

MARIN COUNTY DISCLOSURES AND DISCLAIMERS ADVISORY

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form SBSA, “Statewide Buyer and Seller Advisory”)

This Advisory consists of several disclosures and disclaimers regarding the purchase and/or sale of real property located in Marin County. It is not intended to be a comprehensive guide to buying and/or selling real estate. It does not limit any legitimate duty of real estate Brokers (“Broker” herein means brokers or agents); however, it does point out some limitations on the real estate brokers’ ability to provide assistance to you. This Advisory is intended to educate and inform you that in selling and purchasing something as important and valuable as real estate, you have a legal responsibility to protect yourself by taking special precautions to investigate the issues detailed in this Advisory and any other matters which impact the use, value or desirability of the property. Consult with the appropriate experts and/or governmental agencies. It is not reasonable to rely on real estate brokers and/or the Sellers as the sources for all information relating to the Property and matters affecting the Property. When you have questions, doubts or concerns, conduct your own investigation using your own qualified experts. For more information about Marin County, Buyer and/or Seller can go online at www.marin.org or www.co.marin.ca.us.

This Advisory is not meant to be a complete source of information on all matters which can become issues in real property purchase and sale contracts. However, it is strongly recommended that Buyers and Sellers of real property exercise the utmost care and diligence in reviewing and investigating all matters which are or could be relevant to a real property transaction, especially those issues referenced in this Advisory, and in the California Association of REALTORS® form SBSA, “Statewide Buyer and Seller Advisory”, prior to removal or waiver of any of buyers’ contingencies. The Marin Association of REALTORS® does not warrant or guarantee the accuracy of the information contained in this Advisory or the adequacy of the information contained herein as it relates to a specific real property transaction.

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A. PROPERTY ADVISORIES

1. **FIREPLACES/WOOD STOVES:**

Due to public health concerns regarding particulate matter from wood smoke that may be affecting air quality in this County, Buyer is advised that if the property has a wood-burning appliance ("wood-burning appliance" includes but is not limited to a fireplace insert, a free standing wood stove, or a wood heater or masonry fireplace, but does not include appliances or fireplaces that burn solely propane or natural gas or pellets as fuel), Buyer should have it inspected by a licensed contractor with expertise in the installation, maintenance and repair of fireplaces, fireplace inserts, and wood stoves. In the event the unit is not an EPA-certified device, it is recommended that Buyer have the unit removed and/or replaced by a licensed contractor with such expertise. If the Buyer desires removal and/or replacement of the unit by the Seller, the parties must negotiate and document their agreement on this issue. Buyer is further advised that certain cities and towns within Marin County have enacted or are considering ordinances that may affect existing and future wood-burning appliances at the property, and Buyer should contact all relevant public agencies regarding the applicability of these ordinances to Buyer's purchase and/or improvement of the property. To access the Air District's Winter Spare the Air Alert program go to <http://bit.ly/Spb3Aw>.

2. **TREES AND VEGETATION; PESTICIDE SPRAYING:**

Various species of trees in Marin County may be subject to disease now or in the future. These diseases not only can damage the tree and surrounding trees but the tree[s] may become hazardous to people and property. That damage can be extensive enough to require complete tree removal, sometimes at considerable expense. Broker is not qualified to evaluate the condition or treatment of trees and as such has not and will not make any representations regarding these topics. Detection and treatment of diseases in trees requires a specialist, such as an arborist. Buyer is advised to retain the services of such a specialist during the inspection contingency period to conduct any evaluation that Buyer may deem necessary. Buyer is further advised that there may be aerial and/or ground spraying throughout the County for certain specified pests. Buyer is advised to consult with environmental health specialists and physicians for further information regarding pesticide spraying.

3. **CA FIRE HAZARD SEVERITY ZONES (FHSZ), WILDLAND-URBAN INTERFACE (WUI) AREAS, CODES, STANDARDS AND LOCAL ORDINANCES:**

Section 51183.5. of the California Government Code states (a) A transferor of real property that is located within a very high fire hazard severity zone, designated pursuant to this chapter, shall disclose to any prospective transferee the fact that the property is located within a very high fire hazard severity zone, and is subject to the requirements of Section 51182.

To address the threat of wildfires to the built environment, building codes and standards providing exterior wildfire exposure protection materials and construction methods for new structures built in areas designated as Very High Fire Hazard Severity Zone as identified by CAL FIRE are required. If the local jurisdiction is a State Responsibility Area (SRA), these requirements apply to new construction in all areas designated by the State as being in any Fire Hazard Severity Zone (Moderate, High, or Very-High) and/or in the local jurisdiction designated Wildland-Urban Interface (WUI) Areas.

Many incorporated and unincorporated areas within the County of Marin have adopted local WUI ordinances that have extended these codes and standards to include substantial remodels and certain additions and alterations within locally designated WUI areas.

It should be noted that the locally designated WUI areas and the CAL FIRE identified Fire Hazard Severity Zones are two different designations.

In some jurisdictions, the enforcement of building code requirements exists in cases where non-permitted work has been completed, and then identified in a resale inspection thus causing the condition to be required to be brought up to current code requirements.

Marin County agencies also have requirements in certain cases for Vegetation Management Plans (VMP). The VMP is required to delineate defensible space, which in turn is dependent on the type and configuration vegetation/fuel present, the proposed fuel modifications, slope, aspect, and the types and locations of proposed plantings. Check with your local building department and fire agencies to determine if the property is located within either a Fire Hazard Severity Zone or a WUI area.

4. **FLOORS AND WALLS:**

The personal property of the Seller may make a visual inspection of floors and walls problematic. The existence of certain types of flooring, such as carpeting and rugs, as well as certain types of wall coverings, such as wallpaper and paneling, prevent inspectors and brokers from inspecting the condition of the floors and walls beneath those materials. If the Buyer desires to determine the condition of the floors and walls beneath such coverings, Buyer will need to obtain the written authorization of Seller to conduct investigations with appropriate professionals since destructive testing may be required.

5. **TEMPERED GLASS:**

Many homes contain glass that is not tempered in locations where tempered glass is required by building regulations. Buyer is advised to have a contractor's inspection to identify the presence of any glass that is not properly tempered before removing a physical inspection contingency on a prospective purchase of real property. Buyer should consider replacing any non-tempered glass with tempered glass to reduce the risk of injury. There are many specialty glasses on the market that may or may not be tempered glass.

6. **HVAC/DUCTING:**

The California Energy Commission has issued Duct Sealing Requirements that became effective on October 1, 2005. Depending on certain conditions and the location of the property, if a central air conditioner or furnace were installed or replaced after October 1, 2005, the ducts must be tested for leakage. If the ducts leak 15% or more, then repairs must be made to seal the ducts. Effective January 2010, 2008 Title 24 standards are more comprehensive and require that air handling, furnace and AC change-outs, using preexisting duct systems, must be independently tested to ensure they meet the Home Energy Rating System (HERS) requirements when in certain climate zones. Additional testing may then be required to verify that the work was done properly. It is strongly recommended that all of this work be done by licensed contractors who should obtain all required permits. Only a contractor who has specialized knowledge regarding HVAC systems can determine whether or not the ducts need to be sealed. Duct work made or insulated with asbestos is exempt from the duct sealing requirements.

7. **HOME INSPECTIONS AND HOME ENERGY RATINGS AUDITS:**

State law requires that if the party purchasing home inspection services requests it, a home inspection shall include a Home Energy Rating System (HERS) energy audit. Information regarding regulations and standards for HERS audits is available at the California Energy Commission website: <http://1.usa.gov/hgAh61>. A list of HERS audit providers that are certified in compliance with State standards can be found at <http://bit.ly/hBHars>. The California Association of REALTORS® sponsors a program offering a \$250 rebate to Buyer on the cost of an energy audit for homes purchased between October 1, 2010 and December 31, 2013. Eligibility and additional information can be obtained at <http://bit.ly/15pKoaC>. An application for this rebate can be obtained from your REALTOR®.

