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Property Address: 668 Washington Avenue, Sunnyvale

- On-Line Permit Search (1 pg)
- Insurance Claim History (1 pg)

Reports:

- Roof inspection by Daddario Roofing dated 7/7/17 (2 pgs)
- Termite inspection by Antique Termite dated 7/6/17 (9 pgs)
- Property inspection by AMD Home dated 7/7/17 (16 pgs)
- Preliminary Report by Cornerstone Title Company dated 6/14/17 (19 pgs)
- JCP-LGS Residential Property Disclosure Reports dated 6/20/17
 - o Natural Hazard Disclosure (24 pgs)
 - o Tax Information (9 pgs)
 - o Environmental Sites (8 pgs)

Disclosures:

- Seller's Supplemental Checklist (9 pgs)
- List of Home Improvements (1 pg)
- Transfer Disclosure Statement (3 pgs)
- Listing Agent's AVID (3 pgs)
- Water Heater, Smoke Detector, Carbon Monoxide Notice of Compliance (1 pg)
- Lead-Based Paint Disclosure (1 pg)
- Earthquake Hazard Report Questionnaire (1 pg)
- Receipt of Earthquake Safety Booklet (1 pg)
- Advisory & Consent Regarding Multiple & Dual Agency (1 pg)
- Market Conditions Advisory (2 pgs)
- FIRPTA (1pg)
- KW Square Footage and Acreage Advisory (1 pg)
- KW Drought Advisory (1 pg)
- KW Residential Fireplace Disclosure (1 pg)
- KW Wire Fraud Scam Alert (1 pg)
- KW Water Conserving Plumbing Disclosure (2 pgs)
- KW Disclosure Addendum (3 pgs)
- NHD Statement and Acknowledgement of Receipt (1 pg)
- San Mateo/Santa Clara Counties Advisory (15 pgs)
- Statewide Buyer and Seller Advisory (12 pgs)

Receipt of documents indicated above are hereby acknowledged:

Buyer _____	Date _____
Buyer _____	Date _____
Buyer's Agent _____	Date _____

****Please make sure to sign/initial/date ALL disclosures & front pages of reports****



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PRDS® SUPPLEMENTAL SELLER'S CHECKLIST



Property: **668 W. Washington Avenue, 94086**

Date: _____

THE INFORMATION ENTERED ON THIS FORM IS PROVIDED BY SELLER ONLY. THIS DOCUMENT IS SOLELY A SUPPLEMENTAL DISCLOSURE; IT IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, ANY PART OF THE RELATED PURCHASE CONTRACT.

CAUTION TO SELLER: Seller must understand the importance and significance of Seller's disclosure obligations. Seller needs to take the time to carefully and fully complete all questions in this Checklist, including, but not limited to, providing a detailed explanation for all questions responded to with "yes." If Seller needs help in completing Seller's disclosure obligations, including what to disclose and how to disclose it, Seller should consult with Seller's own real estate attorney. Brokers cannot determine the legal sufficiency of any disclosure. In completing this Checklist, Seller should consider the following:

- Seller must disclose anything that is known to Seller that materially affects the value or desirability of the Property;
- It is always prudent for Seller to disclose and explain rather than remain silent;
- Seller can reduce the risk of subsequent disputes, claims, and litigation by making full disclosure to Buyer;
- Prior to completing this Checklist, Seller should review all existing documents in Seller's possession, including, but not limited to, past and current reports, inspections, disclosures, repair estimates, and invoices. Seller should provide these documents to Buyer with this Checklist;
- Seller should disclose all past and current problems, even those that have undergone repair, and should describe repairs that have been made;
- If Seller does not know the answer to any question, then Seller is "not aware" of that issue and should answer "No."

CAUTION TO BUYER: Buyer is responsible for conducting Buyer's own investigations into any and all issues which impact the value and desirability of the Property, whether or not the issue is referenced in any advertisement or discussed in the Seller's or Broker's disclosure documents or by any advisories received by Buyer. Buyer must bear in mind that a property may suffer defects or deficiencies of which neither Seller nor Broker is aware. Buyer should also recognize that not all issues can be objectively determined, and some issues can have varying impacts on different people, since some people may be more sensitive than others. Buyer is urged to do all of the following:

- Carefully read the information contained in this Checklist, along with any advisories, disclosures, inspections, and/or reports Buyer receives from any source;
- Conduct additional/further investigations and inspections regarding any issues that concern Buyer which are raised by this Checklist and/or by any advisories, disclosures, inspections, and/or reports received by Buyer from any source;
- Thoroughly and thoughtfully inspect and evaluate the Property and, in doing so, meet Buyer's obligation to protect Buyer, including those facts which are known to or within the diligent attention and observation of the Buyer;
- Engage qualified professionals to evaluate all aspects of the Property and to consult all appropriate governmental agencies as part of Buyer's evaluation of the Property, preferably during Buyer's property condition contingency, if any;
- Recognize that this Checklist does not include questions regarding every conceivable issue. If Buyer has any concerns, questions, or special needs that are not discussed in this Checklist, then Buyer should prepare Buyer's own written questions and request that Seller provide written responses to those questions prior to removal of Buyer's property condition contingencies, if any.

The information provided in this Checklist is from the Seller and not the Broker or individual real estate licensees. Unless specified in writing, the real estate licensees involved in the transaction have not verified, and will not verify, any of the information provided by Seller. Although licensed to list, sell, and lease real estate, Broker may not have expertise on the information in this Checklist.

SELLER SHALL RESPOND TO EACH AND EVERY ONE OF THE FOLLOWING QUESTIONS:

If Seller is aware of any negative condition or circumstance, whether past or present, and whether or not previously repaired, relating to any item that Seller has identified, Seller shall explain the underlying facts in detail in the space provided. (If necessary, use additional pages.)

1. GENERAL PROPERTY INFORMATION:

A. Approximate lot size: 5,000

Source: Realist

B. Approximate house square footage: 1,265

Source: Realist

C. Approximate year house was built: 1947

Source: Realist

D. Number of years you have owned the Property: 3 yrs

Lived at Property: 3 yrs

ATTENTION: See PRDS San Mateo/Santa Clara Counties Advisory Regarding Building Permits/Non-Permitted Construction.

2. ALTERATIONS, ADDITIONS AND REPAIRS:

A. **DURING YOUR OWNERSHIP:** List below all alterations, additions and repairs made and designate the permit status for each item if applicable. Provide copies of permits and other Seller documentation in your possession related to each item (List on attached PRDS Transmittal of Documents or equivalent form). [UNK = UNKNOWN]

Description:	Date:	Permit Issued	Permit Final	Other Documentation
<u>See list of Home Improvements attached.</u>		YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
		YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
		YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
		YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
		YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>

Seller's Initials: (initials)

Buyer's Initials () ()

Property: 668 W. Washington Avenue, 94086

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- B. **PRIOR TO YOUR OWNERSHIP:** List below all alterations, additions and repairs made and designate the permit status for each item if applicable. Provide copies of permits and other Seller documentation in your possession related to each item (List on attached PRDS Transmittal of Documents or equivalent form). (UNK = UNKNOWN)

Description:	Date:	Permit Issued	Permit Finaled	Other Documentation
_____	_____	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
_____	_____	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
_____	_____	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>
_____	_____	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/> UNK <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>

C. **PRIOR REPORTS, INSPECTIONS AND DISCLOSURES:**

Identify and provide all prior written reports, inspections and disclosures (e.g., Transfer Disclosure Statement, supplemental disclosures) received by you at the time of your purchase and during your ownership relating to the Property.

Are you aware of any oral/verbal inspections/reports regarding the Property and/or the neighborhood that would adversely affect its desirability or value? If Yes, describe: _____

3. **CRACKS, SETTLEMENT, MOVEMENT, SLIPPAGE or INSTABILITY:**

- A. Are you aware of past or present (including previously repaired) **CRACKS** in any of the following? ☐ foundation ☐ foundation jacks/pier supports/shims ☐ steps ☐ stairs ☐ basement ☐ crawl space ☐ retaining walls ☐ boundary walls ☐ chimney ☐ doorways ☐ interior walls ☐ exterior walls ☐ ceilings ☐ walkways ☐ sidewalks ☐ driveway ☐ patio ☐ floors ☐ slabs ☐ beams ☐ OTHER: _____
☒ Seller is not aware of any of the above.

- B. Are you aware of past or present (including previously repaired) **SETTLEMENT, MOVEMENT, SLIPPAGE or INSTABILITY** in any of the following? ☐ foundation ☐ foundation jacks/pier supports/shims ☐ steps ☐ stairs ☐ basement ☐ crawl space ☐ retaining walls ☐ boundary walls ☐ chimney ☐ doorways ☐ interior walls ☐ exterior walls ☐ ceilings ☐ walkways ☐ sidewalks ☐ driveway ☐ patio ☐ floors ☐ slabs ☐ beams ☐ OTHER: _____
☒ Seller is not aware of any of the above.

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

4. **SOILS:**

- A. To your knowledge, does there exist, or are you aware of, any history of the following?

	Your Property	Adjacent Properties
1. Landfill (of any material), grading, cut/fill, compaction	YES <input type="checkbox"/>	YES <input type="checkbox"/>
2. Other soils work: _____	YES <input type="checkbox"/>	YES <input type="checkbox"/>

- B. ☒ Seller is not aware of any of the above.

For each box checked, identify its location and provide a separate and detailed explanation. Provide all documentation.

- C. Are you aware of any past or present problems and/or other issues relating to any of the items checked in 4A and/or any of the following?

	Your Property	Adjacent Properties
1. Seasonal expansion or contraction of clay or other types of soils	YES <input type="checkbox"/>	YES <input type="checkbox"/>
2. Landfill (of any material), grading, cut/fill, compaction	YES <input type="checkbox"/>	YES <input type="checkbox"/>
3. Settlement	YES <input type="checkbox"/>	YES <input type="checkbox"/>
4. Slippage/sliding, ground movement	YES <input type="checkbox"/>	YES <input type="checkbox"/>
5. Erosion	YES <input type="checkbox"/>	YES <input type="checkbox"/>
6. Other soils conditions or work: _____	YES <input type="checkbox"/>	YES <input type="checkbox"/>

- D. ☒ Seller is not aware of any of the above.

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

Seller's Initials (AM) (WJ)
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Buyer's Initials (_____) (_____)

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5. SURFACE/SUB-SURFACE WATER/MOISTURE CONTROL:

A. To your knowledge, does there exist, or are you aware of any history of, any of the following?

	Your Property	Adjacent Properties
1. Standing/ponding water	YES <input type="checkbox"/>	YES <input type="checkbox"/>
2. Flooding	YES <input type="checkbox"/>	YES <input type="checkbox"/>
3. Surface or subsurface streams, creeks, springs, aquifer.....	YES <input type="checkbox"/>	YES <input type="checkbox"/>
4. High water table	YES <input type="checkbox"/>	YES <input type="checkbox"/>
5. Water intrusion/persistent dampness	YES <input type="checkbox"/>	YES <input type="checkbox"/>
6. Drainage system, sub-drain/French drain/curtain drain.....	YES <input type="checkbox"/>	YES <input type="checkbox"/>
7. Sump pump(s)	YES <input type="checkbox"/>	YES <input type="checkbox"/>
8. Sub-area/basement fan(s)	YES <input type="checkbox"/>	YES <input type="checkbox"/>
9. Dry well(s)	YES <input type="checkbox"/>	YES <input type="checkbox"/>
10. Water run-off (to or from your property)	YES <input type="checkbox"/>	YES <input type="checkbox"/>
11. Other water issues	YES <input type="checkbox"/>	YES <input type="checkbox"/>

B. ☒ Seller is not aware of any of the above.

C. Are you aware of any past or present problems/issues relating to any items checked in 5A?..... YES ☐ NO ☐

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

6. INTERIOR ELEMENTS: To your knowledge, does there exist, or are you aware of any history of, the following?

- A. Squeaking, sloping or out-of-level floors YES ☐ NO ☒
- B. Stains, scratches, discoloration, warping, cupping, chipping, cracking, sponginess, water damage or other defects (including those covered by rugs or furnishings) relating to wood, tile, linoleum or any other flooring surface? YES ☒ NO ☐
- C. Carpets that are damaged or defective (e.g., stains, spots, tears or odors)? YES ☐ NO ☒
- D. Windows/doors that leak, stick or bind, are out of plumb, fail to latch, open/close with relative ease, or that otherwise fail to operate properly (continuously or seasonally)? YES ☐ NO ☐
- E. Windows/doors that are drafty and/or emit noise caused by wind? YES ☒ NO ☒
- F. Glass in any window, skylight, door (including shower door), or other feature or component of the Property that is not "safety glass"? YES ☐ NO ☒
- G. Glass in any window, skylight, door (including shower door), or other feature or component of the Property that is cracked, chipped or broken? YES ☐ NO ☒
- H. Seal failure or other defect in any multi-pane, thermo-pane windows or skylights? YES ☐ NO ☒
- I. Shutters (interior), blinds and/or other window coverings that are damaged or defective (e.g., stains, spots, tears, odors, and/or malfunctions)? YES ☐ NO ☒

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

B. Normal wear & tear E. Front door has small gap at bottom; closet & bedroom doors stick slightly.

7. HEATING SYSTEM:

A. Describe the type of heating system in the Property. (If there are multiple systems, account for each.)

Central

- B. Have you ever used any supplemental heating devices (e.g., space heaters)?..... YES ☐ NO ☒
- C. Are you aware of any problems with or repairs to any aspect of the heating system? YES ☐ NO ☒
- D. Are any bedrooms or other major rooms not directly served by the heating system? YES ☐ NO ☒
- E. What is the approximate age of the heating system? Years: Unknown
- F. When was the heating system last serviced and by whom? Date: N/A By: _____

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

8. AIR CONDITIONING ("A/C"): ☐ Not Applicable (Property does not have A/C.)

A. Describe the type of A/C in the Property. (If there are multiple systems/zones, account for each.)

central

B. Are you aware of any problems with or repairs to any aspect the A/C?..... YES ☒ NO ☐

Seller's Initials (CU, KW)

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- C. Are any bedrooms or other major rooms not directly served by A/C? YES ☐ NO ☒
D. What is the approximate age of existing A/C system(s)? Years: 3 yrs
E. When was each A/C system(s) last serviced and by whom? Date: 4/1/17 By: HVAC Pro

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

B. minor leak in AC coil detected so was replaced by HVAC pro about 4 months ago. No issues since.

9. ROOFS/GUTTERS/SIDING: Are you aware of any history of:

- A. Leaks in, from, or through the
1. Roof of any structure at the Property? YES ☐ NO ☒
2. Decks or balconies that are roof surfaces? YES ☐ NO ☒
3. Siding, windows, skylights, gutters, downspouts, eaves or awnings? YES ☐ NO ☒
B. Blockages in gutters and/or downspouts? YES ☐ NO ☒
C. Repair, restoration, replacement (full or partial) on the
1. Roof of any structure at the Property? YES ☐ NO ☒
2. Decks or balconies that are roof surfaces? YES ☐ NO ☒
3. Siding, windows, skylights, gutters, downspouts, eaves or awnings? YES ☐ NO ☒
D. ☒ Seller is not aware of any of the above.

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

10. ELECTRICAL SYSTEMS, FIXTURES AND APPLIANCES: To your knowledge, does there exist, or are you aware of any history of any of, the following:

- A. Failure and/or repair of any electrical fixtures, devices or appliances? YES ☐ NO ☒
B. Dimming and/or flickering of lights? YES ☐ NO ☒
C. Blown fuses and/or tripped circuit breakers? YES ☐ NO ☒
D. Electrical repair, installation or other electrical work performed by you or by any other person, licensed or unlicensed, with or without a permit? YES ☒ NO ☐
E. Photovoltaic/solar electrical generation? ☐ Owned ☐ Leased ☐ Financed YES ☐ NO ☒

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

D. Outlet & Switch plates replaced by handyman within last month

11. TELEVISION/PHONE/ELECTRONICS:

- A. Your phone service is provided by: ☐ Land line ☒ Cellular ☐ Satellite ☐ Internet (e.g., VOIP)
☐ Other _____ ☐ None
1. Are you aware of any problems with wireless or other phone reception at the Property? YES ☐ NO ☒
2. Your service provider(s): AT&T
***Note: Not all areas are serviced by cell phone service providers.
B. Is the Property equipped with an integrated phone systems (e.g., intercom, security systems, gates, or other functions)? YES ☐ NO ☒
C. Your television reception is provided by: ☐ Cable ☒ Satellite Dish ☐ Antenna ☐ Internet
☐ Other _____ ☐ None
1. Have you ever experienced any ongoing or recurring problems with your reception? YES ☐ NO ☒
2. Your service provider(s): Dish Network
D. Your internet service used at the Property is provided by: ☒ Cable ☐ Satellite Dish ☐ Public WiFi
☐ Other _____ ☐ None used at Property
1. Have you ever experienced any ongoing or recurring problems with your connectivity? YES ☐ NO ☒
2. Your service provider(s): AT&T
E. Is the Property wired for an integrated multimedia system? YES ☐ NO ☒
1. Have you ever had problems with the installed wiring? YES ☐ NO ☒
F. Existing security systems, services and/or devices:
1. Is the Property equipped with an alarm system? YES ☐ NO ☒
☐ Leased ☐ Owned ☐ Auditory ☐ "Central Station"
2. Is the Property equipped with a video surveillance system? YES ☐ NO ☒
3. Is the Property equipped with automatic security lighting system? YES ☐ NO ☒

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4. Is the Property equipped with electronically activated gates? YES ☐ NO ☒
5. Have you ever had problems with the any of the above? YES ☐ NO ☒

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

F3. motion detector

12. WATER SUPPLY/PLUMBING SYSTEMS (INCLUDING WATER, NATURAL GAS, AND PROPANE):

- A. Are you aware of any past or present plumbing (including water, natural gas and propane problem)? YES ☐ NO ☒
B. Has any repair, installation or work relating to water, natural gas or propane systems been undertaken at the Property? YES ☐ NO ☒
C. To your knowledge, have any plumbed appliances (e.g., refrigerator ice maker/water dispenser, instant hot water) or other plumbing-related systems ever failed to operate properly? YES ☐ NO ☒
D. Are you aware of any past or present water pipe leakage or flooding in the interior of the Property? YES ☐ NO ☒
E. Have you ever experienced;
1. High or low water pressure problems at the Property? YES ☐ NO ☒
2. Any problem with water supply, purity, quality or taste? YES ☐ NO ☒
3. Excessive delays in drawing hot water to any faucet? YES ☐ NO ☒
4. Any rust, sediment or discoloration in your water? YES ☐ NO ☒
5. Any sinks, tubs and/or showers that drain slowly? YES ☐ NO ☒
F. Does the property have an operating:
1. Water softener? ☐ Owned ☐ Leased ☒ None YES ☐ NO ☒
2. Purification system? ☐ Owned ☐ Leased ☒ None YES ☐ NO ☒
3. Hot water circulating system? YES ☐ NO ☒
G. Is your water supply fluoridated? per city of Sunnyvale YES ☐ NO ☐

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

13. WELL/PRIVATE WATER SYSTEM: ☒ Not Applicable ☐ If Applicable attach PRDS Well/Private Water System Checklist

14. SEWER SYSTEM: ☐ Not Applicable

- A. Have you had your waste or sewer lines snaked or rooted within the last 5 years? YES ☐ NO ☒
If yes: How many times? _____ When? _____ Service provider? _____
B. Are you aware of any past or present blockage, backup, overflow or other failure of the sewer system? (This includes toilets, tubs, kitchen and bathroom sinks, etc.) YES ☐ NO ☒
C. Are you aware of any current government-imposed inspection, repair or upgrade requirement (e.g., sewer lateral tests) applicable to the Property? YES ☐ NO ☒
D. To your knowledge, is the Property equipped with any booster or other pump system related to the sewer system? YES ☐ NO ☒
E. Have you ever been notified or advised that your sewer line is offset, displaced, collapsing or in need of repair or replacement? YES ☐ NO ☒

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

15. SEPTIC SYSTEM: ☒ Not Applicable

"Septic System" as used herein includes the septic tank, leach lines, drain fields, and all related components.

