a period of five years from the issuance of the Certificate of Occupancy;
- Mobile home parks; and
- Rentals within the unincorporated areas of the County or other cities within the County.

INSPECTION ORDINANCE REQUIREMENTS--REGISTRATION AND PAYMENT OF FEES

The Owner of a Rental Unit is required to register with the City within 60 days after the Rental Unit was acquired or converted into a Rental Unit after January 1, 2011. All registrations are subject to verification by the City. The Owner of a Rental Unit is required to submit all required information under penalty of perjury. Any person who makes a false statement is guilty of an infraction.

The Owner of a Rental Unit is also required to pay annual fees established by the City. Penalties are imposed for failure to pay the required fees.

INSPECTION OF THE RENTAL UNIT BY THE CITY

Under the Inspection Ordinance, the City is authorized to periodically conduct an inspection of the Rental Unit to assure compliance with applicable building, housing and sanitation codes and ordinances ("Regulations"). The Owner is required to provide access to all areas of a Rental Unit within 21 days of an inspection request. The time period may be extended upon the approval of the City.

ACCESS AND LANDLORD/TENANT CONCERNS

If the Rental Unit is legally occupied by a tenant or other occupant, the Owner is required to notify the tenant or other occupant to allow the inspection.

The Owner is not in violation of the Inspection Ordinance if the Owner gives the City a statement from the tenant that the inspection was refused. If the tenant refuses to sign the statement, then the Owner is required to provide proof, under penalty of perjury, that a request to inspect was served and was not permitted by the tenant. However, even if the tenant refuses access, the City has the power to obtain lawful entry through an inspection warrant (CCP 1822.50 et seq). Also, if the inspector feels that health and safety issues are so serious as to warrant an immediate inspection, the inspector shall have the right to immediately enter and inspect and may use any reasonable means to effect the entry and inspection.

It is unlawful for an Owner to retaliate against a tenant for exercising his or her right to file a complaint concerning an Owner's violation or noncompliance with applicable Regulations.

RESULTS OF THE INSPECTION

If the City inspector determines that the Rental Unit does not comply with applicable Regulations, the inspector will document the violation, advise the Owner of the violation and the action which must be taken to remedy the violation and schedule a re-inspection. If upon reinspection the violation has not been corrected, the City may report the violation to a code enforcement official. An Owner has the right to appeal a decision of the City within10 days from the date of the decision. An appeal fee is required. **The failure of the City to receive a timely notice of appeal constitutes a waiver of the right to contest any such decision**.

If the City inspector verifies that the Rental Unit complies with applicable Regulations, it will prepare a report documenting compliance. The report will specify a time period during which the certification will remain valid and during which the property will not be subject to re-inspection, unless a code violation is reported.

SELF CERTIFICATION

Certain well-maintained properties with no existing violations of Regulations may qualify for the Self-Certification Program. If eligible, each Owner is required to maintain a copy of the annual signed and dated Self Certification Program Checklist for each Unit for five years and provide

the list to the City within 72 hours of the request of the City. Failure to maintain the checklist can result in disqualification from the Self Certification Program. A copy of the annual signed and dated Self-Certification Program Checklist is required to be provided to the tenants of each residential rental dwelling unit inspected within 5 working days after the tenant's request.

TRANSFER OF OWNERSHIP OF RENTAL UNIT

The prior Owner of a Rental Unit is required to notify the City prior to the transfer or the new Owner is required to notify the City within 60 days after the transfer. If the City is not so notified, the existing rental inspection certificate for the Rental Unit will automatically terminate and be null and void.

BUYER ADVISORY

DURING THE BUYER'S INSPECTION CONTINGENCY PERIOD, THE BUYER IS ADVISED TO OBTAIN FURTHER INFORMATION FROM THE CITY OF SANTA CRUZ PLANNING DEPARTMENT AND TO HAVE THE PROPERTY INSPECTED BY A PROFESSIONAL PROPERTY INSPECTION SERVICE. IF THE BUYER HAS CONCERNS OR WOULD LIKE FURTHER INFORMATION ON ANY ASPECT OF THE PROPERTY, THE BROKERS AND AGENTS INVOLVED IN THIS TRANSACTION (COLLECTIVELY, "BROKERS") RECOMMEND THAT THE BUYER HAVE A DISCUSSION WITH A PROFESSIONAL PROPERTY INSPECTOR AND HIRE AN APPROPRIATE PROFESSIONAL FOR THE BUYER'S AREA OF CONCERN. BROKERS DO NOT HAVE EXPERTISE IN THIS AREA. BROKERS DO NOT VERIFY THE RESULTS OF ANY SUCH INSPECTION OR GUARANTEE THE PERFORMANCE OF ANY SUCH INSPECTOR OR SERVICE. ANY ELECTION BY BUYER TO WAIVE THE RIGHT TO A PHYSICAL INSPECTION OF THE PROPERTY OR TO RELY ON SOMEONE OTHER THAN AN APPROPRIATE PROFESSIONAL IS AGAINST THE ADVICE OF BROKERS.

Buyer acknowledges that Buyer has read, understands and has received a copy of this CITY OF SANTA CRUZ RESIDENTIAL RENTAL INSPECTION AND MAINTENANCE DISCLOSURE.

Buyer:	Date:

Buyer: _____Date: _____