8. **SEWER LATERAL PIPE INSPECTIONS:**

As part of their investigation of the Property, Buyers are advised to obtain a complete inspection of the sewer pipelines serving the Property, including but not limited to a video camera inspection of the sewer lateral, which is the portion of the sewer lines that connect a private residence or a business to the sewer lines in the street or public right of way. The homeowner is responsible for all maintenance, repair, and replacement of the sewer line all the way to the public sewer system. Over time, laterals develop cracks which may allow roots and groundwater to enter the sewers. Damaged laterals may cause sewage spills and backups that are prohibited by laws and regulations, are unacceptable to the public, harm the bay and may threaten public health. The lateral can be readily inspected using special video cameras to determine if it is damaged. Ordinances in Belvedere, Sausalito, other municipalities in Marin County and in some sewer and sanitary districts in Marin County currently require the parties to obtain a video or other inspection, and conduct testing and repair of the sewer lateral prior to the close of escrow, as detailed in Section D.4, below.

Buyer and Seller are advised to review the language of any sewer lateral ordinance that applies to the property, and address any concerns relating to the applicable sewer lateral inspection ordinance during their negotiations of the purchase agreement for the sale of the property. Seller is advised to engage a qualified inspector to inspect the condition of the sewer lateral, according to the terms of the applicable ordinance and related regulations/standards, prior to entering into a purchase agreement for the sale of the property. Because other governmental agencies in Marin County may in the future enact similar ordinances, the parties are advised to obtain the latest information regarding all such applicable ordinances, whether enacted or merely proposed, that currently affect or that might in the future affect the Property or the cost to make any changes or improvements to the Property. Such information may be obtained by contacting all the county and city governmental agencies that may have jurisdiction over the Property, including Sanitation Districts or Sanitary Districts in the area of the Property.

Some of this contact information can be found at <http://bit.ly/hvs5Lf> or <http://www.savrbay.com/> . Specific ordinances mandating sewer lateral inspections are referred to in Item D.4 on page 14.

Buyers are further advised that most sewer lateral inspections do not inspect the sewer drain under the house but only the lateral from the house to the street. If the drainpipe under the house is not accessible for inspection, Buyers are advised to inquire, prior to a sewer lateral inspection, whether the Seller will permit the removal and reinstallation of toilets if necessary to facilitate an inspection of sewer drains beneath the structure or slab. Under-slab sewer drains at bay front properties on, or properties where soil is moist and salt-laden, can be deteriorated on the exterior surface. Sewer video inspections do not reveal exterior deterioration unless it is so severe that the wall has rusted all the way through.

Brokers and agents do not have expertise in this area and are unable to advise Buyers and Sellers regarding these sewer lateral testing, repair or replacement, related issues, the ordinances mandating such testing, or the associated costs, which may be significant.

9. SEWER LATERAL GRANT AND LOAN PROGRAMS:

Several municipalities, sewer and sanitary districts have established grant and low interest loan programs for home owners' sewer lateral replacements. Contact specific sewer districts for further information.

10. SEPTIC SYSTEM/WASTEWATER TREATMENT SYSTEM REGULATIONS:

If the property has a septic system, it is essential that during Buyer's inspection period, the Buyer secure a current, written report detailing the inspection of the tank and the leach field lines by a licensed, competent professional so as to determine the condition of the system as well as the adequacy of the system for the Buyer's specific needs. Visual inspection of the tank alone is insufficient. Brokers do not have the expertise to make those determinations. Expansion or remodeling of the dwelling may be restricted due to the existence of the septic system. Securing approval for changes in the dwelling may be conditioned upon testing, removal, repair, or other changes to the system which may be expensive. The septic system may not be in compliance with current or future code requirements and code compliance may be required for any future work done on the property. Buyer must investigate these issues with appropriate experts. Brokers cannot determine these issues.

Marin County has a Septic Systems Program designed to protect the health of the public and the environment from the improper disposal of sewage from on-site-sewage systems and greywater systems. The County has guidelines, brochures and frequently asked questions (FAQs) about septic tanks. For more information about Marin County Regulations on the use, maintenance, design, construction and repair of individual sewage disposal systems and alternative septic system, review the County of Marin's Web site. Buyer should also obtain and review "A Homeowner's Guide to Septic Systems", published by the US Environmental Protection Agency, and available at: <http://1.usa.gov/eUdvw6>.

The State of California has proposed and is in the process of refining and enacting new regulations for onsite wastewater treatment systems (OWTS) (sometimes also referred to as "septic systems"). These new regulations, once enacted, will affect many different types of OWTS, including possibly the type of system (if any) that exists on the property. The final regulations may include, but are not limited to, some or all of the following: point-of-sale inspection and repair requirements; ongoing monitoring requirements and professional monitoring contracts; investigations and studies; specific percolation rates; and/or supplemental treatment and disinfection prior to disposal. Accordingly, these regulations may also affect an OWTS that Buyer or future owners intend to develop on the property. These OWTS regulations, and other governmental regulations that affect or that may affect the property, continue to be developed, revised and debated. As part of Buyer's investigation of the property, Buyer is advised to obtain the latest information regarding all applicable OWTS regulations and any other regulations and ordinances, proposed ordinances, and ballot measures affecting or that might affect the property, by contacting the appropriate governmental agencies. Buyer can get more information about OWTS/Septic System regulations by contacting the State Water Resources Control Board, 1001 I Street, Sacramento, California 95814 or at Post Office Box 100, Sacramento, California 95812; (916) 341-5455 and by reviewing the SWRCB's Web site: <http://1.usa.gov/lk3mtw>. Current information for Marin County guidelines and requirements are found at <http://bit.ly/NFoJXt>.

11. STORAGE TANKS:

Permits are required for certain tanks that are or were used for storing flammable or combustible liquids, whether or not they are in use. Buyer is advised to consult with appropriate experts to determine whether such storage tanks are located on the surface or underground on the property, and to consult with such experts as well as all city, county and relevant state agencies with authority when storage tanks are present on the property, to determine applicable requirements.

12. CONDOMINIUMS, COMMON INTEREST DEVELOPMENTS AND HOMEOWNERS' ASSOCIATIONS:

If the property is located in a Common Interest Development, the Seller can request that the Homeowners' Association (HOA) provide certain required documents regarding the HOA operation and expenses to meet the Seller's disclosure obligations under Civil Code Section 1368. Buyers need to carefully examine all of the documents that are provided regarding the HOA and compare the documents with the list of required disclosures specified in the HOA form from the California Association of REALTORS®. If any document(s) are missing, Buyer should send a written request to the Seller that the Seller provide the missing documents and/or provide a written explanation why the document(s) were not included with the other HOA documents. Buyers should retain the services of experts, such as attorneys, accountants or others who specialize in reviewing HOA documents to determine the adequacy of the reserves and whether or not the property is suitable for the Buyer's intended uses.

Due to noise and other factors, an HOA may restrict the type of floor and/or wall material that can be used in certain units and/or the number and size of pets. Buyers should directly contact the HOA Board to determine whether or not the property can be used for Buyer's intended purposes.

Many Condominiums and other Common Interest Developments in Marin County have been involved in or are presently involved in litigation regarding the design, construction, maintenance and/or condition of all or any part of the Development. Whether or not these lawsuits are successful, litigation is expensive and the cost of such legal actions may impact not only the adequacy of the HOA reserves but also the amount of current or future assessments.