- A. If you are aware of the material (e.g., concrete, redwood, etc.) of which the septic tank is constructed, describe:
B. Within the last five years, with what frequency has the septic tank been pumped?
When was it last pumped? _____ By whom? _____
C. Are you aware of any past or present blockage, backup, overflow or other failure of the Septic System? YES ☐ NO ☐
If yes, explain where, when, and frequency.
D. To your knowledge, is the Property equipped with any booster or other pump system related to the septic system? YES ☐ NO ☐
E. Are you aware of any previous repairs, replacements, relocations or expansions of the Septic System? YES ☐ NO ☐

Seller's Initials (CM) (JD)
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- F. Have you ever been notified or advised that any part of your Septic System is in need of replacement or repair for present usage? YES ☐ NO ☐
- G. Have you been informed by any advisory, notification, inspection report or other source that:
1. The current Septic System may preclude or limit expansion of living space at the Property? YES ☐ NO ☐
 2. Soils conditions may preclude or limit expansion of the Septic System? YES ☐ NO ☐
- H. Are you aware of any present or contemplated governmental plans, measure, or requirements that:
1. May require hook-up or conversion to a public sewer system? YES ☐ NO ☐
 2. May require that the septic system be inspected, replaced or upgraded? YES ☐ NO ☐

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

16. LANDSCAPING/IRRIGATION:

- A. Does the Property have:
1. A sprinkler system? ☐ Manual ☒ Automatic ☐ None
 2. A drip system? ☐ Manual ☒ Automatic ☐ None
 3. Exterior landscape lighting? YES ☐ NO ☒
 4. A pond, waterfall, or other decorative water-related feature? YES ☐ NO ☒
 5. A play structure? If yes, describe below the anchoring mechanism YES ☐ NO ☒
- B. Are you aware of any existing defects, deficiencies or malfunctions in any of the above? YES ☐ NO ☒
- C. Are you aware of any repairs, modifications, or replacement to any of the above? YES ☒ NO ☐
- D. Does any sprinkler direct (or has it directed) water onto any siding, window or other surface of the structure? YES ☐ NO ☒
- E. Are you aware of any diseases or infestations affecting trees or other plantings at or near the Property? If yes, describe below, including any treatment. YES ☐ NO ☒
- F. Identify below the gardening service provider, cost, and frequency of service: 1/month \$30

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

✓ Sprinklers extended to front yard.

17. SWIMMING POOL/SPA: ☒ Not Applicable

- A. Does the pool have a heating system? ☐ Gas ☐ Electric ☐ Solar ☐ Other ☐ None
- B. Does the spa have a heating system? ☐ Gas ☐ Electric ☐ Solar ☐ Other ☐ None
- C. When was the pool heater last utilized? _____ When was the spa heater last utilized? _____
- D. Identify the pool/spa service provider, cost, frequency, and date last serviced. _____

- E. Are you aware of past or present defects, deficiencies, or malfunctions regarding: ☐ the pool and/or spa or related equipment ☐ pool and/or spa surfaces ☐ decking or coping ☐ pool and/or spa alarms ☐ lighting, ladders, slides or diving boards ☐ pool and/or spa covers or enclosures ☐ water leakage from the pool/spa
- F. Any repairs having been performed on the pool, spa, or related equipment? YES ☐ NO ☐

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

18. ANIMALS: Are you aware of:

- A. The current or prior presence at the Property or in the neighborhood of: ☐ cattle ☐ horses ☐ mountain lions/bobcats ☐ feral or other cats ☐ coyotes/wolves/dogs ☐ bears ☒ raccoons/opossum/skunks ☐ gophers/moles ☐ bats ☒ squirrels/other rodents ☐ turkeys/chickens/ducks ☒ crows/pigeons/hawks ☐ snakes ☐ frogs ☐ ants/spiders/other insects ☐ noise or odor-generating birds/other animals ☐ other _____

For each box checked in Paragraph 18, provide detailed explanation.

- B. Pets or other animals at the Property? YES ☐ NO ☒
- If yes, indicate the type or breed, number, and when they were present at the Property.

- C. Animal urine, feces, or spray coming in contact with any walls, flooring, carpets/pads or other interior surfaces? YES ☐ NO ☒

Seller's Initials cdm, ws

Buyer's Initials () ()

668 W. Washington Avenue, 94086

Property:

Date:

- D. Staining, spotting, discoloration, warping or any other damage to any walls, flooring, carpets/pads or other interior surfaces relating to animal urine, feces, or spray? YES ☐ NO ☒
- E. Animal-related odors at the Property at any time of the year (e.g., during warm temperatures)? YES ☐ NO ☒
- F. Ticks, fleas or other pet-related insect problems at the Property? YES ☐ NO ☒
- G. Any treatment or process employed to eradicate pet-related odors, stains, or other problems? YES ☐ NO ☒
- H. Animals/pets buried on the property? YES ☐ NO ☒

If "yes" is entered as to any of the above or as otherwise applicable, describe (1) the issue and location, (2) repairs or replacements made, (3) who did the work and when, and (4) whether the issue has recurred. Provide all documentation.

19. NEIGHBORHOOD CONDITIONS:

- A. **NOISE:** Is noise related to any of the following noticeable at the Property? ☒ vehicular traffic ☒ railroad, train, light rail, BART, or other rail traffic ☐ schools or parks ☒ aircraft (Note: a city mandated disclosure(s) may be required) ☐ construction activity ☐ business, recreational, commercial or institutional facilities (e.g., daycare, religious, residential care) ☐ entertainment complexes, amphitheaters or other venues ☐ music, shouting, parties, sporting or other events ☐ events, gatherings or traditions (e.g., parades, block parties, holiday decorations, sporting events) ☐ neighbors ☐ dogs, cats, birds or other animals ☐ power lines, transformers, other electrical power equipment ☐ air conditioner, other appliances, generators, or pool equipment ☐ adjacent properties, common walls, floors, common areas (e.g., condominiums, PUD, etc.) ☐ Other _____ ☐ None

- B. **OTHER NEIGHBORHOOD CONDITIONS:** Are you aware of any of the following, whether past or present, on or near the Property:

1. Issues related to: ☐ in-home businesses ☐ local businesses ☐ schools ☐ religious facilities ☐ entertainment or sporting venues ☐ traffic congestion ☐ excess speed ☐ hampered driveway ingress or egress ☐ limited or congested on-street parking ☐ periodic or seasonal limited parking or traffic congestion ☐ loitering ☐ Other _____ ☒ None
2. Is the Property situated on or near a bus route? YES ☐ NO ☐
3. Any ongoing, planned or proposed construction at, on, or within any neighboring property or public facility or right of way? YES ☒ NO ☐
4. Odors in the neighborhood that have been noticeable at the Property? YES ☐ NO ☒
5. Neighborhood litter or debris that reflects on or otherwise affects the Property? YES ☐ NO ☒
6. Burglaries, assaults or other crimes in the neighborhood? YES ☐ NO ☒
7. Property or neighborhood conditions or circumstances beyond those referred to above that might reasonably affect the value or desirability of the Property? YES ☐ NO ☒
8. Any complaints to police or other governmental authorities regarding any neighborhood condition?.. YES ☐ NO ☒

If yes, explain in detail and provide all documents: A. Occasionally aware of car traffic, train noise; Moffett field flight path B3. Washington Park Reno

20. ENVIRONMENTAL ISSUES: Are you aware of any of the following, whether past or present, on or near the Property?

- A. Asbestos (e.g., in sprayed ceiling materials, furnace ducting, etc.)? YES ☐ NO ☒
- B. Mold, fungus or spores? YES ☐ NO ☒
- C. Environmental inspections or tests? YES ☐ NO ☒
- D. Odors, whether persistent, recurrent, occasional or seasonal? YES ☐ NO ☒
- E. The manufacture, storage, disposal, release, use or sale of illegal controlled substances, and/or any chemicals or substances used in the manufacture or preparation thereof? YES ☐ NO ☒
- F. Above-ground or underground storage tank for the purpose of storing of heating oil, gasoline/diesel or any other fluid? YES ☐ NO ☒
- G. The disposal, leakage or spills of motor oil, heating oil, solvents or other hazardous chemicals or substances from storage tanks or other sources? YES ☐ NO ☒
- H. The removal of any storage tank? YES ☐ NO ☒

For each box checked in Paragraph 20, describe the circumstances and the present status and details of any remediation or cleanup, including the date and any public agency involvement; and provide all permits and documentation.

21. GOVERNMENTAL ISSUES: Are you aware of any of the following, whether past or present, on or applicable to the Property?

- A. The existence or pendency of any applicable rent control ordinance? YES ☐ NO ☒
- B. Bonds, fees or assessments, current or proposed, that do not appear on the Property Tax bill? YES ☐ NO ☒
- C. Restrictions on use of the Property other than those imposed by zoning laws or CC&Rs? YES ☐ NO ☒

Seller's Initials AM law

Buyer's Initials () ()

Property: 668 W. Washington Avenue, 94086

Date: _____

- D. Existing or contemplated building or other moratoria (e.g., single story overlays) that would apply to the Property? YES ☐ NO ☒
- E. Notice or investigation of violation initiated by any governmental authority currently pending or contemplated? YES ☐ NO ☒
- F. The existence or pendency of any stop work order, order to abate or notice of code or other violation or dangerous condition? YES ☐ NO ☒
- G. Government-imposed requirement or order that brush, trees, grass or other vegetation at the Property be cleared or that flammable materials be removed? YES ☐ NO ☒
- H. Government-mandated tree (or other landscaping) planting, removal, replacement, or cutting restrictions? YES ☐ NO ☒ *per city of Sunnyvale*
- I. Ongoing or contemplated eminent domain, condemnation or annexation process or proceedings? ... YES ☐ NO ☒
- J. Current or contemplated construction, reconfiguration, conversion or closure of any nearby schools? ... YES ☐ NO ☒
- K. Current or contemplated construction, reconfiguration or closure of nearby roadways, traffic signals or signs? YES ☐ NO ☒
- L. Current or contemplated construction, reconfiguration or closure of nearby parks/recreational facilities? YES ☐ NO ☒
- M. Is the Property situated in an unincorporated area of the County? YES ☐ NO ☒

If yes is entered as to any of the above, explain in detail and provide all documents: _____

22. TITLE/OWNERSHIP/LITIGATION:

- A. Are you aware of:
- Any use of the Property or a portion of the Property by a non-owner (e.g., as a pathway, driveway, landscaping, etc.)? YES ☐ NO ☒
 - Any claim by a non-owner as to an ownership interest or right to possess or use the Property or.. any part of the Property (e.g., license, prescriptive easement)? YES ☐ NO ☒
 - Current or contemplated legal proceedings (e.g., probate, trust, guardianship, quiet title, specific performance)? YES ☐ NO ☒
 - Perimeter fences, walls or other constructed or natural borders relating to the Property that may be situated off the true Property line? YES ☐ NO ☐
 - Encroachment from a neighboring property onto the subject Property or from the subject Property onto a neighboring property (e.g., fences, walls, structures or other improvements)? YES ☐ NO ☒
 - Any lease or rental agreement that is, or is claimed to be, currently in effect? YES ☐ NO ☒
- B. Is access to the Property a shared driveway or private road? YES ☐ NO ☒
- If yes, indicate whether there are any agreements relating to use, ownership or maintenance. (If written, provide copy or if oral, describe below.)
 - Have there been any disputes, disagreements or failures to perform? YES ☐ NO ☒
- C. Do you have or intend to utilize a power of attorney in conjunction with the sale of the Property? YES ☐ NO ☒

If yes is entered as to any of the above, explain in detail and provide all documents: *Att. Owners were told by neighbor that property encroaches on property to right by 6 inches.*

23. HOMEOWNER'S INSURANCE COVERAGE AND CLAIMS HISTORY:

- A. Within the past five years have there been any insurance claims made by you or anyone else relating to the Property? If yes, identify the following as to each claim (use additional pages, if necessary): YES ☐ NO ☒
- Name of Claimant _____ Insurance Company _____
- Policy Number _____ Approximate Date of Claim _____
- Nature of the claim, and how resolved, if known _____
- B. Within the past five years has any insurance company refused to issue or renew any policy of insurance relating to the Property? If yes, please indicate the following (use additional pages, if necessary): YES ☐ NO ☒
- Approximate date of such refusal _____ Insurance Company _____
- The basis of the refusal, if known _____
- C. Apart from any other insurance requirements, has your lender required you to carry flood or earthquake insurance? YES ☐ NO ☒

If yes is entered as to any of the above, explain in detail and provide all documents: _____

24. GENERAL: Are you aware of:

- A. Any of the following having been filled in, removed, abandoned or not in use at the Property? ☐ pool/spa ☐ pond ☐ septic tank/pit ☐ leach line/field ☐ oil, gas or water tank ☐ well ☐ related equipment ☒ None
- B. Any fire, interior or exterior (including chimney flue fire), having ever occurred at the Property? YES ☐ NO ☒

Seller's Initials *(AM) (JW)*

Buyer's Initials (____) (____)

668 W. Washington Avenue, 94086

Property:

Date:

- C. Any appliances or any electrical, plumbing or other systems (e.g., heating/A/C, etc.) or any areas of the Property that have not been used within the past twelve months? YES ☐ NO ☒
- D. Any exterior locks without keys? If yes, identify below YES ☐ NO ☒
- E. A notice of default recorded against the Property? YES ☐ NO ☒
- F. Whether the Property is presently subject or soon to be made subject to the jurisdiction of the federal bankruptcy court? YES ☐ NO ☒
- G. The Property being designated as "historic"? YES ☐ NO ☒
- H. Any death, natural or otherwise, having occurred anywhere on the Property within the past three years? YES ☐ NO ☒

If yes is entered as to any of the above, explain in detail and provide all documents: _____

25. ADDITIONAL INFORMATION NOT OTHERWISE DISCLOSED ABOVE (Use additional sheet, if necessary):

Seller certifies that the information set forth in this document is true and correct to the best of Seller's knowledge as of the date signed below:

Date 7/10/17 Seller Calvin Ma Seller Calvin Ma
(print name) (print name)
Date 7/10/17 Seller Karen Wong Seller Karen Wong
(print name) (print name)

Buyer hereby acknowledges receipt of a copy of this document:

Date _____ Buyer _____ Buyer _____
(print name) (print name)
Date _____ Buyer _____ Buyer _____
(print name) (print name)

668 W. Washington Avenue, 94086
List of Home Improvements
(dates approximate)

- Front landscaping (2014)
- Banister on front porch (2014)
- Fence on front of house (2014)
- Front gate on driveway (2014)
- Replaced side gate (2014)
- Added more concrete on side yards (2014)
- Added AC (2014)
- Added concrete pad for trash (2014)
- Added auto sprinklers to front yard (2014)

RECEIVED & READ

SIGNATURE

DATE

SIGNATURE

DATE



www.prdstforms.com

PRDS® REAL ESTATE TRANSFER DISCLOSURE ("TDS")

(Page 1 of 3 - Revised 4/14)



THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Sunnyvale, COUNTY OF Santa Clara, STATE OF CALIFORNIA, DESCRIBED AS 668 W. Washington Avenue. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF (DATE) 20. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS:

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- ☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.
☐ Additional inspection reports or disclosures: _____

II. SELLER'S INFORMATION:

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller ☒ is ☐ is not occupying the property.

A. The subject property has the items checked below (read across):*

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Range <u>Combo</u> | <input checked="" type="checkbox"/> Oven | <input checked="" type="checkbox"/> Microwave |
| <input checked="" type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input checked="" type="checkbox"/> Garbage Disposal |
| <input checked="" type="checkbox"/> Washer/Dryer Hookups | <input checked="" type="checkbox"/> Smoke Detector(s) | <input type="checkbox"/> Rain Gutters |
| <input type="checkbox"/> Burglar Alarms | <input checked="" type="checkbox"/> Carbon Monoxide Device(s)* | <input type="checkbox"/> Fire Alarm |
| <input type="checkbox"/> T.V. Antenna | <input checked="" type="checkbox"/> Satellite Dish | <input type="checkbox"/> Intercom |
| <input checked="" type="checkbox"/> Central Heating | <input checked="" type="checkbox"/> Central Air Conditioning | <input type="checkbox"/> Evaporator Cooler(s) |
| <input type="checkbox"/> Wall/Window Air Conditioning | <input type="checkbox"/> Sprinklers | <input checked="" type="checkbox"/> Public Sewer Systems |
| <input type="checkbox"/> Septic Tank | <input type="checkbox"/> Sump Pump | <input type="checkbox"/> Water Softener |
| <input checked="" type="checkbox"/> Patio/Decking | <input checked="" type="checkbox"/> Built-in Barbeque <u>backyard</u> | <input type="checkbox"/> Gazebo |
| <input type="checkbox"/> Sauna | <input type="checkbox"/> Pool <input type="checkbox"/> Child Resistant Barrier* | <input type="checkbox"/> Spa <input type="checkbox"/> Locking Safety Cover* |
| <input type="checkbox"/> Hot Tub <input type="checkbox"/> Locking Safety Cover* | <input type="checkbox"/> Automatic Garage Door Opener(s)* | <input checked="" type="checkbox"/> Number of Remote Controls <u>1</u> |
| <input checked="" type="checkbox"/> Security Gate(s) | <input checked="" type="checkbox"/> Not Attached | <input type="checkbox"/> Carport |
| <input checked="" type="checkbox"/> Garage: <input type="checkbox"/> Attached | <input type="checkbox"/> Solar | <input type="checkbox"/> Electric |
| <input type="checkbox"/> Pool/Spa Heater: <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water Heater Anchored, Braced, or Strapped* | <input type="checkbox"/> Private Utility or Other |
| <input checked="" type="checkbox"/> Water Heater: <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Well | <input type="checkbox"/> Water-Conserving Plumbing Fixtures |
| <input checked="" type="checkbox"/> Water Supply: <input checked="" type="checkbox"/> City | <input type="checkbox"/> Bottled | <input type="checkbox"/> Quick Release Mechanism on Bedroom Windows* |
| <input checked="" type="checkbox"/> Gas Supply: <input checked="" type="checkbox"/> Utility | <input type="checkbox"/> Window Security Bars | |
| <input checked="" type="checkbox"/> Window Screens | | |

[* See related note, page 2]

Exhaust Fan(s) in kitchen 220 Volt Wiring in Laundry Fireplace(s) in N/A
Gas Starter _____ Roof(s): Type _____ Age: 4yrs (approx.)
Other: _____

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? ☐ Yes ☒ No.
If yes, then describe. (Attach additional sheets if necessary.): _____

(* see note on Page 2)

Buyer and Seller acknowledge receipt of a copy of this page.

Seller's Initials (CM) (W)

Buyer's Initials () ()

PRDS® REAL ESTATE TRANSFER DISCLOSURE STATEMENT ("TDS") (Page 2 of 3):

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? ☐ Yes ☒ No. If yes, check appropriate space(s) below.

☐ Interior Walls ☐ Ceilings ☐ Floors ☐ Exterior Walls ☐ Insulation ☐ Roof(s) ☐ Windows ☐ Doors ☐ Foundation ☐ Slab(s)
☐ Driveways ☐ Sidewalks ☐ Walls/Fences ☐ Electrical Systems ☐ Plumbing/Sewers/Septics ☐ Other Structural Components
 Describe: _____

If any of the above is checked, explain. (Attach additional sheets if necessary.): _____

*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with Section 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. The water heater may not be anchored, braced, or strapped in accordance with Section 19211 of the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. Section 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1984, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with Section 1101.4 of the Civil Code.

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property ☐ Yes ☒ No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property ☒ Yes ☐ No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property. ☐ Yes ☒ No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits ☐ Yes ☒ No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes ☐ Yes ☒ No
6. Fill (compacted or otherwise) on the property or any portion thereof ☐ Yes ☒ No
7. Any settling from any cause, or slippage, sliding, or other soil problems ☐ Yes ☒ No
8. Flooding, drainage or grading problems ☐ Yes ☒ No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides .. ☐ Yes ☒ No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements ☐ Yes ☒ No
11. Neighborhood noise problems or other nuisances ☐ Yes ☒ No
12. CC&R's or other deed restrictions or obligations ☐ Yes ☒ No
13. Homeowners' Association which has any authority over the subject property ☐ Yes ☒ No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) ☐ Yes ☒ No
15. Any notices of abatement or citations against the property ☐ Yes ☒ No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to Section 910 or 914 threatening to or affecting this real property, claims for breach of warranty pursuant to Section 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to Section 903 threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to Section 910 or 914 alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) ☐ Yes ☒ No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary): _____

D. Seller Certification:

1. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 13113.8 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.
2. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Buyer and Seller acknowledge receipt of a copy of this page.

Seller's Initials (CM) (lw)

Buyer's Initials (_____) (_____)

Property: 668 W. Washington Avenue, 94086

Date

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller

Date

7/10/17

Seller

Date

7/10

III. AGENT'S INSPECTION DISCLOSURE:

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- ☐ Agent notes no items for disclosure.
☐ See Agent's Visual Inspection Disclosure.
☒ Agent notes the following items:

Buyer to review all inspections and reports. Home appears to be good condition. Home in close proximity to Washington Park, downtown Sunnyvale, & Sunnyvale Caltrain station.

Agent (Broker Representing Seller)

Keller Williams
(Please Print)

By

(Associate Licensee or Broker Signature)

Date

7-10-17

IV. AGENT'S INSPECTION DISCLOSURE:

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- ☐ Agent notes no items for disclosure.
☐ See Agent's Visual Inspection Disclosure.
☐ Agent notes the following items:

Agent (Broker obtaining the Offer)

(Please Print)

By

(Associate Licensee or Broker Signature)

Date

V. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller

Date

7/10/17

Buyer

Date

Seller

Date

7/10

Buyer

Date

Agent (Broker Representing Seller)

Keller Williams
(Please Print)

By

(Associate Licensee or Broker Signature)

Date

7-10-17

Agent (Broker obtaining the Offer)

(Please Print)

By

(Associate Licensee or Broker Signature)

Date

SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

NOTE: EXEMPT TRANSFERS (TDS not required) include, but are not limited to, the following: transfers by a fiduciary of a decedent's trust or estate; transfers by foreclosure of trustee's sale or by deed in lieu of foreclosure; transfers to a spouse or a direct blood relative; transfers among co-owners; transfers requiring a "public report" (Bus. & Prof Code § 11018.1) or pursuant to Bus. & Prof Code § 11010.4.



CALIFORNIA
ASSOCIATION
OF REALTORS®

AGENT VISUAL INSPECTION DISCLOSURE (CALIFORNIA CIVIL CODE § 2079 ET SEQ.)

For use by an agent when a transfer disclosure statement is
required or when a seller is exempt from completing a TDS
(C.A.R. Form AVID, Revised 11/13)

This inspection disclosure concerns the residential property situated in the City of Sunnyvale, County of
Santa Clara, State of California, described as _____ ("Property").

668 W. Washington Avenue

☐ This Property is a duplex, triplex, or fourplex. This AVID form is for unit # _____. Additional AVID forms required for other
units.

Inspection Performed By (Real Estate Broker Firm Name) Keller Williams

California law requires, with limited exceptions, that a real estate broker or salesperson (collectively, "Agent") conduct a reasonably competent and diligent visual inspection of reasonably and normally accessible areas of certain properties offered for sale and then disclose to the prospective purchaser material facts affecting the value or desirability of that property that the inspection reveals. The duty applies regardless of whom that Agent represents. The duty applies to residential real properties containing one-to-four dwelling units, and manufactured homes (mobilehomes). The duty applies to a stand-alone detached dwelling (whether or not located in a subdivision or a planned development) or to an attached dwelling such as a condominium. The duty also applies to a lease with an option to purchase, a ground lease or a real property sales contract of one of those properties.

California law does not require the Agent to inspect the following:

- Areas that are not reasonably and normally accessible
- Areas off site of the property
- Public records or permits
- Common areas of planned developments, condominiums, stock cooperatives and the like.

Agent Inspection Limitations: Because the Agent's duty is limited to conducting a reasonably competent and diligent visual inspection of reasonably and normally accessible areas of only the Property being offered for sale, there are several things that the Agent will not do. What follows is a non-exclusive list of examples of limitations on the scope of the Agent's duty.

Roof and Attic: Agent will not climb onto a roof or into an attic.

Interior: Agent will not move or look under or behind furniture, pictures, wall hangings or floor coverings. Agent will not look up chimneys or into cabinets, or open locked doors.

Exterior: Agent will not inspect beneath a house or other structure on the Property, climb up or down a hillside, move or look behind plants, bushes, shrubbery and other vegetation or fences, walls or other barriers.

Appliances and Systems: Agent will not operate appliances or systems (such as, but not limited to, electrical, plumbing, pool or spa, heating, cooling, septic, sprinkler, communication, entertainment, well or water) to determine their functionality.

Size of Property or Improvements: Agent will not measure square footage of lot or improvements, or identify or locate boundary lines, easements or encroachments.

Environmental Hazards: Agent will not determine if the Property has mold, asbestos, lead or lead-based paint, radon, formaldehyde or any other hazardous substance or analyze soil or geologic condition.

Off-Property Conditions: By statute, Agent is not obligated to pull permits or inspect public records. Agent will not guarantee views or zoning, identify proposed construction or development or changes or proximity to transportation, schools, or law enforcement.

Analysis of Agent Disclosures: For any items disclosed as a result of Agent's visual inspection, or by others, Agent will not provide an analysis of or determine the cause or source of the disclosed matter, nor determine the cost of any possible repair.

What this means to you: An Agent's inspection is not intended to take the place of any other type of inspection, nor is it a substitute for a full and complete disclosure by a seller. Regardless of what the Agent's inspection reveals, or what disclosures are made by sellers, California Law specifies that a buyer has a duty to exercise reasonable care to protect himself or herself. This duty encompasses facts which are known to or within the diligent attention and observation of the buyer. Therefore, in order to determine for themselves whether or not the Property meets their needs and intended uses, as well as the cost to remedy any disclosed or discovered defect, **BUYER SHOULD: (1) REVIEW ANY DISCLOSURES OBTAINED FROM SELLER; (2) OBTAIN ADVICE ABOUT, AND INSPECTIONS OF, THE PROPERTY FROM OTHER APPROPRIATE PROFESSIONALS; AND (3) REVIEW ANY FINDINGS OF THOSE PROFESSIONALS WITH THE PERSONS WHO PREPARED THEM. IF BUYER FAILS TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKER.**

Buyer's Initials (_____) (_____)

Seller's Initials ML NJ

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AVID REVISED 11/13 (PAGE 1 OF 3)

Reviewed by _____ Date _____



AGENT VISUAL INSPECTION DISCLOSURE (AVID PAGE 1 OF 3)

Property Address: 668 W. Washington Avenue, 94086 Date: _____

If this Property is a duplex, triplex, or fourplex, this AVID is for unit # _____

Inspection Performed By (Real Estate Broker Firm Name) _____

Inspection Date/Time: 7/14 @ 2:00 Weather conditions: Sunny

Other persons present: _____

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE REASONABLY AND NORMALLY ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

Entry (excluding common areas): _____

Living Room: wear & tear on hardwood throughout.

Dining Room: _____

Kitchen: _____

Other Room: _____

Hall/Stairs (excluding common areas): _____

Bedroom # _____:

Bedroom # _____:

Bedroom # _____:

Bath# _____:

Bath# _____:

Bath# _____:

Other Room: _____

Buyer's Initials (_____) (_____)
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AVID REVISED 11/13 (PAGE 2 OF 3)

Seller's Initials (CMH) (WJ)

Reviewed by _____ Date _____

AGENT VISUAL INSPECTION DISCLOSURE (AVID PAGE 2 OF 3)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com



United

Property Address: 668 W. Washington Avenue, 94086 Date: _____

If this Property is a duplex, triplex, or fourplex, this AVID is for unit # _____

Other Room: _____

Other: _____

Other: _____

Other: _____

Garage/Parking (excluding common areas): Personal Belongings inside.

Exterior Building and Yard -Front/Sides/Back: Built in grill in backyard. Some cracks and stains in concrete in backyard.

Other Observed or Known Conditions Not Specified Above: _____

This disclosure is based on a reasonably competent and diligent visual inspection of reasonably and normally accessible areas of the Property on the date specified above.

Real Estate Broker (Firm who performed the Inspection) Keller Williams
By [Signature] Date 7-10-17
(Signature of Associate Licensee or Broker)

Reminder: Not all defects are observable by a real estate licensee conducting an inspection. The inspection does not include testing of any system or component. Real Estate Licensees are not home inspectors or contractors. BUYER SHOULD OBTAIN ADVICE ABOUT AND INSPECTIONS OF THE PROPERTY FROM OTHER APPROPRIATE PROFESSIONALS. IF BUYER FAILS TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKER.

I/we acknowledge that I/we have read, understand and received a copy of this disclosure.

SELLER [Signature] Date 7/10/17
SELLER [Signature] Date 7/10/17
BUYER [Signature] Date _____
BUYER [Signature] Date _____

Real Estate Broker (Firm Representing Seller) Keller Williams
By [Signature] Date 7-10-17
(Associate Licensee or Broker Signature)

Real Estate Broker (Firm Representing Buyer) _____
By _____ Date _____
(Associate Licensee or Broker Signature)

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AVID REVISED 11/13 (PAGE 3 OF 3)

Reviewed by _____ Date _____





PRDS® LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE AND ACKNOWLEDGMENT

Revision Date 1/11



www.prdsforms.com

This Disclosure applies to the Real Estate ☒ Purchase ☐ Lease/Rental Contract ("Contract") for 668 W. Washington Avenue

City of Sunnyvale County of Santa Clara, California ("Property").

LEAD WARNING STATEMENT

PURCHASE AND SALE: Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based hazards is recommended prior to purchase.

LEASE: Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

1. SELLER/LESSOR DISCLOSURE

- Seller/Lessor has no knowledge of lead-based paint and/or lead-based paint hazards at the Property other than as follows: _____ (use additional sheet, if necessary)
- Seller/Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards at the Property that have been received by Buyer/Lessee or are provided as an attachment (please list reports), other than as follows: _____ (use additional sheet, if necessary)
- Buyer/Lessee has received, or is receiving as an attachment hereto, the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent booklet approved for Federal and State use.
- Sales Transactions Only: Buyer shall have ten days from Acceptance (unless otherwise agreed in the Contract) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards before becoming obligated to purchase the Property.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Date: 7/10/17 Seller/Lessor: [Signature] (SIGNATURE) Calvin Ma (PRINTED NAME)
Date: 7/10 Seller/Lessor: [Signature] (SIGNATURE) Karen Wong (PRINTED NAME)

2. ACKNOWLEDGMENT BY AGENT FOR SELLER/LESSOR

Agent has informed Seller/Lessor of Seller's/Lessor's obligations under 42 U.S.C. §4852(d) and is aware of said Agent's duty to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Date: 7-10-17 Seller's/Lessor's Agent: [Signature] (SIGNATURE)
Print Name: Dave Clark Company Name: Keller Williams

3. BUYER/LESSEE ACKNOWLEDGMENT

- I (we) have received the "Lead Warning Statement" above.
- I (we) have received the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for Federal and State use.
- Sales Transactions Only: Buyer acknowledges a right (exercisable within ten days of Acceptance, unless otherwise agreed in the Contract) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards before becoming obligated to purchase the Property.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Date: _____ Buyer/Lessee: _____ (SIGNATURE) _____ (PRINTED NAME)
Date: _____ Buyer/Lessee: _____ (SIGNATURE) _____ (PRINTED NAME)

4. ACKNOWLEDGMENT BY AGENT FOR BUYER/LESSEE

Agent has informed Seller/Lessor (through Seller's/Lessor's Agent, if the Property is listed), of Seller's/Lessor's obligations under 42 U.S.C. §4852(d) and is aware of the duty of Agent for Buyer/Lessee to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Date: _____ Buyer's/Lessee's Agent: _____ (SIGNATURE)
Print Name: _____ Company Name: _____



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**CERTIFICATION OF COMPLIANCE WITH WATER HEATER, SMOKE DETECTOR
AND CARBON MONOXIDE DEVICE REQUIREMENTS**



668 W. Washington Avenue, 94086

Property: _____

WATER HEATER COMPLIANCE

For purposes of reducing the serious threat of fire, explosion or electrocution resulting from water heaters that may overturn or suffer damage in an earthquake, California Health and Safety Code sections 19211 and 19212 require that all water heaters, whether new or old, be braced, anchored or strapped to resist falling or horizontal displacement due to seismic motion. There are no exceptions to this requirement. Compliance must be certified at the point of transfer of title or at the commencement of the Lease.

While the California Plumbing Code provides specific guidance as to the manner and means of securing water heaters, Seller/Owner is advised that different or additional requirements may be imposed by local ordinance. Seller/Owner is, therefore, encouraged to inquire of local code enforcement officers in regard thereto and to engage a competent plumber or other building professional to undertake any needed action and to assure compliance.

Seller/Owner hereby certifies that the Property is presently in compliance, or by close of escrow or at the commencement of the Lease shall have been brought into compliance, with the above-referenced requirements regarding water heater bracing, anchoring and strapping.

Date: 7/10/17

Seller/Owner: Cal The

Seller/Owner: [Signature]

SMOKE DETECTOR AND CARBON MONOXIDE DEVICE COMPLIANCE

Dwelling units (including, without limitation, single family residences) intended for human occupancy are, upon transfer of title (or in the case of a lease), required to be equipped with operable smoke detector(s) and, as of July 1, 2011, carbon monoxide device(s) of the type and in a manner specified by the State Fire Marshall. Compliance must be certified by close of escrow or at commencement of the lease. California Health & Safety Code section 13113.7 and 13260, et seq. Local ordinances and building codes may add additional requirements and should be consulted as to where (i.e., what placement within sleeping areas, hallways leading to sleeping areas, within staircases, etc.) smoke detector(s) and carbon monoxide device(s) should be located for optimal performance and for full code compliance.

Seller/Owner hereby certifies that the Property is presently in compliance, or by close of escrow or at the commencement of the Lease shall have been brought into compliance, with the above-referenced requirements regarding the installation of operable smoke detectors and carbon monoxide devices.

Date: 7/10/17

Seller/Owner: Cal The

Seller/Owner: [Signature]

Buyer/Tenant hereby acknowledges receipt of a copy of the above certification(s).

Date: _____

Buyer/Tenant: _____

Buyer/Tenant: _____

RESIDENTIAL EARTHQUAKE HAZARDS REPORT

Refer to Section 8897 et seq., California Government Code



Name	Assessor's Parcel No. 165-12-069
Street Address 668 W. Washington Avenue	Year Built 1947
City and County Sunnyvale and Santa Clara	Zip Code 94086

Answer these questions to the best of your knowledge. If you do not have actual knowledge as to whether the weakness exists or not, answer "Don't Know." If your house does not have the feature, answer "Doesn't Apply." The page numbers in the right hand-side column indicate where in this guide you can find information on each of these features.

	Yes	No	Doesn't Apply	Don't Know	See Page
1. Is the water heater braced, strapped, or anchored to resist falling during an earthquake?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6
2. Is the house anchored or bolted to the foundation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7
3. If the house has cripple walls:					
• Are the exterior cripple walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	8
• If the exterior foundation consists of unconnected concrete piers and posts, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	9
4. If the exterior foundation, or part of it, is made of unreinforced masonry, has it been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10
5. If the house is built on a hillside, answer the following:					
• Are the exterior tall foundation walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11
• Where the tall posts or columns either built to resist earthquakes or have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11
6. If the exterior walls of the house, or part of them, are made of unreinforced masonry, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12
7. If the house has a living area over the garage, was the wall around the garage door opening either built to resist earthquakes or has it been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13

If any of the questions are answered "No," the house is likely to have an earthquake weakness. Questions answered "Don't Know" may indicate a need for further evaluation. If you corrected one or more of these weaknesses, describe the work on a separate page.

As Seller of the property described herein, I have answered the question above to the best of my knowledge in an effort to fully disclose any potential earthquake weaknesses it may have.

EXECUTED

(Seller)

(Seller)

(Date)

I acknowledge receipt of this form, completed and signed by the Seller, I understand that if the Seller has answered "No" to one or more questions, or if Seller has indicated a lack of knowledge, there may be one or more earthquake weaknesses in this house.

(Buyer)

(Buyer)

(Date)

This earthquake disclosure is made in addition to the standard real estate transfer disclosure statement also required by law.

Keep your copy of this form for future reference.



I found the booklet, *The Homeowner's Guide to Environmental Hazards and Earthquake Safety* (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update:

- | | |
|--|--|
| <input type="checkbox"/> Helpful | <input type="checkbox"/> Clearly written |
| <input type="checkbox"/> Too detailed | <input type="checkbox"/> Confusing |
| <input type="checkbox"/> Not detailed enough | |
| <input type="checkbox"/> The booklet helped me to locate earthquake weaknesses in my home. | |
| <input type="checkbox"/> I have strengthened my home to resist earthquakes. | |
| <input type="checkbox"/> I plan to fix my home's earthquake weaknesses. | |
| <input type="checkbox"/> The booklet helped me find out that my home did not have any earthquake weaknesses. | |

The year my home was built was _____

Comments: _____

We Want To Hear From You!

California Seismic Safety Commission
1900 K Street, Suite 100
Sacramento, California 95814-4186

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update, and Home Energy Rating booklet.

668 W. Washington Avenue, 94086

Property Address: _____

Date _____ Time _____ (Buyer's signature) (printed name)

Date _____ Time _____ (Buyer's signature) (printed name)

Date _____ (Buyer's Agent's signature) (printed name) (Broker's name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement.)

ALL SIGNERS SHOULD RETAIN A COPY OF THIS PAGE FOR THEIR RECORDS

California Civil Code Section 2079.10 states that if the HERS booklet is provided to the Buyer by the Seller or Broker, then this booklet is deemed to be adequate to inform the home buyer about the existence of California Home Energy Rating Program.

Revised 09/10 Official C.A.R. * Publication 09/10

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update, and Home Energy Rating booklet.

Property Address: 668 W Washington Avenue, Sunnyvale 94086

Date 7/10/17 Time _____ (Seller's signature) Calvin Ma (printed name)

Date 7/10/17 Time _____ (Seller's signature) Karen Wong (printed name)

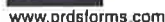
Date 7-10-17 (Listing Agent's signature) Keller Williams (printed name) Dave Clark (Broker's name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement.)

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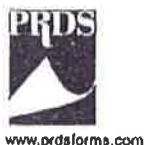
Revised 09/10 Official C.A.R. * Publication 09/10



Revision Date 8/04



InstanetFORMS



**PRDS® ADVISORY REGARDING MARKET CONDITIONS,
MULTIPLE AND NON-CONTINGENT OFFERS,
FINANCING/APPRaisal AND PROPERTY CONDITION**

Revision Date 5/06



The residential real estate market is, and historically has been, cyclical. Bay Area housing values have experienced repeated up-turns - - with extraordinary price increases in some cases - - and down-turns, where home sale prices descend, in some cases dramatically. Factors contributing to these home price swings include national and local economic conditions and business cycles, and especially the significant and sometimes immediate influence that business advances and declines related to high-tech, bio-tech and other business enterprises exert on the housing sector. Beyond that, the fact that Bay Area housing demand often exceeds housing supply furnishes another important explanation for occasionally intense competition for limited housing stock. Your real estate agent cannot predict market swings, and whether and to what extent real property purchased today will, in the future, appreciate or depreciate in value. In view of these real estate price dynamics, the parties to the Purchase Contract herein are advised of the following:

1. **Multiple Offers and Fair Market Value:** When it comes to residential housing offered for sale, this persistent imbalance of inventory and demand can give rise to "multiple offer" situations, wherein two or more sets of prospective buyers compete - - sometimes fiercely - - for the same property. Vigorous competition can drive a sales price well above asking price and, for that matter, substantially above a figure that would realistically be considered "fair market value". One peril for the Buyer in such a setting is that an artificially high purchase price can compound the economic consequences of a Buyer's need to sell the property before it has an opportunity to appreciate (if it will at all) to a level reflecting the actual purchase price, thus resulting in the possibility of a net loss to Buyer at time of sale.
2. **Financing and Appraisal Issues and Risks:** Another peril for a Buyer who has "won" such a bidding competition can include inability or difficulty obtaining financing from a lender whose objectively derived appraisal cannot support the actual price paid. A lender's decision to approve of a Buyer as borrower takes into account an evaluation both of Buyer's **creditworthiness**, i.e., the prospects for the Buyer's ability to continuously make mortgage payments and **appraisal**, i.e., an objective fair market valuation of the property.

Where the subject property is appraised at a price considerably below the actual purchase price, the lender will typically decline to make the loan unless the Buyer is willing to provide enough **Increased down payment** to cover the difference between the loan amount applied for and the amount the lender (once in receipt of the appraisal) is ultimately willing to lend. This increased down payment requirement can be substantial and, depending on financing contingency status, Buyer's inability to bring in that increased amount may expose Buyer to forfeiture of his deposit, or worse. (It bears noting that, where the Liquidated Damages clause is not made a part of the purchase contract, the economic exposure to a defaulting Buyer has no limit or "cap".)

Another financing-related risk arises where a Buyer with a loan contingency is putting such a substantial amount of money down that, even with an appraisal far below the Buyer's purchase price, the lender is still willing to lend on strength of an auspicious loan-to-value ratio. The "risk," therefore, lies in Buyer's contractual obligation to proceed with removal of the financing contingency (even though the property didn't "appraise out" and Buyer feels he paid too much for the property), all because the lender is indeed willing to lend.

PRDS® ADVISORY REGARDING MARKET CONDITIONS, MULTIPLE AND NON-CONTINGENT OFFERS, FINANCING/APPRAISAL AND PROPERTY CONDITION (Page 2 of 2)

3. **Non-contingent Offers; Associated Risks:** A contingency is a contractual condition (e.g., Buyer's approval of the physical condition of the Property) based upon which a Buyer, acting in good faith, can elect to not proceed with the transaction and can recover, without penalty or sanction, Buyer's deposit. Financing, property condition, insurance, title and other contingencies stand as important protections to a Buyer. Accordingly, a Buyer whose offer is fully "non-contingent" - - wherein all contingencies are waived - - foregoes important protections. Among these is the right to cancel the contract based upon an inability to obtain financing or upon a post-acceptance discovery of serious physical defects and other problems. It is important to note that the discovery during escrow of previously unknown defects *does not* (absent fraud) create for the non-contingent Buyer a new right to terminate the contract.

Inherent in Buyer's decision of what price and terms to include in an offer is (on one end of the spectrum) the risk that a non-contingent contract, while attractive to a Seller, exposes the Buyer to the risk of having to either go through with the purchase of a possibly defective property or withdraw and suffer the economic consequences of default. At the other end of the spectrum is the risk that the Seller will reject Buyer's contingent-laden offer in favor of a competing offer with few or no contingencies.