Occasionally issues arise in the purchase of property in a Common Interest Development regarding parking and/or storage spaces associated with a single interest or unit in the Development. Buyers should determine whether or not the allotted parking space(s) are adequate to park the Buyers' vehicle(s) in the assigned spaces by actually parking in those spaces. Parking space(s) and storage space(s), if any, may be described in a Condominium Map or in the Preliminary Report issued by a Title Company. The actual markings, striping and numbering of these space(s) may not accurately reflect the actual spaces and may be in conflict with the space(s) designated in the recorded documents. It is therefore crucial that Buyer personally determine that the parking and storage space(s) that are designated in the recorded documents are actually being transferred to Buyer and that those space(s) are acceptable for the Buyers' intended needs and uses of the property.

The existence of HOA insurance does not necessarily mean that there is insurance coverage for any given single interest or unit in the Development, an owner's remodeling or upgrade efforts and/or the owner's contents. See Insurance information, Item 15 on page 5.

13. ONLINE INFORMATION REGARDING PROPERTIES AND NEIGHBORHOODS:

Prior to and after entering into a purchase agreement for the Property, Buyers will receive many documents from the Seller, agents and other sources. Some of these are required to be given to you by law; others are required by the purchase agreement. Buyers are strongly urged to read and understand these documents in the purchase agreement.

In addition, information may also be available on the Internet regarding the Property, the neighborhood, and areas near the Property. This information may be found on Web sites, blogs, discussion boards, social media sites such as Facebook, and other Web sites including those of neighborhood associations, homeowner associations ("HOAs"), and Web sites of governmental agencies that may have jurisdiction over the Property.

The information contained on those sites may or may not be factual or truthful, and may consist of opinions, speculation, unfounded assertions or rumors. Sometimes it is difficult to determine from these online resources what is truthful and factual, and what is not. Brokers and agents may not be aware of, nor will they conduct a search of such Internet resources or online information pertaining to the Property, the neighborhood, areas near the Property, neighborhood associations, HOAs, or governmental agencies that may have jurisdiction over the Property.

Buyers and Sellers are advised to exercise the utmost care and diligence in reviewing and investigating all matters which are or could be material or related to the Property, whether on the Internet or otherwise. Buyers are strongly urged to conduct their own thorough, independent search for, and evaluation of, online sources of information regarding the Property to determine whether or not they contain information that may impact the use, value, or desirability of the Property.

14. MOLD:

There has been a great deal of publicity regarding the existence of toxic and non-toxic mold in homes, apartments and commercial buildings. Current information indicates that some types of mold may cause severe health problems for certain individuals, but not everyone.

Not all molds are detectable as part of a visual inspection by a REALTOR® or even a professional whole house inspector. It is also possible that the property could have a hidden mold problem of which the Seller is not aware.

The only way to provide any reasonable assurance that the property does not have a mold or other health hazard problem is to retain the services of an environmental expert who will conduct specific tests. Normally, these tests will consist of an interior and exterior examination for airborne spores and a carpet test but other procedures may also be necessary. Any visible molds should be professionally evaluated.

Broker advises that every Buyer should consider having a specific mold test performed by an environmental professional as either a separate investigation or an add-on to their whole house inspection. This is especially necessary if the Buyer has a known problem with mold and/or if any of the inspection reports or disclosure documents indicates that there is evidence of past or present moisture, standing water or water intrusion at the property since most molds thrive on moisture.

All inspections, including those to detect mold, should be completed within the period specified for Buyer investigations established in the purchase contract. Any waiver or failure on the part of a Buyer to complete and obtain all appropriate tests, including those for mold, is against the advice of Broker.

Some insurance companies have stopped writing homeowner's insurance policies in California as well as in other states as a result of the increase in mold claims. Many insurance companies will not write a homeowner's policy on a home that has had any mold or water intrusion claims within the last five years. Obtaining homeowner's insurance may be difficult, if not more expensive, where either the Seller or the Buyer has made a mold and/or water intrusion claim within the last five years. Sellers should disclose to Buyers all prior claims made to their insurance carrier regarding the property within the last five years and need to detail all past or present water intrusion problems, even those that have been fixed. Buyers should assure themselves that homeowner's insurance can be obtained on the property prior to removing their inspection and/or insurance contingency.

Broker has not and cannot verify whether or not there is any mold-related health hazard at the property.

15. INSURANCE:

During the inspection contingency, Buyer should consult with an insurance broker to determine the cost of homeowners' insurance as well as the types of coverage that may be available and any conditions that may be imposed. For example, many insurance companies are refusing to provide homeowners' insurance coverage unless certain retrofit requirements are met, such as installation of safety/tempered glass and/or fireplace spark arresters, a gas shut-off valve or any other retrofit requirement. The fact that an insurance company may require these repairs does not necessarily mean that the Seller is obligated to pay for and/or make the repairs requested by the insurer. Buyer should investigate these matters thoroughly prior to removing the inspection contingency. See also Mold, Item 14 above.

16. MARIN COUNTY CELL PHONE RECEPTION DEAD ZONES:

There are some areas of Marin County that have limited or no cell phone or wireless data reception. Buyers are advised to contact their wireless providers to verify the availability and strength of cell phone and wireless data reception for the Property and other areas where such services are important to Buyer. Buyers are also advised to personally conduct their own on-site investigations of the availability and strength of such services at and near the Property and in all other areas where such services are important to Buyer. Brokers cannot and will not verify the availability or strength of cell phone and wireless data reception.

17. SMARTMETERS™:

There has been controversy nationally regarding the health, safety and security of SmartMeters™ and other types of utility meters that record consumption of energy and communicate that information to the utility for monitoring and billing purposes. Some public agencies and governmental bodies have placed moratoriums on the installation of these meters. Buyers are advised to fully investigate and satisfy themselves regarding the health, safety and security of such meters. Brokers cannot and will not investigate or verify whether or not there are risks associated with SmartMeters™ or other similar meters.

PG&E has developed a SmartMeter™ “Opt-Out” program pursuant to the requirements of the California Public Utilities Commission. For further information regarding PG&E’s “Opt-Out” program you can call PG&E at 866-743-0263 or visit their Web site at: <http://www.pge.com/myhome/customerservice/smartmeter/optout/>.

18. DEFAULT CLEAN ENERGY PROVIDER:

Marin Clean Energy is now the default electricity provider for Marin County. For more information and/or opt-out information, call 1-888-632-3674 or visit <http://www.marincleanenergy.com>.

19. SERVICE ANIMALS AND COMPANION ANIMALS:

When showing homes for sale (including but not limited to open houses and private showings) or when rental properties are offered to the public, the Seller/Owner, Brokers and real estate agents must act in compliance with all state and federal fair housing laws and regulations, including but not limited to providing unrestricted access to potential buyers and potential tenants who are accompanied by service/companion animals.

B. STATE AND LOCAL CONDITIONS ADVISORIES

1. STATE AND LOCAL GOVERNMENT FINANCIAL CONDITION AND RELATED SERVICES:

State and local governmental and quasi-governmental agencies provide many types of essential and non-essential services and benefits to the community in which the property is located, some of which are provided directly to the property itself. These services, which include but are not limited to streets and roadways, public transportation, utilities (such as water, power and gas), schools, and hospitals, are funded by the government from many different revenue sources including, for example, real property taxes, sales taxes, assessments and fees, federal and state grants, subsidies, and other subventions. The funding sources for some of these services have been and may again be greatly affected by fluctuations in the economic strength of the federal, state and/or local governmental agencies and quasi-governmental agencies. Buyer is advised that, depending on economic conditions and other factors such as legislative decisions and ballot initiatives and referenda, governmental and quasi-governmental services may or may not be available in the future, their availability may be limited, and/or the cost for such services to Buyer may be increased.

2. WEATHER CONDITIONS:

a. Water Shortages: Marin County is susceptible to periods of insufficient rainfall that may not always produce the needed water supply for all the uses contemplated by a property owner. During periods of insufficient rainfall the utilities that supply water have imposed usage restrictions and still define certain usage of water that may be common in some areas (such as the direct hosing of paved surfaces) as water waste.

b. Wet Weather Conditions: Marin County goes through periods of heavier than normal rainfall. During these times, hillside properties may be susceptible to earth movement and drainage problems, and properties on flatlands may be susceptible to flooding. Properties which may not have experienced water intrusion into or under the property in the past may experience these conditions as a result of such weather-related phenomena. Sellers are obligated to disclose to Buyers those material defects or conditions known to them which affect the value or desirability of the property; however, not all Sellers may be aware of recent changes in the conditions of the Property or its improvements caused by unusually wet weather. Because of these factors, it is recommended that, in addition to a home inspection, Buyer have such additional inspections by inspectors or engineers regarding these conditions as Buyer may desire.

c. Coastal Conditions: If the Property is located in a coastal area, Buyer is advised that these areas are subject to frequent strong winds, wind-driven rain, fog, salty sea air and mist, and direct sunlight, any of which, alone or in combination, can impact the condition of the land as well as prematurely age the interior and exterior of structures. Erosion, warping and cracking of surfaces, failed seals on dual-paned windows, loss of roof shingles, and water intrusion, among other problems, are not uncommon with such properties, and thus these properties require regular, thorough maintenance. Buyer is advised to fully investigate these conditions and maintenance requirements.

3. ROAD/HIGHWAY, PUBLIC CONSTRUCTION AND MASS TRANSPORTATION PROJECTS:

From time to time, extensive state and local public road, highway, mass transportation and other public improvement projects will be taking place in Marin County, including but not limited to projects related to the potential resumption of freight and/or passenger rail service. Buyer is hereby advised that these projects will cause inconvenience to people living, working, and visiting in Marin County, and that these inconveniences will include, but are not limited to, traffic congestion and delays, noise, odors, dust, and vibration from construction activities, including pile driving. Buyer is advised to consult the County of Marin Public Works Department for information on current and planned road, highway and railway work, and to consult the County Flood Control and Water Conservation District for information on current and planned flood control work. Also, Buyer may contact the public works departments of the various cities in the County for further information about public construction projects in the County.

4. SONOMA MARIN RAIL SYSTEM:

a. "SMART" Rail: On November 5, 2008, voters approved proposed plans for a passenger train and pathway project that will connect Sonoma County to the San Francisco Bay with 70 miles of rail and trail. Known as the "SMART Train," the train will run between Cloverdale and Larkspur. There will also be a parallel bicycle-pedestrian path along the publicly-owned right-of-way. The Sonoma-Marina Area Rail Transit District ("SMART") is the entity that is responsible for planning, constructing and operating the SMART train system. Buyer and Seller can obtain more information about the proposed SMART rail system and pathways by contacting SMART or by going online to: <http://www.sonomamarintrain.org/>. SMART train construction activity is presently scheduled to start in 2011 and train service is scheduled to begin in 2014, although both could be subject to potential and unknown delays. Precisely what impact, if any, the SMART rail and related trail transportation system will have on any given property is unknown either before, during or after construction. The construction and/or use of the transportation system may affect people differently. Brokers and agents do not have expertise in this area and Buyers are advised to satisfy themselves with regard to this issue during their inspection contingency period.

b. Freight Train Service: Freight trains are expected to start hauling various loads of materials beginning in 2010. The trains could run from as far north as Eureka and will travel south through Sonoma County and into Marin County. Once reaching Marin, the freight will travel partially through Novato before heading east at Highway 37 in route to Schellville located in Napa County. It is unclear at this time what the freight cargo will consist of. For further information it is suggested you contact the North Coast Railroad Authority, by visiting their website at <http://www.northcoastrailroad.org/> or call them at (707) 463-3280.

5. UNDERGROUND UTILITIES AND PIPELINES:

Some communities have elected to move utility lines underground. These projects may result in new or additional tax assessments, increased costs for property owners and disruptions due to construction. Natural gas, water and other fuels are delivered to communities and residential and commercial end-users through networks of underground pipelines. Some areas served by such pipelines have suffered serious adverse impacts resulting from their presence, including deaths and personal injuries, destruction and damage to homes, other buildings, and roadways, as well as service disruptions. Buyer is advised to investigate these issues during the period specified for Buyer investigations by consulting with the appropriate governmental agencies and/or service providers such as Pacific Gas and Electric Company ("PG&E") to determine if the Property has been, is being, or will be impacted by underground utilities and/or pipelines.

PG&E has stated that it has a comprehensive inspection and monitoring program to ensure the safety of its natural gas transmission pipeline system. PG&E has further stated that it monitors its system status in real time on a 24-hour basis, and conducts leak inspections, surveys, and patrols of all of its natural gas pipelines.

PG&E has stated that it is conducting or has conducted an engineering review of the following pipeline segments in Marin County:

- 1,887 feet of pipe through the suburban area along Lindero Street near Albert Park in San Rafael;
- 3 feet of pipe near Redwood Blvd and Atherton Ave in Novato;
- two 30-foot segments of pipe near Redwood Blvd and Atherton Ave in Novato; and
- 285 feet of pipe near Redwood Blvd and Atherton Ave in Novato.

For locations of other PG&E pipeline inspections and further information about underground PG&E pipelines in the vicinity of the Property, please contact PG&E at its Hotline for Gas Transmission Pipelines: 1-888-743-7431, and refer to these PG&E publications at the following URLs:

<http://bit.ly/hgM6xN>

<http://bit.ly/fn1wvB>

<http://bit.ly/er6zPB>

6. GOVERNMENT MANDATED RESALE INSPECTIONS AND REPORTS:

Many cities and towns in the County of Marin require Seller to perform inspections prior to the resale of residential real property. These resale inspections will often note compliance with specific City building codes and in certain instances list permits issued for repairs, remodels and additions to the subject property. If a resale inspection is mandated the Seller must perform the resale inspection and deliver the resale inspection report to a Buyer. By way of example, The Town of Ross requires the Seller to perform the resale inspection and obtain the report prior to placing the property on the market for sale. Marin County currently does not require Seller to perform a resale inspection for residential properties located in unincorporated portions of the County. Whether a property is located in an unincorporated portion of Marin County can often be determined by reviewing a preliminary title report on the property or by making an inquiry of a title company. However, even if a Seller is not required by law to perform a resale inspection, Buyer may still request that the Seller perform a resale inspection as part of a purchase negotiation. Buyer is hereby advised that a resale inspection can be obtained from the County with Seller's prior consent.

The following cities have resale inspection report requirements:

Belvedere	415-435-3838
Corte Madera	415-927-5050
Fairfax	415-453-1584
Larkspur	415-927-5110
Mill Valley	415-388-4033
Novato	415-899-8240
Ross	415-453-1453 (Ext-106)
San Anselmo	415-258-4600
San Rafael	415-485-3097
Sausalito	415-289-4106
Tiburon	415-435-7380

Buyer is advised to carefully review these City-mandated resale inspection reports. If Buyer has any questions about the content of a City mandated resale report, Buyer is advised to contact the City at the number above. Buyer is further advised that County, City and Town inspectors, building department staff, and planning department staff may not always be correct in their opinions and conclusions, and Buyer is advised to consult with appropriate independent professionals and experts to confirm whether governmental staff opinions and conclusions are correct.