Notwithstanding these important concerns, a Buyer who is determined to prevail as successful bidder may freely elect to assume these risks of non-contingency, preferring instead to generate an offer sufficiently attractive to a Seller that the "risk" of being outbid by a competing offer is correspondingly reduced. Each buyer must, upon careful deliberation, decide how much of which risk he or she is willing to assume. Risk factors vary in each transaction and must be thoughtfully considered in each case. For example, where a non-contingent buyer has access to a seller-provided pre-sale disclosure "packet" containing essential inspection reports produced by reliable, reputable professionals, the risk to that buyer regarding those issues is far lower than it would be where no inspections have been undertaken at all. The latter involves maximum risk, and is strongly discouraged by Broker.

4. **Property Condition:** Irrespective of prevailing market conditions, Buyer is encouraged to engage property inspection professionals to examine the subject property, particularly where the Seller has not obtained and delivered to Buyer (prior to Buyer's submittal of an offer) a pre-sale property inspection report from a professional and disinterested property inspection expert. As stated above, a decision by Buyer to waive contingencies relating to property condition should be made only upon careful deliberation. Buyer should also review in advance such existing disclosures, inspection reports, building permit file records and other materials that could provide information and insights as to condition, value and desirability. Buyer should carefully review Seller and agent information provided in the Transfer Disclosure Statement and any additional disclosure (e.g., the PRDS Supplemental Seller Checklist) information. Additionally, where the contract provides for a pre-close of escrow "Walk-Through" (and whether the transaction is or is not "non-contingent"), Buyer should avail himself of that right and opportunity.

Date: _____	Date: <u>7/10/17</u>
Buyer: _____	Seller: <u>Cal - The</u>
Buyer: _____	Seller: <u>[Signature]</u>



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SELLER'S AFFIDAVIT OF NON-FOREIGN STATUS (FIRPTA) AND CALIFORNIA TAX WITHHOLDING STATUS

Revision Date 5/06



Federal law (IRC § 1445) and California law (Revenue & Taxation Code § 18662, for California properties) mandate the withholding of certain percentages of real estate proceeds, depending on citizenship and/or on the nature and status of the transferor, transferee and the subject property. Since responses are required by law to be given under penalty of perjury, care must be used in the completion of this form. Tax and/or legal advisors should be consulted as to any questions or uncertainties in regard thereto.

Property: 668 W. Washington Avenue, 94086 (the "Property")

Identity of Seller/Transferor: (Each seller/transferor on title must prepare and sign a *separate copy of this form* unless seller/transferor is a married couple and has the same federal and state exempt status, in which case couple can complete and sign one form.)

A. Printed name: _____

B. Printed name: _____

Telephone number: _____

Address: _____

(Business, trust and estate entities: please enter office address)

Social Security No(s): A. _____ B. _____

(Business, trust and estate entities: please enter Federal Tax ID no. and Calif. Corp. no.)

1. **FEDERAL CLAIM AND DECLARATION OF EXEMPT STATUS:** The Transferor is exempt under the Foreign Investment in Real Property Tax Act from federal tax withholding for the reason checked below:

- ☒ Transferor is an individual person who is not a "foreign person" (i.e., not a nonresident alien) under federal law. See IRC § 1445.
☐ Transferor is a domestic (or is legally entitled to treatment as a domestic) corporation, partnership, limited liability company, trust, estate or other entity as defined and described in applicable provisions of the Internal Revenue Code and Internal Revenue Regulations.

2. **CALIFORNIA CLAIM AND DECLARATION OF EXEMPT STATUS:** The Transferor is exempt under Revenue & Taxation Code § 18662 from California tax withholding for the reason checked below:

Transferor in an individual or is a revocable (grantor) trust, and: (Note: FTB Form 593-C may be required for some exemptions)

- ☒ The last use of the Property was as Transferor's principal residence, irrespective of the length of time it was so used.
☐ The Property otherwise qualifies (per IRC § 121) as Transferor's principal residence.
☐ The Property is to be exchanged (IRC § 1031) for like-kind property. (Note: any recognized gain requires withholding.)
☐ The Property has been compulsorily or involuntarily converted (per IRC § 1033) and Transferor intends to acquire property similar or related in use for non-recognition of gain for California tax purposes under IRC § 1033.
☐ Sale of the Property will result in a loss for California income tax purposes.

Transferor is an exempt business, trust or estate entity as follows: (Note: FTB Form 593-W may be required for some exemptions)
 By signing on behalf of one of the following entities, signatory warrants that he/she does so with full and complete authority.

- ☐ Transferor is a corporation organized and qualified under California law, and maintains a permanent place of business in California.
☐ Transferor is a bank acting as fiduciary for a trust, or is a partnership or LLC (per California and federal tax law).
☐ Transferor is tax-exempt under federal or California law, or is an insurance company, IRA or qualified pension or profit sharing plan.
☐ The Property was decedent's principal residence (per IRC § 121).

3. **Non-applicable transactions** include acquisition by way of a foreclosed trust deed or mortgage or a deed in lieu of foreclosure. Federal tax withholding requirements cited herein apply only to properties with sales prices over \$300,000; California tax withholding requirements cited herein do not apply to properties with sales prices \$100,000 or less.

The undersigned Transferor declares under penalty of perjury that the foregoing information is correct. If none of the above exemptions is applicable, then withholding may be required. Please declare exemption status under both Federal (Paragraph 1 above) and California (Paragraph 2 above) provisions.

 Transferor's signature	<u>Calvin Ma</u> Printed name (and, where applicable, signature authority)	<u>7/10/17</u> Date
 Transferor's signature	<u>Karen Wong</u> Printed name (and, where applicable, signature authority)	<u>7/10/17</u> Date

Buyer acknowledges receipt of a completed and signed copy of this document (which should be retained with tax records for five years).

Date _____ Buyer _____ Buyer _____



SQUARE FOOTAGE AND ACREAGE ADVISORY

668 W. Washington Avenue, 94086

Regarding the Property located at: _____:

Square footage figures attributable to the residence (e.g., single family home, condominium unit) and/or lot size, are as follows:

Residence: 1,265 sq ft. Source: Realist

Residence: _____ sq ft. Source: _____

Lot: 5,000 sq ft [] _____ acres Source: Realist

Lot: _____ sq ft [] _____ acres Source: _____

OTHER: _____

Regarding the above square footage and/or acreage measurements, Buyer is advised that:

1. **NUMBERS ARE NOT VERIFIED:** Agents cannot verify the accuracy of these numbers, and neither agents nor seller have or will verify these numbers.
2. Different sources may show different square footages or acreage for a property.
3. Public records may be, and often are, inaccurate.
4. Different appraisers may, and often do, report different square footage numbers.
5. Any estimates provided to Buyer of cost per square foot, or cost per acre, based on the above numbers, or provided to Buyer from any other source, are based on unverified numbers and must be independently verified.
6. Fences and retaining walls do not necessarily determine boundary lines. The only way to accurately determine acreage and boundary lines is to have a survey of the property completed by a qualified surveyor or engineer.

If the square footage or acreage of the Property is an important consideration in Buyer's decision to purchase the Property, or in determining what price to pay for the Property, Buyer agrees to independently conduct Buyer's own investigation through appropriate professionals and rely solely on those numbers.

Receipt of this Advisory is acknowledged:

Seller: [Signature]

Date: 7/10/17

Seller: [Signature]

Date: 7/10/17

Buyer: [Signature]

Date: _____

Buyer: _____

Date: _____



DROUGHT ADVISORY

PROPERTY ADDRESS: 668 W. Washington Avenue, 94086

The Governor of the State of California recently issued a proclamation that the State of California is in a State of Emergency due to severe drought conditions. Water has been restricted by many local municipalities and water authorities. In addition, the California State Water Resources Control Board may institute mandatory statewide water restrictions. Water restrictions may impact the Property in a number of ways, including limiting water usage and/or increasing water costs. These limitations may affect the quality of life at the Property and the ability to use water in the home or for landscaping, agricultural or livestock purposes.

It is strongly recommended that Buyer thoroughly investigate this issue, including but not limited to: inquiring of the Seller whether the Seller is aware of any water restrictions or received any such notices; contacting the local water authority; contacting the local government including City and County authorities; and publicly searching whether there are any water limitations. If the local authorities have not yet instituted water limitations, they could be contemplating it in the future. Buyers are encouraged to research whether this issue is being addressed by any of the local authorities.

Buyer acknowledges that brokers do not have expertise in water usage rights or limitations. Buyer further acknowledges and agrees that broker: 1. does not have an obligation to research any water restrictions relating to the Property; 2. shall not be responsible for inspecting public records concerning water usage at the Property; 3. shall not be responsible for providing tax or legal advice regarding the Property; and 4. shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity.

BUYER AGREES TO SEEK LEGAL, TAX, INSURANCE, WATER AND OTHER DESIRED ASSISTANCE FROM APPROPRIATE OFFICIALS.

Buyer: _____ **Date:** _____

Buyer: _____ **Date:** _____



RESIDENTIAL FIREPLACE DISCLOSURE

Residential Wood burning is the leading source of wintertime air pollution in the Bay Area and studies have confirmed that there are significant health impacts from exposure to fine particulate matter found in wood smoke. The Bay Area Air Quality Management District (BAAQMD) established the Wood Burning Devices (Wood Smoke Rule), Regulation 6, Rule 3 to reduce wintertime smoke pollution and to protect public health.

The Wood Smoke Rule requires anyone selling, renting, or leasing a property in the Bay Area to disclose the potential health impacts from air pollution caused from burning wood. Fine particulate matter, also known as PM_{2.5} can travel deep into the respiratory system, bypass the lungs and enter the blood stream. Exposure may cause short term and long term health effects, including eye, nose, and throat irritation, reduced lung function, asthma, heart attacks, chronic bronchitis, cancer, and premature death. Exposure to fine particulates can worsen existing respiratory conditions. High PM_{2.5} levels are associated with increased respiratory and cardiovascular hospital admissions, emergency department visits, and even deaths. Children, the elderly, and those with pre-existing respiratory or heart conditions are most at risk from negative health effects of PM_{2.5} exposure.

The Buyer should consult with a licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace insert according to manufacturer's specifications to help reduce wood smoke pollution. The Air District encourages the use of cleaner and more efficient non-wood burning heating options such as gas-fueled or electric fireplace inserts to help reduce emissions and exposure to fine particulates.

When the BAAQMD issues a Winter Spare the Air Alert during the winter season from November 1 through the end of February, it is illegal to burn wood, manufactured fire logs, pellets, or any solid fuels in fireplaces, wood stoves, or outdoor fire pits. To check when a Winter Spare the Air Alert is issued and it is illegal to burn wood, please call 1-877-4NO-BURN or visit www.baaqmd.gov or www.sparetheair.org.

Receipt of this Advisory is acknowledged:

Buyer: _____

Date: _____

Buyer: _____

Date: _____



WATER CONSERVING PLUMBING FIXTURE DISCLOSURE AND ADVISORY FOR SELLERS AND BUYERS

BOTTOM LINE: Buyers should be made aware that by January 1, 2017 all single-family residences (which were built and available for use on or before January 1, 1994) must install water-conserving plumbing fixtures to replace noncompliant plumbing fixtures.

BACKGROUND: A 2009 law calls for installation of water-conserving plumbing fixtures when the existing plumbing fixtures are “noncompliant” by certain dates, as discussed below.

A **noncompliant plumbing fixture** means: (1) any toilet manufactured to use more than 1.6 gallons of water per flush; (2) any urinal manufactured to use more than one gallon of water per flush; (3) any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute; and (4) any interior faucet that emits more than 2.2 gallons of water per minute. (*Civ. Code Sec. 1101.3*)

I. DATES FOR COMPLIANCE:

1. SINGLE-FAMILY RESIDENCES: This means any real property that is improved with, or consisting of, a building containing not more than one unit that is intended for human habitation. Therefore, a condo, even a single condo occupied by only one family, is not a single-family residential property under this law.

A. UNTIL DECEMBER 31, 2016: This law requires that, if a single-family residence is altered or improved, the installation of such fixtures must be a condition of final permit approval.

B. AFTER JANUARY 1, 2017: ALL single-family residences must comply with this law by replacing all noncompliant plumbing fixtures whether or not the property is being remodeled or sold.

2. MULTI-FAMILY AND COMMERCIAL PROPERTIES:

A. UNTIL DECEMBER 31, 2018: As a condition of final permit approval, owners must replace all plumbing fixtures with water-conserving fixtures if:

1. Permits are obtained to increase the floor area by more than 10%; or,
2. Building alterations or improvements exceed \$150,000 in costs; or,
3. Permits are obtained for a room with plumbing fixtures.

B. AFTER JANUARY 1, 2019: All multi-family and commercial properties must comply with this law by replacing all noncompliant plumbing fixtures. Also, starting on that date, sellers of such properties must disclose to the prospective buyer whether the property includes any noncompliant plumbing fixtures.

NOTE: For more details, check the law at Civil Code Sections 1101.1 – 1101.9 and consult with a qualified California real estate attorney with any questions.

II. LOCAL ORDINANCES AND INTERPRETATIONS: A number of cities are adopting the interpretation by the Contractors State License Board (CSLB) and the California Building Officials (CALBO) group of the terms "alterations" or "improvements" which would exclude certain repair and maintenance items from the requirements of this law. Specifically, they are taking the position that construction related to repairs or maintenance of the structure is not considered to be an alteration or improvement. **It is important that sellers and buyers check with their local Building Department to determine which exclusions each particular city or county consider as being repairs and maintenance items exempt from this law.**

III. TRANSFER DISCLOSURE STATEMENT (TDS): A disclosure regarding this law was added to the TDS in the form of a checkbox on the first page where a seller can disclose whether the property has water-conserving plumbing fixtures.

Because the law does not currently require all properties to have the entire property retrofitted with water-conserving plumbing fixtures (unless one of the events above occurs), the checking of the box by Seller on page one of the TDS for "Water-Conserving Plumbing Fixtures" may indicate that the entire property has compliant fixtures, or it may mean that only some of the fixtures are compliant fixtures. There is a short explanation on page 2 of the TDS as to what this means.

BUYERS: If the seller has not checked the applicable box on the TDS, it is possible that the property does not have the plumbing fixtures installed at this time and you will be required to comply as specified above. And, even if that box is checked by the Seller on the TDS, that may not indicate that all plumbing fixtures in the property are compliant.

There is no requirement in the law for sellers to install these fixtures as a part of the sale.

Buyer: _____

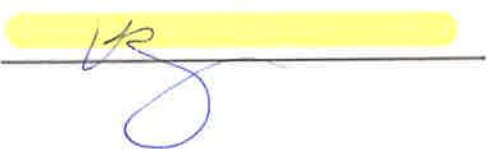
Date: _____

Buyer: _____

Date: _____

Seller: 

Date: 

Seller: 

Date: 

Keller Williams Realty

WIRE FRAUD SCAM ALERT

Cyber-crime is an unfortunate reality for many large institutions and is also a potential threat in real estate transactions.

Wiring funds directly to escrow is still viewed by the real estate industry as a better practice than having real estate agents physically transporting buyers' deposit checks. However, recently there is a small but growing scheme in which buyers have received e-mails allegedly from an escrow company providing wire information for use by the buyer to transmit earnest money or purchase money deposits for their purchase transaction. Unfortunately, hackers intercept these escrow company e-mails and then alter the account information in the e-mails to re-direct the buyer's funds to the hacker's account. The altered e-mails from the hacker appear to be genuine containing the escrow company's e-mail information and/or logos, etc. When the buyers wire their funds pursuant to the altered instructions, their money disappears, often to an off-shore account, with little chance of recovery.

It appears that the hackers monitor the e-mail traffic of the escrow company or the buyer and thus are aware of the timing of pending transactions. In reported instances, it was a buyer who was induced to misdirect their own funds; however these hacked e-mails could conceivably be used to cause sellers to be victims as well.

To protect your funds and to avoid identity theft, you are encouraged to take appropriate, immediate steps to secure the computer systems that you use along with all e-mail accounts. Buyers and sellers should confirm all e-mail wiring instructions directly with the escrow officer by calling the escrow officer and in that conversation the correct account number information should be repeated verbally before taking any steps to have the funds transferred.

If there is any indication that you have received questionable wiring instructions, you should promptly notify your bank, your real estate agent and the escrowholder. There are many on-line sources that can provide useful information regarding this topic including, but not limited to, the following sites:

The Federal Bureau of Investigation @ www.fbi.gov
The Internet Crime Complaint Center @ www.ic3.gov
The National White Collar Crime Center @ www.nw3c.org
On Guard Online @ www.onguardonline.gov

The undersigned acknowledge receipt of this Advisory.

Seller: 

Date: 7/10/17

Seller: 

Date: 7/10/17

Buyer: _____

Date: _____

Buyer: _____

Date: _____

KELLER WILLIAMS REALTY DISCLOSURE ADDENDUM

Property Address 668 W. Washington Avenue, 94086

The value and desirability of a home is influenced by many factors. The physical location is also subject to various factors. The Buyer, prior to removal of the property condition contingency, is advised to investigate any and all of the factors that could affect the value and desirability of the property. The item(s) checked below might influence your decision regarding the purchase of the subject property. Should you wish additional information, you are encouraged to do further investigation.

☐ **San Jose:** Notice: As a result of the Jacob Wetterling Registration Act passed by the United States Congress and Megan's Law, states are required to release relevant information about registered offenders to protect the public. The City of San Jose has published online maps showing the general location of registered high-risk sex offenders' residences, represented by red dots. Each red dot can be clicked to show a zoomed in view of the map and then clicked again to view details about the offender and his/her conviction. The map can be accessed through the San Jose Police Department website www.sjpd.org.

Hotline number: (900) 448-3000, \$10 per call. www.meganslaw.ca.gov
California Department of Justice: (916) 227-4974 meganslaw@doj.ca.gov
Santa Clara County Sheriff Department (800) 211-2220
San Jose Police – Megan's Law 277-4290

☐ **Morgan Hill/San Martin:** Perchlorate Contamination: Trace amounts of the contaminant perchlorate (a chemical used in the manufacture of rocket fuel and highway flares) have been found in well water in the South Valley, including wells in the City of Morgan Hill. The City has taken these wells out of service, and continues to monitor its wells at a frequency beyond that required by the State of California. As of July 28, 2003, the City of Morgan Hill advised residents in the City's website that "Test results reported on July 23, shows a "non-detect" reading for samples taken from all City wells." Perchlorate is considered to have adverse health effects, including damage to the thyroid gland, and pregnant women and infants are most at risk. Perchlorate does not have a State or Federal drinking water standard, also called a maximum contaminate level (MCL). As required by the California Health and Safety Code, Sections 116275, the State Department of Health Services (DOHS) is required to adopt an MCL for perchlorate by January 1, 2004. In the interim, the State has established the 4 ppb action level at which suppliers are required to notify their governing bodies when water they serving exceeds the action level. DOHS further recommends consumer notice of perchlorate if it is detected over its action level in drinking water that is provided to consumers. DOHS recommends that the utility inform its customers and consumers about the presence of the contaminate and its potential for adverse health effects at high levels of exposure, either by separate notice, in its annual Consumer Confidence Report, or by other method. DOHS further recommends water sources to be taken out of service when the levels of contaminations reach 10 times the action level, or in the case of perchlorate, 40ppb.

☐ **San Jose -- East Foothills:** Buyers are advised that the Property is located in an area of San Jose (the "East Foothills") which has been the subject of a review by team of geologists and engineers appointed by the City of San Jose. They have determined that old landslides located in the East Foothills could be triggered again by earthquake or heavy rains. Buyers are advised to consult with a geotechnical engineer regarding any concerns they have as to the potential for soils instability at or around the subject Property.

☐ **Santa Clara County -- Airfields:** There are four airfields in Santa Clara County: San Jose Mineta International Airport, Reid-Hillview Airport, Moffet Federal Airfield and Palo Alto Airport. Noise from aircraft and airport operations may carry over into surrounding communities.

☐ **Mountain View, Palo Alto, Los Altos -- Shoreline Amphitheater:** Concerts are held from time-to-time at this outdoor theater. Sound from these concerts may carry over into portions of Mountain View, Palo Alto and Los Altos.

☐ **Saratoga – Paul Masson Winery & Montalvo Center for the Arts:** These two venues sponsor outdoor concerts during the summer months. Sound from these concerts may carry over into portions of Saratoga.

☐ **Caltrain Commuter Service:** Commuter trains run at regular intervals from San Jose to San Francisco. Sound from these trains may carry over into portions of nearby communities.

☐ **Southern Pacific Train:** Southern Pacific trains run from San Jose to Cupertino. Sound from the trains may carry over into portions of nearby communities.

☒ **Possible School Overcrowding:** The neighborhood school which normally serves this property may or may not have space available due to overcrowding. The Buyer is advised to investigate school enrollment and availability directly with the registration department of the school district.

☒ **Water-Related Issues:** Should the seller or any subsequent inspections indicate prior water-related issues such as runoff, faulty grading, visual inspection, potential foundation failure or similar issues, Buyer is advised to thoroughly investigate the cause and possible repair costs using qualified professionals, such as a geotechnical engineer, foundation contractor, etc.