Because other governmental agencies in Marin County may in the future enact similar requirements, the parties are advised to obtain the latest information regarding any such applicable requirement, whether enacted or merely proposed, that currently affects or that might in the future affect the Property. Such information may be obtained by contacting all the county and city governmental agencies that may have jurisdiction over the Property.

7. PERMIT ISSUES:

Some improvements to property such as repairs, remodels and additions may have been done without a required permit. One such example would be where a second living unit ("in-law unit") is being rented by the Seller but the required permit was not obtained for this in-law unit. An improvement that is made without the required permit can, among other things, have a negative impact on value, require a retrofit, impact habitability, preclude insurance coverage and/or result in fees, penalties and government enforcement actions. Buyer is advised to consult with the appropriate professionals to determine whether records exist indicating that improvements to the property were made with proper permits and that they have been finalized. Buyer should also determine whether the purchase contract contains a prohibition against reporting the existence of an improvement made without the required permit to any government authority. If such a contractual prohibition exists, Buyer is advised to consult with an attorney before

contacting any government authority to report or inquire about the impact of an improvement made without the required permit on the Property.

8. RIGHT TO FARM:

Marin County Ordinance section 23.03.50 provides as follows: "The County of Marin has established a policy to protect and encourage Agricultural Operations on Agricultural Land. If your real property is located near an Agricultural Operation on Agricultural Land, you may at some time be subject to inconvenience or discomfort arising from Agricultural Operations, including but not limited to, noise, odors, fumes, dust, the operation of machinery, the storage and disposal of manure, and the application of chemical fertilizers, soil amendments, herbicides and pesticides. If conducted in a manner consistent with proper and accepted standards, these inconveniences or discomforts are hereby deemed not to constitute a nuisance for purposes of the Marin County Code."

9. REAL PROPERTY TAXES AND ASSESSMENT DISTRICTS:

The Purchase Agreement addresses payment of real property taxes and assessments relating to the property. As part of negotiations for the Purchase Agreement, the parties may decide how to prorate such taxes and assessments; payments on bonds and assessments and their assumption by Buyer; and payment on Mello Roos and other Special Assessment District bonds and assessments that are now a lien on the Property.

The existence of Mello-Roos and 1915 Bond districts will be reported in a report by a Natural Hazard Disclosure (NHD) company. Most other assessment districts will be reported in the Preliminary Report from the title company. Still others may be disclosed by Seller or local disclosure. The Seller's tax bill alone does not necessarily reflect all of the costs related to taxes and assessments on real property. If there is a question as to whether an existing bond or assessment will be prorated as of the close of escrow, or whether Seller will pay off the bond or assessment at close of escrow, Buyer is advised to discuss the matter with the appropriate District prior to removal of the inspection or title contingency, and to address responsibility for payment of taxes and assessments in the negotiations for the Purchase Agreement.

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. When the County Assessor revalues the property, it does so at its market value on the date of a change in ownership (or when new construction is completed). In many cases, the sales price will be accepted by the Assessor as the market value, but not always. If Buyer disagrees with the Assessor's revaluation, Buyer should contact the local Assessor or Tax Collector's office prior to the removal of Buyer's inspection contingencies to get information about appealing or applying for a reduced assessment.

10. WATER CONSERVATION AND RETROFIT REQUIREMENTS:

There are two primary water utility districts within Marin: North Marin Water District (NMWD), which serves the Novato area, and Marin Municipal Water District (MMWD), which serves the majority of the county. In Coastal Marin, there are smaller water utility districts (e.g. Stinson Beach, Muir Beach, Inverness, Bolinas). All the districts have specific water conservation requirements.

North Marin Water District has low flow toilet and low flow water fixture retrofit requirements that are triggered by a property transfer. This NMWD "point of sale" retrofit can be satisfied by (a) Seller completing the required retrofit by close of escrow or (b) by Seller paying a fee to the District for each bathroom. Paying the fee prior to the close of escrow extends the time to complete the required retrofit and obtaining the District's inspection thereof for one year from the date of close of escrow.

The area served by Marin Municipal Water District has no point of sale or point of service requirements currently. However, there are retrofit requirements that are triggered by fixture replacement or home remodel. A table illustrating the requirements is found at <http://bit.ly/xPSoH1>. The applicable MMWD Ordinance 421 can be found at <http://bit.ly/zTZmri>. Buyers of non-residential real estate are advised to visit <http://bit.ly/tJXFRc> for information on non-residential rates.

To determine the water district serving the property Buyer should review the tax bill and request a copy of the utility bill as part of the purchase contract. Buyer is advised that water rates charged by public and private water suppliers are subject to change. Buyer may learn more about retrofit requirements by visiting the major water utility websites at: <http://www.marinwater.org> (MMWD) or <http://www.nmwd.com> (NMWD), or by contacting the utility supplying water to the Property. Buyer and Seller are advised to address any concerns relating to allocating the cost of compliance with all retrofit requirements as part of their negotiations for the Purchase Agreement.

11. COASTAL AND BAY REGULATIONS:

a. California Coastal Commission: The California Coastal Commission, in partnership with coastal cities and counties, plans and regulates the use of land and water in the coastal zone, including construction of buildings, divisions of land, and activities that change the intensity of use of land or public access to coastal waters. These activities generally require a coastal permit from either the California Coastal Commission or the local government. Portions of western Marin County are within the coastal zone regulated by the California Coastal Commission. Buyers of property in this area are encouraged to contact the California Coastal Commission at (415) 904-5260.

b. BCDC: The San Francisco Bay Conservation and Development Commission (“BCDC”) is charged with the responsibility of restoring Bay wetlands and marshes, preventing wetlands and mudflats from being filled, and supporting the continued and productive use of salt ponds. Marin properties abutting San Francisco Bay, its tidelands and marshes, may be subject to the jurisdiction of the BCDC which may limit building, and impose other requirements on property owners. Buyers of such property are urged to contact BCDC at (415) 352-3600.

12. ENDANGERED SPECIES ACT:

Under the Federal Endangered Species Act (16 U.S.C. §§ 1531-1544) and the California Endangered Species Act (Fish & Game Code § 2050 et seq.), all species that have been listed as “endangered,” “threatened,” or in some cases species that are “candidates” for declaration as endangered or threatened are protected from, among other things, being killed or being harassed, harmed, pursued, hunted, wounded or trapped in any way. There are many species of plants and animals in Marin County that are so listed, an example being the California Tiger Salamander. In addition to protecting the listed species, these laws protect the designated “critical” or “essential” habitat of these species. The presence of a listed plant or animal on the property can have serious consequences for Buyer’s plans, including prohibition or limitations on building, remodeling, grading, landscaping, and agricultural, livestock, and equestrian activities. Violating these laws can result in substantial fines, civil penalties, forfeiture of certain personal property, and prison sentences. Buyer should contact the U.S. Fish and Wildlife Service at www.fws.gov and the California Department of Fish and Game at www.dfg.ca.gov to determine if the property is within designated critical or essential habitat for any listed species.

C. MARKET CONDITIONS ADVISORIES

1. PRICING, APPRAISAL CONTINGENCIES, AND FINANCING CONTINGENCIES:

Real estate markets are cyclical. It is impossible to predict what the market conditions will be at any given time. The ultimate decision of what amount to offer on any given property rests with the Buyer. Buyers need to decide what they are willing to pay for a property in light of market conditions and their own financial resources. Buyers also need to decide what type of offer they are willing to make in recognition of market conditions existing at the time of their offer. Purchase price is not a simple calculation based upon square footage but an agreement as to what the Buyer will pay and what the Seller will accept.