☐ **Santa Clara County – Well Tax:** The County of Santa Clara imposes a well tax. The buyer is advised to contact the County for additional information regarding the amount, method of payment and frequency of the tax.

☒ **Mold / Allergen Advisory:** Buyer is advised of the possible presence within residential and other properties of toxic (or otherwise illness-causing) molds, fungi, spores, pollens and/or other botanical substances and/or other allergens (e.g., dust, pet dander, insect material, etc.) These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure carries the potential of possibly serious health consequences (contact the California Department of Health Services (510) 540-2469 for further information on this topic.) Accordingly, Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or similar, qualified professional) to inspect and test for the presence of harmful botanical and other allergens and substances as part of Buyer's physical condition inspection of the Property and advise Buyer regarding level of health-related risk involved and the advisability and feasibility of eradication and abatement.

Buyer is advised that, since the time necessary to accomplish such testing is likely to involve lengthier time frames than parties to a purchase contract typically allocate inspection contingencies, Buyer may need to arrange for an extended contingency period for the completion of any ordered tests.

Buyer is expressly cautioned as to the very limited and uncertain capabilities of Buyer, Seller, Brokers, and general property inspection services in recognizing and detecting the existence of such molds and other allergens and botanical substances.

☒ **Advisory Regarding Homeowner's Insurance Coverage**

The availability of homeowners' insurance (i.e. policies of insurance providing fire and other casualty and loss coverage for residential properties) is neither constant nor certain, particularly at insurance premium rates homeowners might ordinarily expect. In many cases, even large, national insurance carriers impose significant restrictions, limitations or preconditions as to insurance policies they are willing to offer a prospective home purchaser; in some instances those carriers may decline to offer any coverage at all. Reasons for this vary, and can include insurance industry concerns relating to the physical condition and attributes of a particular property, But history of claims made against the property, and even generalized concerns over the number and magnitude of claims made statewide for injury and/or loss relating to toxic mold, fire, flood and other conditions and events.

Even the number, magnitude and frequency of insurance claims *made by a prospective purchaser* (and, occasionally, even the purchaser's credit rating) might be viewed as an insurance carrier as the basis or reason for declining to provide homeowners coverage.

Buyer is advised that lenders almost always require homeowners insurance to actually be in place before funding of the home loan. Buyer is further advised of the importance of Buyer contacting a reputable insurance broker and making full and early inquiry as to the availability of insurance coverage on the subject Property, and as to Buyer as a prospective insured.

☒ **Seller Insurance Claims History Questionnaire**

To be completed by Seller:

- 1) Within the past five years have you, or to your knowledge has any prior owner, made a claim (or otherwise given an insurance carrier notice of any loss or damage) relating to the any plumbing or other water release, any intrusion (including roof, window or siding leak), or other property damage, personal injury, or any other matter, against a homeowner's insurance policy (i.e. fire and/or other residential and personal casualty policy) covering the Property? ☐ Yes ☐ No

If "Yes," please identify the following *as to each claim* (use additional pages, if necessary):

- a) Name of the claimant _____
b) Insurance company and policy number _____
c) Approximate date of the claim _____
d) Nature of the claim, and how resolved, if known _____

- 2) Within the past five years has, to your knowledge, any insurance company refused to issue to you or renew for you a homeowner's insurance policy covering the property? ☐ Yes ☐ No

If "Yes," please indicate the following (use additional pages, if necessary):

- a) Approximate date of such refusal _____
b) The insurance company involved _____
c) The basis of the refusal, if known _____

- 3) Has your lender ever required that you carry flood and/or the earthquake insurance on that property? ☐ Yes ☐ No
If "Yes," please explain below.

4) Additional explanations: _____

☐ **Other Disclosures:** _____

I acknowledge receiving this disclosure. I have read or will read it entirely. If I have any question regarding these disclosures, I will inquire about it.

Date _____ Date 7/10/17

Buyer _____ Seller [Signature]

Buyer _____ Seller [Signature]



JCP-LGS Residential Property Disclosure Reports

Natural Hazard Disclosure (NHD) Report

For SANTA CLARA County

Property Address: 668 W WASHINGTON AVE
SUNNYVALE, SANTA CLARA COUNTY, CA 94086
("Property")

APN: 165-12-069
Report Date: 06/20/2017
Report Number: 2121772

Statutory Natural Hazard Disclosure ("NHD") Statement and Acknowledgment of Receipt

The transferor and his or her agent(s) or a third-party consultant disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the Property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the State. This information is a disclosure and is not intended to be part of any contract between the transferee and the transferor. THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

A SPECIAL FLOOD HAZARD AREA (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency

Yes ☐ No ☒ Do not know and information not available from local jurisdiction ☐

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.

Yes ☐ No ☒ Do not know and information not available from local jurisdiction ☐

A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to Section 51178 or 51179 of the Government Code. The owner of this Property is subject to the maintenance requirements of Section 51182 of the Government Code.

Yes ☐ No ☒

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISK AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this Property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.

Yes ☐ No ☒

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

Yes ☐ No ☒

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

Yes (Landslide Zone) ☐ Yes (Liquefaction Zone) ☐

No ☒ Map not yet released by state ☐

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Transferor(s)	Date	Signature of Transferor(s)	Date
	7/10/17		7/10
Signature of Agent	Date	Signature of Agent	Date
	7-10-17		

☐ Transferor(s) and their agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the transferor(s) and agent(s).

☒ Transferor(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither transferor(s) nor their agent(s) (1) has independently verified the information contained in this statement and Report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement. This statement was prepared by the provider below:

Third-Party Disclosure Provider(s) FIRST AMERICAN PROFESSIONAL REAL ESTATE SERVICES, INC. OPERATING THROUGH ITS JCP-LGS DIVISION.

Date 20 June 2017

Transferee represents that he or she has read and understands this document. Pursuant to Civil Code Section 1103.8, the representations in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

Signature of Transferee(s)	Date	Signature of Transferee(s)	Date

TRANSFEREE(S) REPRESENTS ABOVE HE/SHE HAS RECEIVED, READ AND UNDERSTANDS THE COMPLETE JCP-LGS DISCLOSURE REPORT DELIVERED WITH THIS SUMMARY:

- A. Additional Property-specific Statutory Disclosures: Former Military Ordnance Site, Commercial/Industrial Use Zone, Airport Influence Area, Airport Noise, San Francisco Bay Conservation and Development District Jurisdiction (in S.F. Bay counties only), California Energy Commission Duct Sealing Requirement, Notice of Statewide Right to Farm, Notice of Mining Operations, Sex Offender Database (Megan's Law), Gas and Hazardous Liquid Transmission Pipeline Database.
- B. Additional County and City Regulatory Determinations as applicable: Airports, Avalanche, Blow Sand, Coastal Zone, Dam/Levee Failure Inundation, Debris Flow, Erosion, Flood, Fault Zone, Fire, Groundwater, Landslide, Liquefaction, Methane Gas, Mines, Naturally Occurring Asbestos, Redevelopment Area, Right to Farm, Runoff Area, Seiche, Seismic Shaking, Seismic Ground Failure, Slope Stability, Soil Stability, Subsidence, TRPA, Tsunami.
- C. General advisories: Methamphetamine Contamination, Mold, Radon, Endangered Species Act, Abandoned Mines, Oil & Gas Wells, Tsunami Maps (coastal only), Wood-burning fireplaces.
- D. Additional Reports - Enclosed if ordered: (1) PROPERTY TAX REPORT (includes state-required Notices of Mello-Roos and 1915 Bond Act Assessments, and Notice of Supplemental Property Tax Bill, (2) ENVIRONMENTAL SCREENING REPORT (discloses Transmission Pipelines, Contaminated Sites, and Oil & Gas Wells). Enclosed if applicable: Local Addenda.
- E. Government Guides in Combined Booklet with Report. Refer to Booklet: (1) ENVIRONMENTAL HAZARDS: "A Guide for Homeowners, Buyers, Landlords and Tenants"; (2) EARTHQUAKE SAFETY: "The Homeowners Guide To Earthquake Safety" and included "RESIDENTIAL EARTHQUAKE HAZARDS REPORT FORM"; (3) LEAD-BASED PAINT: "Protect Your Family From Lead In Your Home"; (4) BRIEF GUIDE TO MOLD, MOISTURE AND YOUR HOME; (5) WHAT IS YOUR HOME ENERGY RATING? Government Guides are also available on the Company's "Electronic Bookshelf" at <http://www.disclosures.com/>.



www.prdsforms.com

**PRDS®
SAN MATEO/SANTA CLARA COUNTIES ADVISORY**



INTRODUCTION: This Advisory is intended to be used in connection with the purchase and/or sale of real property located within San Mateo or Santa Clara County. PRDS does not warrant or guarantee the accuracy of the information contained in this Advisory or the adequacy of this information in connection with any specific real property transaction. This Advisory was created as of May 2015 and the information in this Advisory may change over time and/or new issues may develop due to actions taken at the federal, state, county, city and/or private, local level. Some of the issues that are covered in this Advisory are point of sale or retro-fit requirements that may also get triggered by remodeling efforts or efficiency requirements. Sellers and Buyers should investigate the applicability of these requirements to the past, present and future sale, purchase, ownership and/or development of the Property.

- Sellers must understand the importance and significance of their disclosure obligations. Sellers need to take the time to carefully and fully complete all aspects of the disclosure documents. Sellers must disclose anything that is known to the Sellers that materially affects the value or desirability of the Property, even if general information about the topic is included in the advisory or inspection report. To the extent that any disclosures made by Sellers are inaccurate or change over time, it is important for Sellers to update and correct their written disclosures in a timely fashion. In general, if Sellers are uncertain about whether they need to disclose something, Brokers recommend that Sellers err on the side of providing as much information as possible. Sellers who need help in completing their disclosure obligations, including what to disclose and how to disclose it, should consult with their own California real estate attorney; Brokers cannot determine the legal sufficiency of any disclosure or factual adequacy of any statement or disclosure made by Sellers. Brokers have not and will not verify any of the Sellers' statements and disclosures and Buyer is advised to do so.
- Sellers should conduct a diligent search of their documents to determine if they have any disclosures, reports, repair estimates and invoices (of any age) or other information which relate to the Property and/or the issues in this Advisory and provide a copy of that material to Buyers.
- Sellers and Buyers should read this Advisory in conjunction with a careful review of all disclosures required by Sellers and by the real estate Brokers involved in the transaction including, without limitation, the Transfer Disclosure Statement and any Supplemental Seller Disclosure.
- Buyers are responsible for conducting their own investigations into the issues discussed in this Advisory and any issues that are not referenced below that may affect the Buyers' determination of the value or desirability of the Property. Buyers have the right to condition their purchase on conducting such investigations. Buyers should conduct all necessary investigations prior to the Buyers' removal or waiver of any contractual inspection contingencies to avoid owing Sellers any potential damages. Buyers are urged to do all of the following:
 - Carefully read the information contained in any advisories, disclosures, inspections, and/or reports that Buyers receive from any source.
 - Conduct additional/further investigations and inspections regarding any issues that concern Buyers which are raised in those advisories, disclosures, inspections, and/or reports received by Buyers from any source.
 - Thoroughly and thoughtfully inspect and evaluate the Property and, in so doing, meet Buyers' obligation to protect themselves, including those facts which are known to or within the diligent attention and observation of the Buyers.
- Buyers need to inquire into other or additional matters (beyond those contained in this Advisory) to the extent that those additional issues affect the Buyers' determination of the value or desirability of the Property.
- Buyers must bear in mind that a Property may suffer defects and deficiencies which neither Sellers nor Brokers are aware. Buyers should also recognize that not all issues can be objectively determined and some issues can have varying impacts on different people since some people may be more sensitive than others.
- Buyers are urged to engage licensed professionals to evaluate all aspects of the Property and to consult all appropriate governmental agencies during their inspection contingency period. Buyers' right to conduct certain types of investigations may be limited by the Purchase Contract.
- Broker has not and will not verify licensing and insurance information of third parties nor determine if the people who prepare inspection reports or perform repairs are properly licensed to provide those services. Broker cannot and will not determine if the reports prepared by third parties or any repair work performed by third parties has been properly completed.
- Any representations about the issues in this Advisory made by third parties and/or Sellers have not been verified by Brokers and need to be independently confirmed by Buyers.
- **Although licensed to list, sell and lease real estate, Brokers may not have expertise on the issues in this Advisory.**

1. EXISTING HOUSING STOCK: Many properties in this area have been developed over time under different building codes and may not be able to accommodate current or future personal property items including but not limited to electric cars. Regardless of its age, Buyers should have the Property inspected by a competent property inspector and obtain all additional inspections that are recommended by any inspector, or as may be necessary for Buyers to determine the actual condition of the Property. Property components, appliances, fixtures, systems and materials may have varying degrees of remaining useful life and could fail without notice. Not all aspects of the Property may comply with current code, zoning, health and safety, setback requirements, religious or cultural preferences. Some homes contain appliances, products or manufactured materials, such as Chinese dry wall or plastic pipe, which may be defective, create problems with the use or value of other aspects of the home and/or may be subject to manufacturer or governmental recall and/or a class action lawsuit. All homes include many components which require ongoing maintenance. Deferred maintenance will decrease the lifespan and/or functionality of many of these components. Buyers should seek reliable advice from appropriate professionals and to plan/budget for maintenance and future repairs. Brokers have not verified any of the issues discussed in Paragraph 1.

2. FLOORS AND WALLS: Sellers' personal property may make a visual inspection of floors and walls difficult. The existence of certain types of flooring (such as carpeting and rugs), some wall coverings (such as wallpaper and paneling) and the presence of furniture may prevent Buyers, inspectors and Brokers from fully inspecting the condition of floors and walls. When exposed, these areas may have a different pattern of wear or shade of color. In order for Buyers to determine the actual condition of the floors and walls beneath such coverings, Buyers will need to secure the written authorization of Sellers to conduct investigations with licensed professionals during Buyers' inspection period, if any, since destructive testing may be required.

3. TEMPERED GLASS: Many homes contain glass that is not tempered where tempered glass is required by building regulations. Buyers should have a contractor identify glass that is not properly tempered during Buyers' inspection period, if any. Buyers may want to replace any non-tempered glass with tempered glass to reduce the risk of injury.

4. FIREPLACES, WOOD-BURNING APPLIANCES AND SPARK ARRESTORS: If the Property has a fireplace or wood-burning appliance, it may be subject to local ordinances that may restrict usage, prohibit usage, and/or require conversion or removal due to public health concerns regarding particulate matter from wood smoke. Many cities and towns have enacted or are considering ordinances that may affect existing and future fireplaces or wood-burning appliances at the Property including, but not limited to, the need for spark arrestors on chimneys. Buyers should contact all relevant public agencies regarding the applicability of this type of ordinance to Buyers' intended use of the Property.

5. LEASED/LIENED PERSONAL PROPERTY: Many homes have alarm systems, solar systems, water softeners, appliances or other equipment which may be leased or liened. Sellers should disclose to Buyers whether any appliances, systems or equipment are leased or liened and provide all documents relating to those leases and/or liens. Buyers should investigate whether or not any equipment leases are transferable and/or may require approval from the lessor as well as what fees or costs may be imposed whether or not the leased items are to remain in place. Brokers have not verified any of the issues discussed in Paragraph 5.

6. SQUARE FOOTAGE, NUMBER OF ROOMS AND AGE: Any statements regarding square footage, number of rooms, or age of Property improvements that have been obtained from Sellers and third parties have not been verified by Brokers; different sources (developers, Sellers, appraisers, Assessor's Offices) often provide different data. Regardless of the source of this type of data, statements regarding these numbers in the Multiple Listing Service, whether provided by Brokers or auto-populated by the MLS, advertisements, computer generated property profiles or disclosures are only approximations, may not be accurate and should not be relied upon by Buyers for any purpose. If square footage, the number of legal rooms and/or the age of any Property improvement is important to Buyers, then Buyers must verify same by hiring an appraiser or other qualified professional during Buyers' inspection period, if any, Brokers have not verified any of the issues discussed in Paragraph 6.

7. LOT SIZE AND BOUNDARIES: Only a land surveyor can reliably determine actual lot size, property corners, and the exact location of boundaries. Statements regarding these issues in the Multiple Listing Service, advertisements, computer generated property profiles, data in property tax assessor records or any disclosures are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Brokers have not verified any statements made by anyone regarding lot size and boundaries. If these issues are important to Buyers, they should not rely on any statements made by anyone without independently investigating these issues by hiring a licensed surveyor during Buyers' inspection period, if any.

8. SEPTIC SYSTEMS AND WASTEWATER TREATMENT SYSTEM REGULATIONS: If the Property has a Septic System (usually consisting of a septic tank, cesspool, leach lines, a leach field, pits, or a combination thereof), Buyers should obtain a current, written inspection report from a licensed professional regarding the condition and adequacy of the System for the Buyers' specific needs. Visual inspection of the tank alone is insufficient. Buyers' lender or government agencies may require an inspection and testing of the Septic System. Brokers make no representations as to the condition, capacity, operability or expandability of the Septic System.

Expansion or remodeling of the dwelling may be restricted or even denied due to the existence or condition of a Septic System. Securing approval for changes in the dwelling may be conditioned upon testing, removal, repair, expansion, or other changes to the System (e.g., connection to sewer 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. Buyers should investigate these issues at appropriate government agencies and with qualified licensed professionals (e.g., architects, contractors, engineers) during Buyers' inspection period, if any. For more information about on-site waste water treatment/Septic System regulations, Buyers should contact the State Water Resources Control Board at (916) 341-5250 and go to the website: <http://www.swrcb.ca.gov>.

9. SEWERS AND SEWER LATERALS: A number of public sanitary districts and private sanitary entities serve various communities and some have different rules and regulations regarding fees and costs. Buyers need to determine whether or not the Property is part of such a district and Buyers need to make arrangements with the Seller to transfer any necessary rights to any private sanitary entities. Some sanitary districts and private entities have implemented various requirements, restrictions and costs relating to participation, usage, maintenance, and type of equipment used in connection with sewers, such as sewer lateral clean-outs, backflow prevention devices and drainage into sewer systems. Many cities have enacted ordinances requiring the abatement of sewer laterals (from the building served to the clean out in the city's right of way) which are leaking. Such ordinances require testing and repair of sewer laterals prior to sale under certain circumstances. Testing, repair and/or replacement of the sewer laterals may be required when transferring title, remodeling and/or expanding the residence and/or when changing plumbing fixtures or service. Buyers should contact the applicable public district or private entity to determine what, if any, action must be taken with respect to sewer systems and sewer laterals during Buyers' inspection contingency, if any.

If the Property has a private sewage disposal system, some jurisdictions, upon transfer of ownership, may require an inspection of the system, a written report and possible requirements for hook-up to a public sewer system depending upon the proximity of the Property to a public sewer system.

A number of jurisdictions require certification procedures which may need to be completed on or before the close of escrow and, if not, within a fixed period of time after close of escrow; penalties for noncompliance can be imposed. Each jurisdiction has its own unique requirements which Buyer should research during Buyer's inspection contingency, if any.

Even though the Property may be located in a sanitary district or subject to a sewer assessment, the Property may not be (and may not be entitled to be) connected to the sewer system. There may be a separate cost for the installation and connection of the Property to the sewer system and/or other actions that must be taken by Sellers and Buyers to transfer rights. Buyers should retain qualified professionals to evaluate the Property so as to determine the existence and condition of any sewer connections; that evaluation may require a video "scoping" of the system and/or pressure testing.

Brokers have not verified any of the issues discussed in Paragraph 9.

10. WATER AND WELL SYSTEMS: The Property may be served by a well, a spring, public or private water systems, or a combination thereof. Buyers should consider requesting that Sellers complete the PRDS Well and Private Water System Checklist form if the Property has a well and/or is served by a private water system. Buyers should hire qualified professionals to determine the water source and have the water system and its components inspected. Water may contain bacteria, chemicals, metal, minerals, and/or may emit odors. The availability, quantity, quality and potability of the water should be tested and some cities require testing of water pressure. Results of such testing may vary by season and may change over time due to geological events and other factors. Any testing and/or inspection of water availability, quantity, quality and/or potability should be conducted by qualified professionals and contacting appropriate governmental agencies. Brokers have not verified any of the issues discussed in Paragraph 10.

Recent studies have revealed that some wells in Morgan Hill and San Martin contain the chemical perchlorate. Other wells in Santa Clara County may be contaminated by this or other chemicals. Any questions about possible chemical contamination including, but not limited to, its impact on any given Property should be directed to the Santa Clara Valley Water District by calling (408) 265-2607 or visiting their website at www.valleywater.org.

The Santa Clara Valley Water District manages water resources and provides stewardship for the county's five watersheds, including 10 reservoirs (such as the Anderson Reservoir), hundreds of miles of streams and groundwater basins. The District captures local rainfall in the reservoirs throughout the winter months. Then in the spring and summer, the District makes releases from the reservoirs to replenish the underground water supply. Because the amount of local rainfall cannot be predicted, there is no way to guarantee that any given Reservoir will fill up each winter or that there will be sufficient water for all purposes, including recreation facilities. Brokers are not experts on this topic. Buyers can obtain additional information from the Santa Clara Valley Water District by calling (408) 265-2607 or go to the following website: www.valleywater.org.