Real estate brokers traditionally recommend that Buyers protect themselves by conditioning their purchase of the property on an appraisal and appropriate inspections of the Property and environs so that the Buyers can be assured that the Property meets their needs. In some markets, many Buyers are choosing to forego that advice so that their offer is more attractive to the Seller. If, after making an offer without a property condition contingency, a Buyer becomes aware of an aspect of the condition of the Property that affects its value or desirability, the Buyer may still be required to proceed to purchase the Property or possibly pay damages to the Seller, which may be the full amount on deposit in escrow. If the condition is one that must subsequently be repaired, the Buyer may or may not have any legal recourse against any of the parties in the transaction after escrow closes including the Seller, the brokers or the inspectors, in which event the Buyer may have to bear the cost to correct that condition.

Waiving the right to have a contingency regarding the property condition does not waive the Buyer’s right to inspect the property, even if the property is being sold “AS IS”. Regardless of whether there is a property condition contingency, Broker recommends that prospective Buyers have the property thoroughly inspected by their own experts prior to the close of escrow.

Even if a Buyer has obtained a prequalification or pre-approval letter from a lender, the lender may not ultimately approve the loan if the lender’s appraiser determines that the property’s fair market value is less than the amount of the purchase price or if the Buyer’s financial/employment situation has changed.

If there is no appraisal contingency and no financing contingency, and the property does not meet the lender's appraisal and underwriting requirements, the Buyer may not be able to afford to make up the difference between the loan amount applied for and the loan amount actually offered by the lender. Under those circumstances, the Buyer may be legally obligated to perform on Buyer's contractual obligations but may not have the funds to do so. This could result in the Buyer paying damages to the Seller. Thus, it is a serious risk for a Buyer to eliminate from the purchase contract their right to have an appraisal and a financing contingency if they intend to secure a loan. Buyer is advised to consider obtaining an appraisal in the event of an all cash purchase even when a loan is not being obtained.

2. DISTRESSED PROPERTY SALES:

Sellers facing mortgage difficulties have several options including a loan modification, short sale, foreclosure, deed in lieu of foreclosure and bankruptcy; each Seller's situation is different. The Seller's decision as to which of these options are chosen may affect the Seller's taxes, credit rating, and/or future options. Broker and its real estate sales associates (collectively referred to as "Agent") cannot, and will not, provide tax, credit and/or legal advice regarding these possible options, or how any of these issues may affect any sale of the Property. Because of these important issues, **prior to proceeding with a short sale, Sellers are strongly urged to consult with a Certified Public Accountant, credit consultant, and/or an attorney specializing in real property, taxation and bankruptcy issues. If you cannot afford to consult an attorney and accountant, consult with a HUD-Certified housing counselor (800) 569-4287, <http://1.usa.gov/efECap> and/or legal aid provider in your community: Legal Aid of Marin: (415) 492-0230 or <http://www.legalaidmarin.org/> or Bay Area Legal Aid: (510) 663-4755, or <http://www.baylegal.org/>.**

To the extent that Seller fails to obtain this necessary advice, Seller is acting against the Agent's advice and recommendation.

Seller and Buyer acknowledge and agree that Agent has advised Seller and Buyer that the sale of the Property could result in a "short sale". A short sale means that there is insufficient equity in the Property to pay off all of the liens, including deeds of trust, judgments, unpaid taxes and any other debts that have been recorded against the Property and/or the closing costs, including real estate commissions. Therefore the Seller's Lender(s) must agree to take less money than they are legally entitled to receive so as to enable the Seller to sell the Property to the Buyer for the terms agreed to in the Purchase Contract.

Seller and Buyer acknowledge and agree that as part of the short sale approval process the Lender(s) will issue a letter or other document detailing the terms and conditions upon which the Lender(s) will agree to

a short sale ("Term Sheet"). The Term Sheet **must** be adhered to by all parties. A Seller is only entitled to the Lender-approved short sale if ALL of the terms and conditions required by the Lender(s) are fully met. There is potential liability for any party who tries to circumvent or "work around" those terms and conditions either through escrow or outside of escrow. All payments to be made by any party to anyone as part of the Buyer's acquisition of the Property must be fully disclosed to all Lenders and approved by all Lenders.

There may be significant legal and/or tax ramifications to the Seller as the result of a short sale. For example, the Term Sheet may: (A) Require that the Seller sign a new note, and possibly even record a Deed of Trust against other property owned by Seller; (B) State that the Seller remains liable for any amount forgiven by the Lender(s) as a result of the short sale; (C) State that the Lender(s) reserve their right to hold the Seller liable for that amount in the future; or (D) Be silent as to future Seller liability for that amount. As such, Seller should not even consider approving the Lender's Term Sheet and/or proceeding with a short sale without first reviewing their legal and financial status with appropriate professionals, including but not limited to attorneys who specialize in bankruptcy issues and financial advisors who understand the tax implications of reducing the Seller's debt as part of a short sale.

Seller and Buyer acknowledge and agree that the Seller's Lender(s) are not obligated to approve the short sale and they are not obligated to provide any type of response regarding the short sale during any set period of time.

If the Seller has ceased making mortgage payments, the Lender(s) may file a Notice of Default and proceed with a foreclosure action notwithstanding the fact that there are ongoing short sale negotiations. **Negotiating a short sale does not stop the foreclosure process.** Seller and Buyer understand and acknowledge that the Agent cannot and does not guarantee that a short sale can be obtained from the Lender(s) and/or that the foreclosure process can or will be stopped. If a Notice of Default has been filed, Seller should immediately consult with a real estate and/or bankruptcy attorney.

Seller and Buyer acknowledge and agree that they have been advised that the sale may not close unless all of the lien holders agree to take the amount that is offered to them (as specified by the Term Sheet) which may be considerably less than the amount that is owed to them. Seller and Buyer further understand that escrow could be delayed for a substantial period of time as a result of resolving the various issues involved in a short sale. Therefore, Seller and Buyer acknowledge and agree that Agent cannot and does not guarantee that escrow will actually close or when it will close.

Seller and Buyer acknowledge and agree that they have a duty to exercise reasonable care to protect their own interests by conducting their own investigation and verification of all information that has been or will be provided to them regarding the short sale process and/or the Property. Seller and Buyer further acknowledge and agree that Agent cannot and will not provide any tax or legal advice regarding the legal or practical effect of a short sale transaction or a possible foreclosure. Seller and Buyer further acknowledge and agree that it is their responsibility to consult with their own legal and tax professionals regarding the effects of the short sale. **If you cannot afford to consult an attorney and accountant, consult with a HUD-Certified housing counselor or legal aid provider in your community as described in Distressed Property Sales, Item C.2. on page 11.**

3. **NOTICE TO INVESTOR-BUYERS AND TO SELLERS WHO ARE IN DEFAULT ON A LOAN SECURED BY THE PROPERTY:** If the following four circumstances exist, the sale is regulated by the Home Equity Sales Act described below, and has special requirements: (1) The Buyer does not intend to occupy the Property; (2) A Notice of Default has been recorded on a loan which is secured by the Property; (3) The Property is occupied by the Seller as the Seller's principal residence; and (4) the Property is a residential dwelling containing between one and four units.