11. WATER SHORTAGES AND CONSERVATION: The Property may be subject to state or local water shortages, conservation, usage and other measures, such as water hook-up restrictions and, at various times, rationing including the need to bring in water from outside sources. The policies of local water districts and/or the city or county in which the Property is located can result in limitations on the amount of water available to the Property, restrictions on the use of water, and an increasingly graduated cost per unit of water use including, but not limited to, penalties for excess usage. For further information, Buyers should contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyers' intended use or development of the Property. If the Property is serviced by a private well or private water system, drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyer should contact water supply companies for the costs involved.

12. WET WEATHER CONDITIONS: California experiences a wide range of weather conditions and at times has heavier than usual rainfall. During heavy rains, properties may become susceptible to earth movement, drainage problems and/or flooding. Properties which may not have experienced past water intrusion into or under improvements may experience these conditions due to weather-related phenomena. Sellers are obligated to disclose to Buyers those defects or conditions known to Sellers which affect the value or desirability of the Property; however, not all Sellers may be aware of recent changes in the condition of a Property or its improvements caused by unusually wet weather. Buyer should investigate these issues and conditions with licensed geotechnical engineers or other licensed engineers during Buyers' inspection period, if any.

13. WATER INTRUSION: Many homes suffer from water intrusion or leakage either on a short term or long term basis. The possible causes of water intrusion are varied, and may include defective construction, faulty grading, deterioration of building materials and absence of waterproofing. Water intrusion can cause serious damage to the Property including, but not limited to, wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Simply because there is no visual evidence of water intrusion does not mean that such intrusion does not exist. Buyers should have the Property inspected for water intrusion by a licensed professional during Buyers' inspection period, if any.

14. GROUND WATER, NATURAL SPRINGS AND WATER RUNOFF: Some properties have high water tables that can lead to water intrusion problems, intensify mold growth and compromise the stability of soils and/or foundations. High water tables may affect septic systems, wells and the development, use and enjoyment of the land, particularly during months of heavy rain. Many properties have

natural springs and/or rain water runoff issues that may result in standing water, dry rot, flooding, mold, foundation failure or other potential water damage to improvements. Hillside properties or properties with retaining walls may be more susceptible to these issues. Buyers should retain geo-technical engineers and some civil engineers to help evaluate the effect of high water tables on the Property and when necessary consider drainage modifications to protect the structure and improve the value, development, use, and/or enjoyment of the surrounding area. If the Sellers' disclosures, any visual inspection of the Property, or any professional inspection report indicates a past or current water-related issue, Buyers are strongly encouraged to thoroughly investigate the problem, even if it is common to the area to determine its cause and the possible repair cost to rectify the problem with licensed professionals during the Buyers' inspection period, if any. Brokers have not verified any of the issues discussed in Paragraph 12.

15. CREEKS AND CULVERTS: Many properties are impacted by creeks (a narrow channel or small stream) and/or a culvert (a manmade structure used to enclose a flowing body of water which is usually designed to allow water to pass underneath a road or other structures). If the Property includes, abuts or is near a creek or culvert, Buyer should investigate the possibility of flooding and/or water intrusion that may result from those water sources with licensed professionals during Buyers' inspection period, if any. In addition, federal, state, county and some city entities and agencies have enacted regulations regarding creeks and culverts.

Some municipalities have implemented land management programs to keep creeks and groundwater free-flowing and clean. Due to pressures from development, all potential sources of environmental pollution are coming under public scrutiny, including farming and horse property. Buyers should investigate the County's land management programs during their inspection period, if any, at the following website: <http://www.sccgov.org>.

16. LEVEES: A levee is an embankment to prevent a river or body of water from flooding bordering land. Due to proximity to various bodies of water and waterways, several geographic areas have existing levees or require the construction of a levee(s). The Federal Emergency Management Agency ("FEMA") is responsible for certifying that any existing or proposed levees will protect an area against certain flood levels. FEMA is in the process of digitizing and updating their Flood Insurance Rate Maps ("FIRM") for several areas. All levees must be properly maintained and FEMA has indicated that certain levees need to be improved. The current and future existence or condition of a levee may impact the need for flood insurance. Brokers are not qualified to determine whether or not the Property is or will be impacted by the existence, maintenance, improvement or construction of any levee. For more information contact the relevant County government or FEMA at <http://www.fema.gov>.

17. WOOD DESTROYING PESTS AND ORGANISMS: The presence of wood destroying pests or organisms can cause damage to the structures on the Property. To determine whether such pests or organisms are present, Buyer should have the Property inspected during Buyers' inspection period, if any, by a licensed structural pest control company which will issue a written report separated into two sections: Section 1 will identify areas where current infestation or infection is evident. Section 2 will identify conditions which will likely lead to infestation or infection. Who pays to correct these issues is negotiable.

18. PETS, ANIMALS AND PESTS: Current or previous owner(s) may have had domestic and/or other indoor or outdoor animals on the Property; animals can cause damage to various aspects of the Property. Odors from animal urine or waste may be dormant for long periods and then become active because of heat, humidity or other factors such as some cleaning techniques, or be temporarily masked by other odors such as fresh paint or new carpet. Animal urine and feces can also damage floors, floor coverings, walls, baseboards, or other components. Additionally, animals can attract fleas, ticks and other pests that can remain on the Property after the animal has been removed. Complete elimination of odors and other problems created by animals may not be possible even by professional cleaning efforts or replacing carpets, pads and other affected components.

The Property may be subject to ordinances regulating the maintenance, breeding, number, or type of animals permitted, or other requirements such as spaying or neutering. Homeowner and Common Interest Associations often impose additional restrictions on animals. Buyers should investigate such restrictions during their inspection period, if any. Neighbors may have animals that can cause problems including, but not limited to, noise and/or odors. Common pets such as dogs can bark, cats are not easily contained, and in some cases more unusual animals (e.g. poultry, exotic birds, and reptiles) may create issues that impact the value, use and enjoyment of the Property.

California is home to a wide variety of animals, reptiles and insect life including, but not limited to, ants, bedbugs, bats, rodents, snakes and larger wild animals such as mountain lions and deer, some or all of which may enter or inhabit the Property and may be difficult to eliminate or control. These creatures can damage landscaping, might be a hazard to people, pets or other animals and may cause issues that impact the Buyers' use and enjoyment of the property. Proximity to rural or open space areas increases the likelihood of this problem. If these are issues of concern, Buyers should discuss and/or investigate these issues with licensed professionals, including local animal/pest control companies, and/or other qualified agencies or organizations during Buyers' inspection period, if any.

19. ENDANGERED SPECIES ACT: Under the Federal Endangered Species Act (16 U.S.C. §§ 1531-1544) and several additional California Requirements, many species of plants and animals are deemed to be "endangered" or "threatened" and are thus subject to special protective measures which may impact the use or development of the Property; this is especially true in areas that abut a body of water or are in designated wetland area. Violating these laws can result in substantial fines and other civil penalties. Buyers should contact the U.S. Fish and Wildlife Service at <http://www.fws.gov> and the California Department of Fish & Wildlife at <http://www.dfg.ca.gov> to determine if the Property is within any designated critical or essential habitat for any listed species. Buyers should also consider hiring qualified professionals experienced with application and enforcement of the Endangered Species Act during Buyers' inspection period, if any. Brokers have no expertise on this subject.

20. POWER LINES AND POWER PLANTS: Cities and counties receive electrical service through power transmission lines from power plants that may be located in proximity to the Property. The Property may be impacted by an easement for the benefit or use of utilities and/or impacted by the existence of high voltage lines, transformers, other types of power equipment and/or electro-magnetic fields. All areas have experienced power outages caused by various factors at various times. Buyers should investigate the impact that any of these issues may have on the value, development, use, and/or enjoyment of the Property with the local utility, the State Public Utilities Commission and appropriate professionals during Buyers' inspection period, if any.

21. UNDERGROUND UTILITIES AND PIPES: Some communities have begun the process of relocating utility lines underground in order to remove the utility poles in the neighborhood. These projects can result in special tax assessments, increased costs for homeowners and temporary disruptions of the neighborhood. Water, natural gas and other types of fuels are delivered to communities through a network of underground pipes that are connected to residential and commercial properties. Some areas have been adversely impacted by disruptions in service or damage to these underground pipes including, but not limited to, the destruction of homes. The general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov>. Buyers should investigate these issues with the appropriate municipality and/or Pacific Gas and Electric Company ("PG&E") during Buyers' inspection period, if any, to determine if the Buyers' development, use or enjoyment of the Property is or will be impacted by underground utilities and/or pipes.

22. SOILS AND GEOLOGIC CONDITIONS: All land in California is subject to settling, slippage, subsidence, earthquakes and other forms of movement. The geologic forces that have shaped California over the eons are still active today. Much of California has expansive or adobe soil which can expand and contract depending upon the amount of water in the soil. Soil expansion and contraction can cause movement or shifting of structures, foundations and the land. Hillside properties are frequently active or potentially active landslide areas which can negatively impact the Property itself and surrounding properties. The Property may be constructed on fill or improperly compacted soil and/or have inadequate drainage capability. Buyers should confirm the legality, enforceability and/or scope of any easements (whether recorded or not) to deal with all surface and ground water with an attorney. Additionally, the Property may have known or unknown mines, mills, caves or wells. Any of these issues can cause structural problems or destruction of improvements on the Property and/or impact the ability to use or develop the Property. Buyers should retain geotechnical engineers and/or civil engineers to evaluate soil stability, grading, drainage and other soil conditions of the Property to determine how these forces may affect improvements to the Property and, when necessary, consider drainage modifications to protect the structure and improve the use and enjoyment of the surrounding area. Buyers should not simply rely on geologists or companies that review governmental maps (see Paragraph 37) for further information about these issues. Buyers should contact licensed geotechnical professionals during Buyers' inspection period, if any.

23. EASEMENTS, ENCROACHMENTS, PUBLIC TRAILS, ACCESS RIGHTS, PRIVATE ROADS & MAINTENANCE AGREEMENTS: Sellers need to disclose all known facts relating to the location, existence, maintenance and/or other obligations of any easement, access right, shared or private road/driveway, shared or private well systems and components, public trails and/or any possible encroachments affecting the Property. Buyers should investigate these issues by having a real estate attorney evaluate all relevant documents, whether recorded or not.

Some communities have created and maintain public trail systems which abut private residences. Trails may be used by pedestrians, bicyclists, horseback riders and animals; as such, the proximity of public trails may impact the value, development, use and/or enjoyment of the Property.

Only a surveyor can confirm the exact location of easements, trails, shared or private roads/driveways and/or encroachments. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be known by the Sellers and Brokers or cannot be determined by a survey and/or a title search. Statements regarding these issues in the Multiple Listing Service, advertisements, or plotted by a title company are often approximations, and/or may be based upon inaccurate or incomplete records.

The use or maintenance of the Property or other property(ies) by Sellers or others may or may not establish an actual easement, access right, shared or private road, driveway, maintenance obligation or encroachment. Where no written agreement exists to establish a perceived use or obligation, Buyers should have these issues evaluated by a real estate attorney. Brokers have not verified any statements made by third parties regarding any matters identified in Paragraph 23.

24. VIEWS AND VIEW ORDINANCES: Views from the Property may be affected by weather conditions, future development, growth of trees and vegetation on other properties, current location and/or future construction of cellular antennas and the use of any property within the line of sight of the Property. Buyers should review any Covenants, Conditions and Restrictions, government ordinances or regulations, or any other documentation which may impact views. Buyers should also contact neighboring property owners, government agencies, architects and homeowner associations, if any, during Buyers' inspection period, if any, to evaluate any issues that might impact the view. Brokers have not verified the ability to preserve existing views.

Some cities and counties have view ordinances to protect existing views which may limit the planting of new trees, restrict the height of trees and limit future construction. Properties that are subject to a view easement may be required to maintain their landscaping so as to prevent any unreasonable obstructions to the views of other property owners. Certain trees that are part of the natural habitat may be exempt from these local ordinances. Often a view property will have recently trimmed trees and shrubs revealing the view; maintaining that view could entail not only trimming foliage on the Property, but may also involve enlisting the cooperation of their neighbors to keep their foliage trimmed, possibly at Buyers' expense. Cities and counties do not often take an active role in these issues; rather they tend

to encourage private resolution of such disputes. Each municipality has a slightly different mechanism for handling these situations, and Buyers should review the applicable Municipal or County Code/Ordinance during Buyers' inspection period, if any.

25. TREE ORDINANCES: Several municipalities have enacted ordinances to regulate and control the removal of trees in any given area. Some cities have identified Heritage or other significant trees that must be protected or preserved in certain areas. Permits may be required to cut down, destroy, remove or relocate designated trees. Buyers should read any applicable tree preservation ordinances, check with relevant governmental entities and consult with an arborist during their inspection period, if any, to determine the health of trees and whether or not any special action can or must be taken with respect to any trees on the Property. Brokers cannot determine the health of trees and/or whether or not any tree is subject to any particular tree preservation ordinance. The City of San Jose requires Sellers to make specific disclosures to Buyers regarding street trees on a separate form prior to the sale of residential property. If the Property is in the City of San Jose, Buyers should not close escrow without receiving the Sellers' Street Tree Disclosure form.

26. LAND LEASE: Some developments are built on leased land which means: (a) Buyers will not own the land; (b) the right to occupy the land will terminate at some future time; (c) the cost to lease the land may increase in the future; (d) Buyers may not be able to obtain insurance; (e) the ability to obtain or the cost of initial and future financing of the Property may be impacted; and (f) the value, development, use and enjoyment of the Property may be impacted. This list may not identify all possible issues. Buyers should obtain a copy of the Land Lease and discuss the practical and legal implications of owning a home on leased land with their own attorney or other appropriate professionals.

27. BUILDING PERMITS, ZONING AND CODE COMPLIANCE: Any structure, or portion thereof, on the Property, including the original building, any addition, modification, remodel, repair, improvement or second unit may have been built without permits, not according to building codes, and/or in violation of zoning laws and/or may not legally be used or occupied as contemplated by Buyers (collectively referred to as "nonconforming"). The existence of a nonconforming improvement may have a negative impact on appraised value, ability to obtain financing, require a retrofit, impact habitability, preclude insurance coverage and/or result in fees, penalties and government enforcement actions. In some cases, nonconforming improvements may be subject to removal by local governmental agencies including building, planning, zoning, environmental health, and code enforcement. Nonconforming or illegal rental units may be required to be vacated and possibly torn down. It might not be possible to legalize and/or bring such nonconforming improvements up to current code because of zoning or permit issues and/or other legal or regulatory limitations. Even if a nonconforming improvement was built according to the then-existing code or zoning requirements, it may not be in compliance with current building standards or local zoning. As such, commencing any new construction or remodeling projects may not be possible or may require bringing nonconforming improvements into compliance with current requirements. It is also possible that local law may not allow nonconforming improvements that now exist to be rebuilt in the event of damage or destruction. While Sellers are obligated to disclose any known nonconforming improvements, Sellers may not be aware of all noncompliant or illegal improvements or uses especially those that were made prior to the Sellers' ownership of the Property.

Buyers are strongly urged to investigate the status of all possible nonconforming improvements by reviewing all files maintained by any governmental agencies for the Property, including those listed above, as well as obtaining the advice of contractors, architects, engineers or other professionals to verify the actual status of all permits, legal requirements and the effect of such requirements on past, current and future use of the Property, its development and size limitations during the Buyers' inspection period, if any. Brokers are not required by law to inspect public records and cannot determine the legal status of improvements based solely on their required visual inspection of the Property. Brokers have not verified any of the issues detailed in Paragraph 27 and thus cannot determine the ability of Buyers to change or develop the Property.

28. FUTURE REPAIRS, REPLACEMENTS AND REMODELS: Various governmental agencies impose limitations and restrictions regarding house size, configuration, design, materials and/or development of the Property. Replacement or repairs of certain systems or remodels of portions of Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair or remodel has occurred. For example, remodeling or repairs may trigger the need to upgrade the electrical system, the type and number of smoke alarms, installation of low flow toilets or other water conservation devices. Permit or code requirements and building standards can change over time, resulting in increased costs to repair existing features or the inability to make any future repair, replacement, remodel or addition to the property. Changes to state and federal energy efficiency regulations may impact the installation, replacement and some repairs of roofs, windows, heating and air conditioning units ("HVAC"). State regulations require that when installing or replacing HVAC units, duct work must be tested for leaks in some coastal areas. Home warranty policies may not cover such inspections or repairs. For further information on any of these issues, Buyers should obtain the advice of contractors, architects, engineers or other professionals and investigate with the appropriate governmental agency (e.g. building, planning, zoning, environmental health, code enforcement), and/or the California Energy Commission's website <http://www.energy.ca.gov/title24> during Buyer's inspection period, if any.

Many people use unlicensed repair people to save money. However, using unlicensed repair people may create problems because those individuals may not be qualified to do the work, they may not know all of the legal requirements for performance of that work, they may not have insurance, performance bonds or other means to enable them to financially stand behind the work performed.

Brokers have not verified any of the issues detailed in Paragraph 28 and thus cannot determine the ability of Buyers to change or develop the Property or the quality of work that has or will be performed by any repair people.

29. SMOKE ALARMS & CARBON MONOXIDE DEVICES: Some cities or counties may require a smoke alarm inspection by a qualified inspector prior to the transfer of title. Sellers and Buyers should contact the appropriate governmental agency and all applicable regulators regarding the type, number and/or location of smoke alarms and carbon monoxide devices. Buyers need to determine if an

inspection or additional documentation is needed to certify proper installation and operation of the smoke alarms as well as the impact that these issues may have on the value, use, enjoyment or development of the Property. Fire department resources vary from District to District and Buyers should investigate this issue during Buyers' inspection period, if any.

30. RETROFIT, SAFETY & SECURITY REQUIREMENTS: State and/or local laws may require installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and others of swimming pools and hot tubs. State and/or local laws may require the installation of certain locking mechanisms on doors and window bars, operable smoke alarms and carbon monoxide devices, bracing or strapping of water heaters, and completion of a corresponding written statement of compliance that is delivered to Buyers. Some local governments may impose additional retrofit standards, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, spark arresters and tempered glass. Unless specifically agreed in the Purchase Contract, the Property may not be in complete compliance with applicable requirements. To determine the retrofit requirements and any applicable penalties for non-compliance, and to determine the extent to which the Property complies with such standards, consult with the appropriate government agencies. To determine the costs, if any, consult licensed construction professionals.

31. RE-KEYING: Buyers are advised to re-key all locks upon possession. Alarms, if any, may be leased (see Paragraph 5), should be serviced by professionals and all alarms codes should be changed by Buyers. Garage door openers and remotes should also be re-coded.

32. EPA REQUIREMENTS FOR PRE-1978 HOUSING: Beginning October 1, 2010, U.S. Environmental Protection Agency ("EPA") regulations require, among other things: (a) that contractors be certified before performing work in homes built before 1978, (b) the use of lead-safe practices and other actions aimed at preventing lead poisoning, and (c) that property owners who wish to renovate, repair, or prepare surfaces for painting in pre-1978 rental housing or space rented by child-care facilities must, before beginning work, also be certified and follow the lead-safe work practices required by EPA's Renovation, Repair and Remodeling rule. For further information, contact the U.S. EPA's Lead Information Center at 1-800-424-LEAD [5323], or go to: <http://www.epa.gov>.

33. HISTORICAL DESIGNATION, COASTAL COMMISSION, AND OTHER RESTRICTIONS ON IMPROVEMENTS AND LAND USE: The Property may be designated as a historical landmark, protected by historical conservancy, subject to an architectural or landscaping review process, within the jurisdiction of the California Coastal Commission or other government agency, or subject to a contract preserving use of all or part of the Property for agriculture or open space. Specific structures, sites, trails, roads and natural features may be identified in a General Plan or local Specific Plan as requiring special treatment. If the Property is so designated then there may be restrictions on Buyers' ability to retain existing features of the Property, develop, remodel, improve, build or rebuild any of the structures and/or remove or trim trees or other landscaping. Buyers should investigate these issues during Buyer's inspection period, if any, by contacting the applicable governmental entities.

34. RENTAL PROPERTY: Some cities and counties impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property, the right of the landlord to terminate a tenancy and the costs to do so. Some municipalities are considering imposing restrictions on vacation rentals as well as Bed & Breakfast establishments. Buyers should investigate this issue with the appropriate governmental authority and/or an attorney during Buyers' inspection period, if any. If rental property is offered to the public, the owner and real estate agent must comply with all state and federal fair housing laws including, but not limited to, making reasonable accommodations for individuals with service or companion animals.

35. 1915 BOND AND MELLO-ROOS COMMUNITY AND OTHER FACILITIES DISTRICTS: The Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915 and/or a levy of a special tax pursuant to a Mello-Roos community facilities or other district. 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 Sellers or local disclosure. Sellers are generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. The responsibility for prorating or paying taxes and assessments should be determined as part of the negotiations for the Purchase Agreement.

36. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL: Pursuant to Civil Code § 1102.6(c), Seller or Seller's agent is required to provide the following "Notice of Your "Supplemental" Tax Bill" to the Buyer.

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

"The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bill will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector."

"If you have any questions regarding this matter, please call your Tax Collector's Office."

Although this statutory Supplemental Tax Bill Notice refers to a loan closing as a trigger, it is actually the change of ownership which triggers this reassessment. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. For further information concerning these matters, Buyer should contact the County Assessor or Tax Collector. Parcel and other types of taxes may be added and/or increase over time.

37. PACE: CaliforniaFirst, also known as PACE (Property Assessed Clean Energy), is available to homeowners to make energy and water conservation improvements to their property. Through PACE, property owners may finance such projects as adding insulation or installing more energy efficient furnaces, drought tolerant landscaping etc. Buyers and Sellers are cautioned that these financed funds become a line-item obligation on future property tax bills.

Note: Some lenders may not allow PACE financing because it affects their security interest. Buyers and Sellers are advised to consult with qualified tax, financial and legal advisors regarding the ramifications of an existing PACE loan or applying for a PACE loan. Sellers should disclose the known existence of and any other information regarding PACE financing relating to the Property.

38. FIRPTA/CALIFORNIA WITHHOLDING: Federal law requires Buyers to withhold and remit to the Internal Revenue Service 10% of the purchase price if a Seller is a non-resident alien, unless an exemption applies. Sellers may avoid this federal withholding requirement by providing Buyers with a statement of non-foreign status. The statement must be signed by each Seller under penalty of perjury and include each Seller's taxpayer identification number or by having a Qualified Substitute such as the escrow holder state under penalty of perjury that the Substitute has verified the required taxpayer identification information. Buyers can also avoid the federal withholding requirement if the Property purchase price is \$300,000 or less and the Buyers sign an affidavit stating that the Buyers intend to occupy the Property as their principal residence.

California law requires that Buyers withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price unless the Sellers sign an affidavit that the Property was the Seller's (or the decedent's if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Buyers and Sellers should seek advice from a CPA, attorney or taxing authority.

39. DEATH: California law requires that all Sellers, whether or not they are exempt from completing any specific disclosure forms, must disclose any death on the Property that occurred within three (3) years of the date of transfer.

40. TRANSFER DISCLOSURE STATEMENT: Unless exempt, Sellers of residential property of 1 to 4 units must complete the Real Estate Transfer Disclosure Statement ("TDS") even if the property is being sold "AS IS". The Parties cannot waive this statutory requirement. Effective July 1, 2014, the TDS must include Question IIC-16 which asks about a number of legal issues including whether or not Seller is aware of any past or current lawsuits affecting the Property and/or disputes regarding construction defects with references to Civil Code Sections 900, 903, 910 and 914. If Sellers have any questions regarding how to respond to any of the questions in the TDS, Sellers should consult with their own California real estate attorney.

If Sellers become aware of new information that affects the value, development, use and enjoyment of the Property that has not already been disclosed to the Buyers, Sellers may be required (depending upon the purchase contract form) to amend the TDS and give the Buyer a right to rescind the purchase contract within 3 days of personal delivery (or five days of mailing) of the amended TDS.

41. NATURAL HAZARDS DISCLOSURE: Unless exempt, Sellers of residential property of 1 to 4 units must disclose known natural hazards on the Natural Hazards Disclosure Statement ("NHDS") form. Sellers generally retain the services of a third party Natural Hazards Disclosure ("NHD") company to review public records and maps to provide that information to Buyers. Even if a Seller is exempt or is otherwise not required to provide the NHDS, Buyers should still obtain a report from an NHD company regarding the natural hazards which could affect the use and development of the Property. Some NHD companies provide information based upon federal, state, county and local sources, but these sources are not always consistent with each other, the maps relied upon may change over time, and the thoroughness of the report may vary depending upon the company chosen and/or the cost of the report. Buyers should carefully review all of the sources relied upon in the NHD report. Not all NHD companies use the same sources and/or some do not include all of the local information. Buyers should not rely exclusively on the NHDS or the accompanying NHD reports for all information regarding natural hazards which may affect the Property. Buyers who have questions about any NHD reports should contact the NHD Company that issued that NHD report. Although some NHD providers are licensed geologists, they are not conducting a geological examination of the Property. Buyers should have the actual Property inspected by a licensed geologist, geotechnical engineer, or other licensed professionals to evaluate the past and current condition of the Property, so as to assess its value, future use and development. Brokers are not qualified to determine the location or extent of natural hazards and/or to explain the contents of NHD reports.

42. GEOLOGIC HAZARDS: California has experienced earthquakes of varying sizes and frequency. There is always a potential for future earthquakes. Earthquake damage may not be discoverable by Buyer's or Broker's visual inspection. Inspection by a licensed structural engineer is strongly recommended to determine the structural integrity and safety of all improvements on the Property. If the Property is a condominium, or located in a planned unit or common interest development, Buyers should contact the Homeowners' Association regarding earthquake repairs and retrofit work. Buyers are encouraged to obtain and read the pamphlet entitled "The Homeowners Guide to Earthquake Safety". If the home was built prior to 1960, Sellers may be required to complete a questionnaire within that state pamphlet. If the Property was built before 1975 and contains structures built with masonry or precast (tilt up) concrete walls, then Sellers must provide Buyers with a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety". Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for review at city and county planning departments. Buyers should review public maps and reports and/or obtain a geologist's inspection report rather than relying solely on the NHDS (see Paragraph 41). Buyers may be able to obtain earthquake insurance; Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance.

43. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES: California law requires the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones". Affected cities and counties must regulate construction

projects within these zones. Improvement of affected properties may be subject to the findings of a geological report prepared by a registered California geologist. However, earthquakes and seismic hazards may occur outside designated zones. For further information, Buyers should make independent inquiries of any research company retained by Sellers (see Paragraph 41) or with appropriate government agencies concerning the use and improvement of the Property during the Buyers' inspection period, if any.

44. FIRE HAZARDS/ZONES: Fires annually cause the destruction of many properties in California. Due to climate and topography, certain areas have higher risks of fires than others and certain fire hazard zones are reported in the NHDS (see Paragraph 41). Certain types of materials used in home construction create a greater risk of fire than others. However, there is a potential for fires even outside designated zones. For further information, Buyers should contact the local fire department as well as Buyers' insurance agent regarding the risk of fires during Buyers' inspection period, if any.

State and/or local jurisdictions may require that homeowners maintain their property by means of weed/brush abatement, tree trimming and other measures to create "defensible space" in a fire hazard area. Buyers should consult with all applicable governmental agencies regarding any questions about fire safety zones and applicable regulations.

45. FLOOD HAZARDS/ZONES: The National Flood Insurance Program identifies flood plain areas and establishes flood-risk zones within those areas which are shown on the NHDS (see Paragraph 41). That Program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States government. The extent of coverage and costs may vary depending upon which flood zone applies and some Properties may now be required to have an elevation certification on file with the local government to obtain insurance coverage. Buyers should recognize that there is potential for flooding even outside designated zones. For further information, Buyers should consult their lender, insurance agent and/or the Federal Emergency Management Agency (FEMA) during Buyers' inspection period, if any.

46. ENVIRONMENTAL HAZARDS: The presence of certain environmental hazards such as lead-based paint and other lead contamination, asbestos, formaldehyde, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, tri-chloro-ethane or tri-chloro-ethylene (a.k.a. "TCE"), and/or other conditions and materials may adversely affect the Property and may cause health problems to people and animals. Buyers should have qualified experts inspect the Property for existing and potential hazards during Buyer's inspection contingency period, if any. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyers and Sellers should also read the pamphlets entitled, "Residential Environmental Hazards; A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family from Lead in Your Home."

47. MOLD: Mold is one type of environmental hazard. The presence of toxic and/or non-toxic mold, fungi, mildew and other organisms (collectively referred to as "Mold") may adversely affect the Property. 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 Broker or even a professional whole house inspector. It is also possible that the Property could have a hidden Mold problem that is unknown to the Sellers. 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 to conduct specific tests at the Property. These tests customarily consist of an interior and exterior examination for airborne spores and a carpet test but other procedures may be necessary. Any visible Mold should be professionally evaluated. Brokers have not and cannot verify whether there is or is not any type of health hazard.

All Buyers 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 a 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 Mold thrives on moisture. All inspections, including those to detect Mold, should be completed during Buyer's inspection period, if any. Any waiver or failure on the part of Buyers to complete and obtain all appropriate tests, including those for Mold, is against the Brokers' advice. For more information about Mold, Buyers should consult the Environmental Pamphlet referenced in Paragraph 46.

48. UNDERGROUND STORAGE TANKS ("UST"): Many homes may have or have had an Underground Storage Tank ("UST") for the fuel oil that fired the Property's furnace or for storage of gasoline or oil. As natural gas became the standard fuel for home furnaces, virtually all of the old furnaces were replaced. However, many UST remain buried on some properties and cannot be detected as part of a visual inspection. The California State Water Resources Control Board regulates all residential USTs in California. The licensing, inspection and regulation of residential USTs is currently not required if the tank is less than 750 gallons and was used for fuel oil only. However, this does not guarantee that any given Property would be exempt from abatement if a UST is discovered. Each municipality has different regulations concerning USTs that may include tank removal and soil cleanup of any toxic material that may have leaked from the UST. For further information contact the Public Work Department, Building Department and/or Fire Department for the Property.

49. GOVERNMENTAL SERVICES: Economic and other political factors may impact the cost, nature and extent of available governmental services including, but not limited to, law enforcement, fire protection, postal service and/or public works. Buyers should investigate the impact that these issues may have on the value, development, use and enjoyment of the Property during their inspection period, if any. Brokers have not verified the issues in Paragraph 49.

50. SCHOOLS: Neighborhood schools normally serving the Property may not have space available in the current or upcoming school years and some schools may be impacted by busing, overcrowding, financial cutbacks, academic achievement difficulties, possible closings and/or other issues. Each school district has its own rules regarding school assignments and these rules may change at any time with little notice. The ability to provide schooling for children with special needs varies greatly in different communities. Buyers should thoroughly investigate these and other issues with local school districts during Buyers' inspection period, if any. Brokers have not verified the issues in Paragraph 30.

51. NOISE/ODORS: Noise/odors levels and types of noise/odors that bother one person may be acceptable to others. Factors which can impact these subjective issues include, but are not limited to, various types of trains, buses, light rail, BART, freeways, nearby farming industry, construction, neighbors, animals and other causes. The Bay Area is also served by three international airports, several municipal and private airports and Moffett Field. Aircraft fly over virtually all residential areas creating noise levels that vary depending upon the aircraft type, size, altitude, time of flight, weather conditions and on the Property's proximity to flight paths and airports. Local amenities, facilities and venues including, but not limited to, the Shoreline Amphitheater, Mountain Winery, Montalvo Center for the Arts, Great America, Levi's Stadium, Avaya Stadium, SAP Arena, schools, parks and ball fields produce noise at various times. Some coastal properties may be impacted by tsunami warning systems. Buyers should visit the Property at various days and times to personally determine noise levels; Buyers should also contact the respective transportation agencies to determine whether potential noise/odors levels are acceptable to Buyers and/or will impact the value, development, use and enjoyment of the Property.

52. SMOKING ORDINANCES: Santa Clara County and some cities in both San Mateo and Santa Clara Counties have or are in the process of enacting smoking ordinances regulating smoking pollution within certain types of residential property. These regulations may limit or affect where smoking is permitted, the terms of any applicable lease agreements, the smoker's responsibilities to others for the effects of second-hand smoke and other issues. Different rules may apply to multi-unit residences. CC& R's and homeowners' association rules and regulations may also address these issues. For more information, Buyer should go to the applicable governmental website and/or should contact the homeowners' association.

53. MARIJUANA & DRUG LABS: Although California law permits individual patients to cultivate, possess and use marijuana for medical purposes, federal law recognizes no lawful use for marijuana and federal criminal penalties regarding marijuana remain in effect. Buyers and Sellers should consult with a California real estate attorney regarding the legal risks and issues surrounding owning or purchasing a property where marijuana activity has been taking place. Cultivation or storage of marijuana may cause damage or alteration to the Property which may not be visibly apparent.

Some properties have been the site of an illegal methamphetamine lab and California law requires owners to notify occupants of such usage and/or prevent anyone from occupying that property. Depending upon the circumstances, special clean-up efforts may be needed.

Brokers do not have the necessary expertise to evaluate the issues in Paragraph 53. Buyers should consider hiring an environmental hygienist contractor and other appropriate professionals to inspect a property where marijuana activity has taken place or where there has been a methamphetamine lab.

54. FREEWAYS, HIGHWAYS AND STREETS: The ability to travel on public roads varies greatly due to present and future changes in those roads, development and construction of other properties, weather, traffic congestion, and other factors such as peak travel times. There are a variety of public and private events and venues that can adversely impact travel times during these activities and/or the value, development, use and enjoyment of the Property. Buyers should investigate the relevant transportation issues during various times and days of the week during their inspection period, if any, assess their own transportation needs.

55. TRAINS AND BART: Caltrans operates commuter trains from San Jose to San Francisco which run daily through and make various stops in Santa Clara and San Mateo Counties. A railroad train also runs between San Jose and Cupertino several times a week. There are also freight trains which operate at various times of day and night in both counties. The Bay Area Rapid Transit district operates trains. The presence of any type of train, train tracks and train stations may create noise, impact local streets and may also impact the value and desirability of some property. Under regulations issued by the Federal Railroad Administration, these trains must produce a distinct, separate, sequential blast at various grade crossings (where a street crosses the tracks) and whenever a train engineer sees a trespasser near the tracks. To comply with those regulations, Caltrans has temporarily relocated their horns onto the top of the locomotives which has increased the volume and range of the sound. Caltrans is attempting to balance neighborhood noise concerns with the required safety regulations. The ultimate impact of any type of train on the Property or Buyers is subjective in nature. Buyers are advised to investigate this issue during their inspection period, if any, to determine the potential impact of any of these issues. For more information, go to <http://www.caltrans.org>; <http://www.bart.gov>.

56. HIGH-SPEED RAIL: On November 5, 2008, California voters approved Proposition 1A authorizing funding of a high-speed rail transportation system linking various cities in the State. Both the location of the proposed train system and the possible effect that the construction and operation of that system will have on residential areas has been the subject of concern and debate. Some news reports have indicated that, depending upon the location of the high-speed rail system, it may have a negative effect on some properties in the San Francisco Bay Area. Precisely what impact, if any, the proposed high-speed rail transportation system will have on the Property or Buyers is unknown either before, during or after construction and is subjective in nature. Brokers are not experts in this area and Buyers are advised to satisfy themselves with regard to this issue during their inspection contingency period, if any. The California High-Speed Rail Authority ("Authority") is the entity that is responsible for planning, constructing and operating that high-speed rail system. Buyers can obtain more information about the proposed high-speed rail system by contacting the Authority or online at <http://www.cahighspeedrail.ca.gov>.

57. INSURANCE: Buyers should consult an insurance broker during Buyers' inspection period, if any, to determine the cost of homeowners' insurance, the types of available coverage and any restrictions that the carrier may impose. Some insurance companies may impose conditions such as complying with retrofit requirements, including installation of safety glass, fireplace spark arrestors and a gas shut-off valve. (The fact that an insurance company may require these repairs does not necessarily mean that a Seller is obligated to make the repairs required by the insurer.) Insurance coverage for certain high fire risk, hillside, oceanfront and brush properties may only be available from the California Fair Plan; coverage may be limited but the cost of this insurance may be increased. Buyer's own insurance agent should be consulted during Buyer's inspection contingency period, if any, regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing a California Fair Plan application. Flood insurance may also

be required from the National Flood Insurance Program (see Paragraph 45). If the Property is a condominium or part of a common interest development, the Homeowners' Association may provide some insurance coverage for the common area and/or units, but the Homeowners' Association may not provide coverage for the individual units or the homeowners' personal belongings. Buyers should ask for a copy of the Homeowners' Association Insurance Certificate and provide that to their own insurance broker to insure that adequate coverage is provided. Buyers should also consider asking that Sellers order a C.L.U.E. report to provide a 5 year history of past insurance claims on the Property.

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. Buyers should assure themselves that homeowner's insurance can be obtained on the property during their inspection and/or insurance investigation.

58. HOME WARRANTY: Buyers and Sellers can purchase home warranty plans covering various systems of the Property both before and after the Close of Escrow. Sellers can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool, spa, appliances, well and other features may be purchased. Home Warranties do not cover every aspect of the Property and may not cover pre-existing conditions, upgrades for repairs required by state or federal laws. Buyers should review the availability of various home warranty plans during Buyers' inspection period, if any.

59. COMMON INTEREST DEVELOPMENTS: Buyers are advised that if the Property is a condominium, or is located in either a planned unit development or common interest subdivision, there will probably be a Homeowners' Association ("HOA") as well as governing documents that may control the individual Properties and the common area. HOA rules and regulations may limit Buyers' use and enjoyment of the Property. Failure to follow HOA rules and regulations may cause the HOA to impose fines, liens and/or take other legal action against a homeowner. HOA rules may include limitations on interior and exterior unit modifications including, but not limited to, design, landscaping, color choices, types of floor and/or wall materials, window coverings, installation of TV antennae and/or satellite dishes and fencing. HOAs often impose restrictions on the ability to rent the Property, use of guest, assigned or restricted parking, noise levels, use of pool, fitness equipment and other common area amenities. HOAs may also regulate having visitors, conducting home businesses, use of storage facilities, number and size of pets, storing RVs, trailers and/or inoperative vehicles, vehicle maintenance activities, use and location of basketball hoops and other sports equipment, placement, size and purpose of signs and other regulations.

Under California law, the Sellers must provide to Buyer a list of specific documents regarding the operation and financial condition of the HOA. Buyers should carefully examine all of these documents and compare the documents received with the list of required disclosures as detailed on the PRDS Request for Homeowner Documents or the California Association of REALTORS® Homeowner Association Information Request forms. Sellers should order the required documents directly from the HOA, using one of the request forms above rather than relying on documents previously obtained by Sellers from on-line services or outdated documents from an earlier transaction. Sellers need to be aware that standard real estate contract forms require the Seller to produce "current" documents as of the date of the contract, such as the last 12 months of minutes, any notices, and changes in fees/assessments. However, if Buyers determine any HOA documents are missing, out of date or incomplete, Buyers should send a written request to Sellers asking for the missing documents or a written explanation as to why the documents were not provided.

Buyers should carefully review the HOA's financial condition including current dues and assessments, as well as pending or contemplated increases. Buyers need to understand that upon becoming part of an HOA makes them financially liable for their proportional share of the HOA's Reserve Account (money set aside for the maintenance, repair, and replacement cost of all the physical components of the common area of the complex). Buyers should compare the amount of money actually set aside in reserve by the HOA versus the amount of money that should have been set aside in reserve. 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 other financial issues relating to the association. Brokers have no expertise in this area.

Many Common Interest Developments have been involved in, are presently involved in or are contemplating litigation regarding the design, construction, maintenance and/or physical condition of all or a part of the Development. Whether or not these lawsuits are successful, litigation is expensive and the cost of such legal actions may seriously impact the adequacy of the HOA reserves as well as the amount of current or future HOA fees and/or special assessments. If the Property has had past, current or is considering litigation in the future, Buyers are advised to seek advice regarding these issues from a qualified real estate attorney during the Buyers' inspection period, if any.

Litigation may exist or may be under consideration by individual property owners against the developer, design professionals, contractors, and others regarding the design, construction, maintenance and/or physical condition of individual units and/or the Development. Buyers are advised to seek advice regarding these issues from a qualified real estate attorney during the Buyers' inspection period, if any. Brokers are not qualified to evaluate or investigate legal issues.

If the HOA provides assigned or allocated parking spaces. Buyers should investigate for themselves whether or not the space is adequate to park the Buyers' vehicle(s) in the assigned space by actually parking in that space. Actual assigned or allocated parking and storage spaces may be in conflict with the spaces described in a Condominium Map or in the Preliminary Report issued by a Title Company. Buyers should confirm that the parking and storage spaces that are actually being transferred to the Buyers are the same ones that are designated in the recorded documents and that those space(s) are acceptable for the Buyers' intended needs and uses.

60. PRIVATE TRANSFER FEE: Sellers must disclose the existence of any Private Transfer Fee required in CC&Rs, deeds or other recorded documents. That disclosure must include the amount of the fee required, a description of how the fee is calculated, the entity that is to be paid the fee, the purposes for which the fee will be used, and the date or circumstances under which the obligation to pay the transfer fee expires, if any. Since a Seller may or may not have actual awareness of the existence of a Private Transfer Fee, Buyers should carefully examine any and all title documents to determine this issue.

61. NON-CONFIDENTIALITY OF OFFERS: Sellers or Sellers' representatives may not treat the existence, terms or conditions of any Buyers offer as confidential unless confidentiality is required by law, regulation, or a confidentiality agreement exists between the parties. Sellers and Buyers should carefully consider the relative need, value, advantage and disadvantage of requiring the execution of a confidentiality agreement as a precondition to submittal of an offer. In consultation with a real estate attorney early enough in time for the attorney to prepare a satisfactory confidentiality agreement (if any) and for it to be delivered to Broker prior to presentation of Buyers' offer.