HOME EQUITY SALES ACT AND NOTICE OF DEFAULT ISSUES:

California Civil Code Section 1695 et seq., known as the Home Sales Equity Contract Act ("Act") may apply to this transaction, if a Notice of Default pertaining to the Property is recorded before or during escrow. It is strongly recommended that, before entering into any transaction where the Act applies or that a Notice of Default has been recorded, Buyers and Sellers seek legal advice. The following information is provided as a convenience to aid Buyers and Sellers in making informed decisions. It is not meant to be a complete source of information on all matters which can become issues in transactions involving a Notice of Default or the Act. This information is not guaranteed to be accurate, nor does it apply to any specific transaction. For that reason, it is strongly recommended that Buyers and Sellers use the utmost care and diligence in reviewing and investigating all matters which may be relevant to their transaction. Real estate licensees are not qualified to give legal or tax advice, either in general or specifically, as to Notice of Default or the Act. If Buyers or Sellers have any legal questions or concerns, Buyers and Sellers are urged to consult with their own qualified real estate attorney. If Buyers or Sellers have any tax questions or concerns, Buyers and Sellers are urged to consult with their own qualified certified public accountant or tax attorney.

a. Agreement Subject to Civil Code § 1695 et seq.

The California Association of REALTORS® Notice of Default Purchase Agreement (form "NODPA") is to be used when an investor Buyer offers to purchase a residential dwelling containing one to four units, one of which is owner-occupied as the owner's principal residence, and a Notice of Default has been recorded against the Property as required by Civil Code Sections 1695 through 1695.17. If the Purchase Agreement has been negotiated primarily in a language other than English, it must be translated into that other language as required by Civil Code Section 1695.2.

b. Violations of Civil Code § 1695 et seq.

If certain provisions of the Act are violated, there can be the following civil and criminal penalties: (a) Buyer may be responsible for actual and exemplary (punitive) damages and attorneys' fees and costs incurred by Seller, and/or a civil penalty of up to \$25,000; (b) Buyer may be subject to imprisonment for not more than one year; and (c) the transaction may be rescinded by the Seller for a period of up to two years after escrow closes.

c. Seller's Cancellation Right

Under the Act, Seller may cancel the NODPA until midnight on the fifth (5th) business day following the day on which Seller signs the NODPA form or until 8:00 a.m. on the day scheduled for the sale of the Property pursuant to a power of sale conferred in a deed of trust, whichever occurs first.

d. Buyer Restrictions Prior to Expiration of Seller's Cancellation Right

Until Seller's right to cancel the NODPA has lapsed, Buyer shall not: (a) accept from Seller any execution of, or induce Seller to execute, any instrument conveying any interest in the Property; (b) record any instrument signed by Seller; (c) transfer or encumber or purport to transfer or encumber any interest in the Property to any third party; or (d) pay Seller any consideration.

e. Real Estate Agent License Requirements

The Act requires an Equity Purchaser's Representative ("Buyer's Agent") to provide written proof that she or he has a current, valid California Real Estate Sales License and provide a particular form of Statement in that regard under penalty of perjury. If the Buyer's Agent fails to comply with these requirements, the Purchase Agreement is voidable by Seller and subjects the Buyer and the Buyer's Agent to liability for all damages proximately caused to the Seller by any such failure to comply. (NOTE: Under Schweitzer v. Westminster Investments (2007) 157 Cal.App.4th 1195, review denied March 26, 2008, the Appellate Court stated that the bond requirement of Civil Code Section 1695.17 was unenforceable and severed that provision from the statute.)

4. HOUSING DEVELOPMENTS

From time to time, the County, city and towns of Marin identify areas of Marin for possible housing developments. Buyers and sellers should get information from their local governments about these housing developments.

Real estate brokers and their agents are not responsible for investigating or identifying properties which may be rezoned or affected by future housing developments. Buyers are advised to investigate and satisfy for themselves with regard to this issue during their inspection period.

D. SPECIFIC AREA DISCLOSURES

The following disclosures are specific to various communities and are not exhaustive. Buyer should not assume that other communities not listed are free from the same concerns or issues identified in this section or from other concerns or issues not identified here. Buyer is advised to thoroughly investigate a specific community to learn what conditions may exist.

1. NATIVE AMERICAN ARTIFACTS:

There have been discoveries of Native American artifacts and burial remains in the Gerstle Park area of San Rafael, in Novato, and may be found in other areas of Marin County. Sellers are advised to disclose if any such artifacts or remains are present on this property. Buyer is advised to consult with any, or all, of the following public agencies to obtain information on this subject:

Northwest Information Center. Telephone: 707-588-8455 (E-mail: leigh.jordan@sonoma.edu). They work, for a fee, on archaeological issues that confront builders and municipalities.

State of California - The Resources Agency, California State Parks, P.O. Box 942896, Sacramento, CA 94296. Telephone: 916-653-8380 (E-mail: carlie.jackson@resources.ca.gov).

2. HAMILTON ARMY AIRFIELD HOUSING DEVELOPMENT – ENVIRONMENTAL ISSUES AND TODD'S ROAD:

Hamilton Army Airfield ("Hamilton"), near Novato, California, is a former military base continuing the process of conversion to housing and commercial use. Prior to conversion a widespread environmental clean-up was conducted and clean-up activities continue at some sites to this date.

A former garbage dump in Hamilton has been found to be emitting methane gas and in response the Army Corps of Engineers has built a system intended to alleviate any danger, such as explosion or pollution, from these emissions.

Another site under study and remediation effort is a Methyl Tertiary Butyl Ether (MTBE) plume migrating within the groundwater in a northerly direction from the old Navy gas station parcel. The residential developments in Hamilton obtain their drinking water from the North Marin Water District (NMWD) and are not dependent on a neighborhood well or water supply system that draws from this contaminated groundwater. Some current housing is adjacent to or is built partially over this plume of contaminated groundwater (including the Sunny Cove and Newport subdivisions). Adjacent home Buyers have received notice of the plume and certain restrictions have been advised to reduce any possibility of exposure to the contaminated ground water.

Todd's Road, which runs adjacent to Hamilton, has been the route for heavy truck traffic hauling materials in support of a wetlands project. The wetlands project is expected to have a life span of several years and the truck traffic subjects some residents of Hamilton to the adverse effects of dust, noise, vibration and emissions from diesel engines. Buyer is advised to investigate this issue during the period specified for Buyer investigations when purchasing a property in the Hamilton area.

3. SAN ANSELMO RESIDENTIAL SECOND UNIT RENT LIMITATION:

In June 2003, the City of San Anselmo adopted an ordinance limiting second residential units. Units in existence prior to that date may be exempt from this ordinance within certain limitations. Construction of new second residential units after that date is subject to limitations including the amount of rent that may be charged. Buyer is advised to check with the City of San Anselmo Planning Department if the property being purchased is in San Anselmo and has an existing second residential unit, or if Buyer is contemplating adding a second residential unit.

4. LOCAL SEWER INSPECTION ORDINANCES:

a. City of Belvedere - Sewer Lateral

In the City of Belvedere, prior to the sale or exchange of any residential building or residential lot, the owner or agent must obtain from the city, a report of the residential building record from the City. As part of the application for a residential building records report, the owner shall provide the City of Belvedere public works superintendent with a current videotaped report of the entire sanitary sewer lateral serving the building. The report shall include at least a written and graphic description of the sewer lateral as well as a compact disc containing photographs of any notable features of the sewer lateral. Based on the information contained in the report, the City of Belvedere may require repair or modification of the sewer lateral.

b. City of Sausalito – Sewer Lateral

Section 18.12.100 of the Sausalito Municipal Code provides that, "Where remodeling or sale of any building is proposed, existing sewer service laterals shall be inspected for surface water connections or inlets, and shall be either pressure tested for leakage or inspected by video camera. Service laterals found to be in a deteriorated condition shall be replaced, repaired or rehabilitated as necessary to eliminate infiltration and inflow of ground and surface waters. Service laterals shall be re-tested for leakage or re-inspected by video camera upon completion of any remedial work, and shall be approved by the City Engineer prior to transfer of title or approval of the building permit."

If the property offered for sale is located in Sausalito, then both Seller and Buyer are advised to contact the City of Sausalito to determine the application of this ordinance to a proposed sale of that property.

c. Marin County Sanitary District #1 (also known as the Ross Valley Sanitary District, covers these neighborhoods and municipalities: Bon Air, Town of Fairfax, Greenbrae, Kentfield, Kent Woodlands, City of Larkspur, Oak Manor, Town of Ross, Town of San Anselmo, and Sleepy Hollow).

The District's ordinance requires, among other things, for owners of any residential or commercial property that has a private sewer lateral to have the sewer lateral tested in the manner provided in the ordinance, either (a) **upon listing the property for sale**, or (b) prior to the issuance of a permit for any remodel adding a bathroom or any other remodel costing more than a certain value (currently that value is \$75,000, but the parties must confirm the then-current amount with the District).

The ordinance also requires any sewer lateral that does not pass the test to be repaired to the satisfaction of the District Engineer, and acquiring all related permits from the District and obtaining a final permit inspection. All permits and repairs shall be completed in a timeframe satisfactory to the District, but **for repairs resulting from Seller's required testing upon listing the Property, the deadline to complete repairs and get final inspection is (currently) 60 days from the close of escrow.**

There are limited exemptions from the inspection and testing requirements. For more information about exemptions and for current information about the ordinance, Seller and Buyer are advised to contact the Marin County Sanitary District #1 (also known as the Ross Valley Sanitary District) at (415) 259-2949.

d. Sewerage Agency of Southern Marin - Sewer Lateral (Areas include: City of Mill Valley, parts of the City of Larkspur in the Richardson Bay Sanitary District, and incorporated Marin County in the Almonte Sanitary District, Alto Sanitary District, Homestead Valley Sanitary District, Tamalpais Community Service District (portion of Kay Park)).

The Sewerage Agency of Southern Marin (SASM), enacted a Model Ordinance, which was adopted by all of the member agencies enumerated above, establishing a sewer lateral program whereby the private sewer laterals of homes listed for sale must be inspected with a CCTV camera by certified contractor. The video inspection report must be submitted to the respective district engineers, or their designee, for a determination of repair or replacement of the sewer lateral.

If the district engineer determines repairs or replacement is in order, then a Notice of Repair will be created. The terms and conditions of the Notice of Repair must be completed no longer than 180-days after the close of escrow.

Contact the respective districts for more information at the following phone numbers:

City of Mill Valley:	(415) 388-2402
Almonte Sanitary District:	(415) 388-8775
Alto Sanitary District:	(415) 388-3696
Richardson Bay Sanitary District:	(415) 388-1345
Tamalpais Community Service District:	(415) 388-6393

5. CITY OF BELVEDERE – CULTURAL, ARCHAEOLOGICAL AND HISTORIC RESOURCE PRESERVATION:

The City of Belvedere has added an Element to their General Plan addressing the preservation of their historic and prehistoric resources. All parcels located within the city boundaries have been reviewed and maps of "Prehistoric Resource Sensitivity" and "Historic Resource Sensitivity" have been prepared. The sensitivity of the parcels on these maps is designated as either "High", "Medium" or "Low". The purpose of this mapping is to make parcel owners aware of the sensitivity of their parcel. This designation is advisory only. During the Resale Inspection required by the City, the prospective Buyer will be made aware of the designation of the property under consideration. This designation is important to the Buyer, especially if the Buyer wishes to make any significant changes or remodeling to the property, either at the time or purchase or later. The sensitivity of the parcel could have a significant impact on such plans. Buyers of property in the City of Belvedere are encouraged to contact the City Planning Department for more information on this issue.

6. BAHIA LAGOON:

The Bahia Homeowners' Association ("BHOA") in Novato was previously involved in a lawsuit which resulted in a Court order that the BHOA dredge the Bahia Lagoon to remove the silt that filled it. Had the dredging proceeded, it could have resulted in significantly increased assessments for members of the BHOA. Environmental challenges and permit issues prevented the dredging from occurring, and the Court reversed its order; however the case remains open so the Court can administer the 2007 order resolving the dispute. Buyer is advised to contact the BHOA directly during the Buyer's inspection contingency period to investigate the status of this matter, and the potential for increased BHOA assessments involved in preservation of the East Lagoon and any other aspects of the BHOA's operations. Information concerning this lawsuit may be obtained by reviewing the Court files in Marin Superior Court Civil Action Numbers 146798 and 166429. In addition, an Access Agreement governs access by the BHOA and its members to the East Lagoon and other sensitive wetlands owned by the Marin Audubon Society. Buyer is advised to investigate the Access Agreement recorded in the Official Records of Marin County as document number 2008-00180443 by contacting the BHOA directly, and by obtaining copies of the Access Agreement from the office of the Marin County Recorder.

7. RESTRICTIVE PARKING ORDINANCES:

Certain towns and cities in Marin County have ordinances that restrict parking in residential as well as in commercial areas. Overnight on-street parking is controlled in some locations. Buyers are advised to inquire with the local jurisdiction, during the period specified for Buyer investigation, regarding on-street parking restrictions in the neighborhood where Buyer intends to purchase.

E. RECOMMENDATION TO RETAIN AN ATTORNEY AND ACCOUNTANT

In addition to the professional service providers you will retain to inspect and analyze the property you are purchasing or selling, a situation may arise during the course of your purchase transaction that requires you to either make an important decision, or select a plan of action that could result in significant legal consequences and substantial impact on your personal finances. The most prudent and best plan is for you to identify a certified public accountant and real estate attorney in advance of entering into an agreement for the sale or purchase of the Property so that you can quickly contact and seek the proper financial and/or legal advice and guidance if needed during the transaction.

THE PARTIES ACKNOWLEDGE THE FOLLOWING REGARDING BROKER:

Broker does not warrant or guarantee the condition of the Property;

Broker shall not be responsible for failure to disclose to Buyer facts regarding the condition of the property where the condition (i) is unknown to Broker or (ii) is not capable of being seen by Broker because it is in an area of the property that is reasonably and normally inaccessible to a Broker;

Broker has not verified square footage or size of structures or land, boundary lines of the property, representations made by others (including but not limited to the Seller), information contained in inspection reports or in the Multiple Listing Service or that has been copied therefrom, or in advertisements, flyers or other promotional material, or any other matters described in this Disclosures and Disclaimers Advisory, unless otherwise agreed in writing;

Broker does not guarantee and shall not be responsible for the labor or services or products provided by others to or on behalf of Buyer or Seller and does not guarantee and shall not be responsible for the quality, adequacy, completeness or code compliance of repairs made by Seller or by others; Broker does not decide what price Buyer should pay or Seller should accept; and Broker is not qualified to give legal, tax, insurance or title advice.

In these and all other matters referred to in this Disclosures and Disclaimers Advisory, Buyer and Seller are advised to seek any desired assistance from appropriate qualified professionals. Nothing any broker or sales agent may say will change the terms or effect of this Advisory.

This document may be signed in counterparts.

PROPERTY ADDRESS: _____

THE UNDERSIGNED ACKNOWLEDGE RECEIPT OF THIS SIXTEEN (17) PAGE DOCUMENT.

BUYER

BUYER

Print Name: _____

Print Name: _____

Date: _____

Date: _____

SELLER

SELLER

Print Name: _____

Print Name: _____

Date: _____

Date: _____