62. LIQUIDATED DAMAGES: A liquidated damages clause enables Buyers and Sellers to set a cap on the maximum amount of damages that Sellers may recover if Buyers breach the Purchase Contract. The liquidated damages clause in a real property Purchase Contract needs to be separately initialed by both parties to be enforceable. For any deposit(s) put into escrow after the initial deposit to be subject to the liquidated damages clause, there must be a separately signed or initialed agreement made at the time of the subsequent deposit(s). If the Property contains 1 to 4 residential units, one of which the Buyers intend to occupy, California Civil Code §1675 limits the amount of deposit that is subject to the liquidated damages clause to a maximum of 3% of the purchase price. Even if Buyers and Sellers agree to include liquidated damages in the Purchase Contract and there is a breach of contract by the Buyers, the deposit will generally not be released by the escrow holder without mutually consistent written instructions from the Buyers and Sellers or a decision by a judge or arbitrator. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. California law prohibits including in the Purchase Contract any other type of remedy (such as a release or forfeiture of deposit or a non-refundable deposit) aside from the statutory liquidated damages clause for the Buyers' breach of contract. The Brokers cannot give legal advice regarding these matters.

63. MEDIATION: Mediation is a form of dispute resolution which involves hiring a neutral third party (the "Mediator") to facilitate informal discussions and negotiations with the goal of reaching a settlement of the dispute; the Mediator does not determine who is right or who is wrong. The Parties involved in the Mediation generally share in the cost of this confidential, non-binding process. If no settlement agreement is reached, either Party may pursue further legal action as provided in the Purchase Contract. A Party's failure or refusal to mediate before resorting to arbitration or judicial action may result in that Party losing the right to recover their attorney's fees even if he or she prevails. Which Parties should be involved in Mediation and/or who should serve as the Mediator are issues that need to be determined by an attorney. Brokers are not qualified to represent Buyers or Sellers in resolving disputes through mediation since Brokers cannot give legal advice to Buyers and/or Sellers. Brokers are not obligated to mediate with the Parties.

64. ARBITRATION: Arbitration is a form of dispute resolution which involves hiring a neutral third party (the "Arbitrator") to render a formal decision as to who is right and/or what damages, if any, should be paid. Arbitration may be faster and less expensive than resolving disputes by litigation in court. The rules are usually less formal than in court; it is a private process that is not of public record, however, the arbitration process is best handled by attorneys who understand these issues. By agreeing to Arbitration the Parties give up their rights to a jury trial and appeal. Arbitration decisions have been upheld even when Arbitrators have made a mistake as to the law or the facts of the case. If Parties agree to include an arbitration provision in their real property agreement(s), then any dispute arising out of those agreements (with some limited exceptions) must be submitted to binding arbitration. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether or not to agree to arbitration.

The Purchase Contract does not obligate the Brokers to participate in Arbitration even if Buyers and Sellers agree to use that forum; however, Broker may have the option to voluntarily agree to participate in Arbitration. Brokers cannot give legal advice regarding these matters to Buyers and/or Sellers.

65. LEGAL ACTION: Sellers should disclose to Buyers any known claim or legal action (litigation or arbitration) which affects the title or use of the Property, whether or not that claim or legal action is resolved. Buyers should consult with their attorney regarding the affect that any disclosed claim or legal action may have on the value, development, use and enjoyment of the Property.

REGIONAL ISSUES

66. LITIGATION BY OR AGAINST A CITY, COUNTY OR GOVERNMENTAL AGENCY: Buyer should investigate whether there is any pending litigation or administrative claim that may affect the value, development, use and/or enjoyment of the property and/or impact the ability of the local community to provide necessary services. Check appropriate governmental websites.

67. COASTAL CONDITIONS: Property located near any coast lines may be 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 structures and personal property items exposed to the elements. Coastal properties may be impacted by ocean tides, currents and tsunamis. 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, and thus coastal properties require regular, thorough maintenance. Development, current, and future use and remodeling of coastal properties may be regulated by the California Coastal Commission. Buyers should investigate these conditions as well as the cost of increased maintenance and repairs that may be needed for any property located in coastal areas.

The foghorn located at the El Granada breakwater is audible at times and at various sound levels in adjacent coastal communities, depending upon weather conditions and proximity.

California Emergency Management Agency ("Cal EMA") and the California Geological Survey ("CGS") have released California Tsunami Inundation Maps covering areas along about 50% of the state's coastline, and including 100% of the San Francisco Bay Area. Buyers should investigate local emergency preparedness and potential tsunami hazards by going to the following websites: www.myhazards.calema.ca.gov and www.consrv.ca.gov/cgs.

68. SAN FRANCISCO BAY REGULATIONS: 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. Properties abutting San Francisco Bay, its tidelands and marshes, may be subject to the jurisdiction of the BCDC which may limit size and location of structures and impose other requirements on property owners. Buyers of such property should contact BCDC at (415) 352-3600 for additional information.

69. BAY FILL: Some properties that are built on bay fill have experienced salt leaching from the soil, through the concrete and corroding the iron rebar in the foundations. Buyers of Property built on bay fill should investigate this issue with qualified professionals.

70. AGRICULTURAL AREAS: Agricultural enterprises occasionally produce dust, noise and odors and utilize airborne fertilizers and pest control products which, depending on weather and other conditions, proximity and manner of application, may affect the environment and/or surrounding residential areas.

71. GOLF COURSES: There are several golf courses in San Mateo and Santa Clara Counties. Property located near a golf course may be affected by errant golf balls, noise, lighting or other problems that Buyers should investigate.

72. LOCAL OPTION DISCLOSURES: Cities and counties can enact "Local Option" Disclosures which require Sellers to disclose issues of local concern on a specifically required Disclosure Form. The Cities of Pacifica, Millbrae, South San Francisco and San Bruno have enacted ordinances requiring separate disclosures about noise generated by airports and aircraft. Sellers in the unincorporated areas of Santa Clara County are required to disclose specific information about that County's "right-to-farm" ordinance, the private well inspection disclosure ordinance, whether or not the Property is subject to a contract pursuant to the California Land Conservation Act of 1965 ("Williamson Act"), and/or whether the Property is subject to an open space easement agreement. Although Brokers may provide the Local Option Disclosure form to Sellers and Buyers, only the Seller is to complete the questions contained in a Local Option Disclosure form.

73. MANDATED/AFFORDABLE HOUSING: Many cities are studying how to add units and/or "affordable housing" within their jurisdictions so as to comply with legal requirements, some are in litigation relating to affordable housing issues and others have already implemented affordable housing plans. For more information about what any particular city is doing in regard to this topic, go to that city's website (the sites for cities in San Mateo and Santa Clara County are listed on the last page of this Advisory).

LOCAL SAN MATEO COUNTY ISSUES

74. BELMONT: Belmont has instituted a sewer lateral program which includes property owner notification and maintenance requirements. For more information go to http://samcar.org/userfiles/file/Belmont_Disclosure_Sewer-Lateral.pdf.

75. DALY CITY 3R REPORT: Daly City requires Sellers of residential property of 1 to 3 units to obtain a report of the residential building record ("3-R Report") which must be provided to Buyers. The 3-R Report is prepared by the Daly City Building Division from its historical records only and is not based upon an actual inspection of the Property. The information in the 3-R Report may not be accurate or complete for various reasons. Although most of the City's records are computerized, many records were originally handwritten and incomplete. It is possible that errors could have occurred when the information was transferred from the original documents and these errors might be repeated in subsequent 3-R Reports. However, the 3-R Report does contain useful information.

Buyers of residential property of 1 to 3 units in Daly City should not rely solely on the permit information contained in 3-R Reports. Some properties may have rooms, additions, structures or decks where there is no record of a permit ever having been issued for their construction. Such improvements may or may not have been built with a permit and/or officially finalized. If an improvement was constructed without all necessary permits and/or not in compliance with building codes, the City may require the owner to remove it or legalize it at a substantial cost. Buyers should independently confirm the information contained in a 3-R Report during their inspection period, if any, including engaging the services of a qualified contractor, architect or other professional(s) to verify the information in the 3-R Report. For additional information or to request a 3-R Report, contact the Daly City Building Division, 333 90th Street, Daly City, California 94015-1895; Telephone (650) 991-8061. See also Paragraphs 26 and 27 of this Advisory.

76. HALF MOON BAY: The City of Half Moon Bay settled a law suit resulting in a substantial payment obligation on behalf of the City. Buyer should investigate whether this litigation impacts the value, development, use and/or enjoyment of the property and/or impacts the ability of Half Moon Bay to provide necessary services. For additional information, go to <http://www.hmbcity.com>.

77. HILLSBOROUGH ORDINANCES: The Town of Hillsborough Municipal Code requires Sellers of real property to provide Buyers with a Statement of Compliance regarding proper installation of Spark Arrester(s), Smoke Alarms and Address Number Visibility. Buyers of property located in Hillsborough should not close escrow without receiving the Seller's Statement of Compliance form.

The Town of Hillsborough Municipal Code 5.12.050 requires the issuance of a permit for possession and use of home alarm systems. These permits cannot be assigned to the Buyer as part of the sale of residential property. Buyers who are acquiring property in Hillsborough which is already equipped with a home alarm system or who intend to install a home alarm system must secure a new permit. Permit applications can be obtained at the Hillsborough Town Hall at 1600 Floribunda Avenue. For more information about the home alarm permit requirements and/or other requirements for property located in Hillsborough, go to the following website: <http://www.hillsborough.net>.

78. MILLBRAE FIRE SPRINKLER AND ILLUMINATED ADDRESS NUMBER ORDINANCES: The Millbrae Municipal Code requires that, in addition to complying with the State of California Smoke Detector law, fire sprinklers must be installed in the garage of any building or structure, including one or two family Properties, when any addition, alteration or repair of the structure or building (with the exception of repairs to the exterior only) which requires a building permit and is estimated to cost in excess of \$1,000.

The Millbrae Municipal Code also requires that all building addresses must be visible and legible from the street or road in front of the property and the addresses must be either internally or externally illuminated.

79. PORTOLA VALLEY RESIDENTIAL DATA REPORT AND HISTORIC PRESERVATION: The Town of Portola Valley requires Sellers to provide Buyers with a Residential Data Report from the Town listing the regularly authorized use, occupancy and zoning classification of the Property. The information in the Residential Data Report is from historical records only and is not based upon an actual inspection of the Property. The Residential Data Report may not be accurate or complete for various reasons. It is possible that errors could have occurred when the information was transferred from the original documents and these errors might be repeated in subsequent reports. However, these reports contain useful information regarding the permits that are of record with the Town.

Buyers should independently confirm the information in the Residential Data Report during their inspection period, if any, including engaging the services of a qualified contractor, architect or other construction professional(s) to verify the information in the Residential Data Report. For additional information or to request a Residential Data Report, go to the Town of Portola Valley's offices located at 765 Portola Road, Portola Valley, California 94028. For additional information, call (650) 851-1701. See also Paragraphs 27 and 28 of this Advisory.

80. REDWOOD SHORES: Redwood Shores is a master-planned community. Property located in Redwood Shores may be subject to multiple homeowners' associations. For more information about Redwood Shores, contact the managing agent for the Redwood Shores Owners' Association at the Manor Association (650) 637-1616 or go to the following website: <http://www.RSOA.info>. The Redwood Shores Community Association is a social and community advocacy organization which can be contacted at the following website: <http://www.RSCA.org>.

81. SAN MATEO CITY SUPPLEMENTAL FLOOD ZONE DISCLOSURE: The Federal Emergency Management Agency ("FEMA") has been investigating the possibility of expanding the flood hazard area designations for the City of San Mateo. FEMA has indicated that the new Final Map should be published at some point in 2010. On July 13, 2009, the City Council for the City of San Mateo approved the formation of the South Bayfront Flood Control Facilities Assessment District to create a funding source for improvement of the City's levees. Buyer is advised to investigate this issue with the City of San Mateo, a third party provider of Natural Hazard Disclosure Statements and/or their own insurance broker to determine the possible ramifications of such an expansion of the flood designation on their use and enjoyment of the Property. For questions or concerns related to the South Bayfront Flood Control Facilities Assessment District, flood insurance, any FEMA related topics, and/or any other regulations which might impact property located in the City of San Mateo, contact the City Offices at (650) 522-7327 or go to the following website: <http://www.cityofsanmateo.org>.

LOCAL SANTA CLARA COUNTY ISSUES

82. MORGAN HILL: The Santa Clara Valley Water District intends to drain Lake Anderson as part of their plan to rebuild Anderson Dam in 2016; the project will take approximately 3 years to complete. It is unknown what impact, if any, the retrofit project will have on the development, condition, use, and/or enjoyment of surrounding homes. Buyers are encouraged to investigate this project by contacting the Water District at www.valleywater.org.

83. LOS ALTOS HILLS: The Town of Los Altos Hills has established standards for roads; the Town has compiled a list of private streets. Private streets can be converted to public streets under specified conditions. Buyers should investigate to determine if any given street is public or private or whether any given private street can be dedicated to the Town. For information about this or any other issues affecting property in the Town of Los Altos Hills, go to the following website: <http://www.losaltoshills.ca.gov>.

84. SARATOGA: The City of Saratoga has enacted an ordinance which may require an occupancy inspection upon transfer of title on properties other than single family residences. For information about this or any other issues affecting property in Saratoga, go to the following website: <http://www.saratoga.ca.us/>

85. SUNNYVALE: The City of Sunnyvale has enacted an ordinance which requires storm water run-off management by owners of certain types of buildings. This ordinance may impact some common interest developments which may trigger a point of sale disclosure by the Homeowners' Association. Sellers and Buyers should investigate whether or not the ordinance is applicable and its impact, if any, on the Property. For further information go to <http://www.sunnyvale.ca.gov>.

COUNTY AND MUNICIPAL WEBSITES

County and municipal websites can be a useful source of information about their communities including, but not limited to, representatives, services, ordinances, demographics and local news. These websites may also have links to other resources such as other governmental agencies, non-profit community based organizations, and for-profit entities. While these links are provided for your convenience in accessing the information you seek, this Advisory does not warrant or guarantee the accuracy of the information provided by these sites and resources.

COUNTY OF SAN MATEO: <http://www.co.sanmateo.ca.us/>

CITIES AND TOWNS WITHIN SAN MATEO COUNTY:

Town of Atherton: <http://www.ci.atherton.ca.us/>
City of Belmont: <http://www.belmont.gov/>
City of Brisbane: <http://www.ci.brisbane.ca.us/>
Township of Broadmoor: website unknown
City of Burlingame: <http://www.burlingame.org/>
Town of Colma: <http://www.colma.ca.gov/>
City of Daly City: <http://www.dalycity.org/>
City of East Palo Alto: <http://www.ci.east-palo-alto.ca.us/>
City of Foster City: <http://www.fostercity.org/>
City of Half Moon Bay: <http://ci.half-moon-bay.ca.us/>
Town of Hillsborough: <http://www.hillsborough.net/>
City of Menlo Park: <http://www.ci.menlo-park.ca.us/>
City of Millbrae: <http://www.ci.millbrae.ca.us/>
City of Pacifica: <http://www.cityofpacificca.org/>
Town of Portola Valley: <http://www.portolavalley.net/>
City of Redwood City: <http://www.ci.redwood-city.ca.us/>
City of San Bruno: <http://sanbruno.ca.gov/>
City of San Carlos: <http://www.cityofsan-carlos.org/>
City of San Mateo: <http://www.ci.sanmateo.ca.us/>
City of S. San Francisco: <http://www.ci.ssf.ca.us/>
Town of Woodside: <http://www.woodsidetown.org/>

COUNTY OF SANTA CLARA: <http://www.sccgov.org>

CITIES AND TOWNS WITHIN SANTA CLARA COUNTY:

City of Campbell: <http://www.ci.campbell.ca.us/>
City of Cupertino: <http://www.cupertino.org/>
City of Gilroy: <http://www.cityofgilroy.org/cityofgilroy/>
City of Los Altos: <http://www.ci.los-altos.ca.us/>
Town of Los Altos Hills: <http://www.losaltoshills.ca.gov/>
Town of Los Gatos: <http://www.town.los-gatos.ca.us/>
City of Milpitas: <http://www.ci.milpitas.ca.gov/>
City of Monte Sereno: <http://www.montesereno.org/>
City of Morgan Hill: <http://www.morgan-hill.ca.gov/>
City of Mountain View: <http://www.ci.mtnview.ca.us/>
City of Palo Alto: <http://www.cityofpaloalto.org/>
City of San Jose: <http://www.sanjoseca.gov/>
City of Santa Clara: <http://www.santaclaraca.gov/>
City of Saratoga: <http://www.saratoga.ca.us/>
City of Sunnyvale: <http://www.sunnyvale.ca.gov/>

SELLERS AND BUYERS ACKNOWLEDGE THE FOLLOWING REGARDING BROKERS:

1. Brokers do not warrant or guarantee the condition of the Property and shall not be responsible for any undisclosed facts regarding the condition of the Property;
2. Brokers have no duty to inspect and will not inspect (a) any areas of the Property that are not reasonably and normally accessible to Broker; (b) any areas that are located offsite of the Property, (c) common areas, (d) public records or permits of any kind regarding the state of title or the use of the Property, or (e) any matter affecting or relating to the Property that is described in this Advisory;
3. Brokers have not verified square footage or size of structures or land, boundary lines of the Property, statements made by others (including but not limited to Sellers), information contained in inspection reports, the Multiple Listing Service, or in advertisements, flyers or other promotional material, or any other matters described in this Advisory, unless otherwise agreed in writing;
4. Brokers do not guarantee and shall not be responsible for the labor or services or products provided by others to or on behalf of Buyers and/or Sellers and do not guarantee and shall not be responsible for the quality, adequacy, completeness or code compliance of repairs made by Sellers or by others. Sellers and Buyers may select any professionals that they choose to retain; and
5. Brokers are not qualified to give legal, tax, insurance or title advice, therefore Sellers and Buyers should consult the appropriate professionals for such advice.

This document may be signed in counterparts.

BY SIGNING BELOW, BUYERS AND SELLERS ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND, AND HAVE RECEIVED A COPY OF THIS 15 PAGE ADVISORY.

DATE: 7/10/17 SELLER 

DATE: 7/10/17 SELLER 

DATE: _____ BUYER 

DATE: _____ BUYER _____



CALIFORNIA
ASSOCIATION
OF REALTORS®

STATEWIDE BUYER AND SELLER ADVISORY
(This Form Does Not Replace Local Condition Disclosures.
Additional Addenda May Be Attached to This Advisory)
(C.A.R. Form SBSA, Revised 1/16)

Property Address 668 W. Washington Avenue, 94086

Date _____

BUYER RIGHTS AND DUTIES:

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
- You should conduct thorough investigations of the Property both personally and with appropriate professionals.
- If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
- You should retain your own professional even if Seller or Broker has provided you with existing reports.
- You should read all written reports given to you and discuss those reports with the persons who prepared them.
- You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to make any such repairs, corrections or other requested actions.
- If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement and your deposit might be at risk.
- The terms of the purchase agreement and any counter offers and addenda establish your rights and responsibilities.

YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

SELLER RIGHTS AND DUTIES:

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.
- The terms of the Agreement establish your rights and responsibilities.

BROKER RIGHTS AND DUTIES:

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing.
- Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.

1. INSPECTIONS: Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not have expertise in these areas. 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 somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities.



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Date: _____

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

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

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



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

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

20. FUTURE REPAIRS, REPLACEMENTS AND REMODELS: Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. The phase out of the use of R-22 Freon will have an impact on repairs and replacement of existing air conditioning units and heat pumps. More information is available from the Environmental Protection Agency at <http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>. New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at http://www1.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

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

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

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

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

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

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

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

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



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

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

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

32. OWNER'S TITLE INSURANCE: The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that escrows provide the following notice to borrowers: "IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

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

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

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

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

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

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

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

38. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL: Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4745.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50. FIRPTA/CALIFORNIA WITHHOLDING: Buyer and Seller are advised that: (i) Internal Revenue Code Section 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the buyer acquires the property as Buyer's residence and the price paid does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

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

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

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

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

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

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

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57. LOCAL ADDENDA (IF CHECKED):

The following local disclosures or addenda are attached:

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

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

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

BUYER _____ Date _____

BUYER _____ Date _____

(Address) _____

SELLER Carl Williams Date 7/10/17

SELLER [Signature] Date 7/10/17

(Address) _____

Real Estate Broker (Selling Firm) _____ Cal BRE Lic. # _____

By _____ Cal BRE Lic.# _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ Email _____

Real Estate Broker (Listing Firm) Keller Williams Cal BRE Lic. # 01327739

By [Signature] Cal BRE Lic.# 01018204 Date 7-10-17

Address 2110 S. Bascom Avenue City Campbell State CA Zip 95008

Telephone 408 626-9800 Fax 408 626-9875 Email Dave@RealtorDaveClark.com

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