

**TOWN OF FAIRFAX
STAFF REPORT**

To:	Mayor, Members of the Town Council
From:	Jack Judkins, Co-Chair Fairfax Open Space Committee
Date:	January 10, 2013
Subject:	Approval of Resolution 13-2, proposed terms of Option Agreement for Purchase of Real Property (Assessor's Parcel Nos. 001-193-07 and -09) and for Acceptance of Donation of Real Property (Assessor's Parcel No. 001-193-03) and Authorization of Town Manager to Negotiate and Enter into the Agreement, exercise the Option and accept the Real Property.

RECOMMENDATION

The Fairfax Open Space Committee (FOSC) recommends that the Town adopt the proposed resolution No. 13-2, attached as **(Exhibit 1)** approving the proposed terms of an option agreement, by which the Town would purchase two parcels (Assessor's Parcel Nos. 001-193-07, and 001-193-09) and accept the donation of title to a third parcel Assessor's Parcel No. 001-193-03) and authorize the Town Manager to negotiate and enter into an option agreement that is substantially in the form of the attached agreement, together with such changes as are approved by the Town Attorney, and thereafter to exercise the Option and accept the property in accordance with the terms of the Agreement.

BACKGROUND

The Town created the Fairfax Open Space Committee (FOSC) by resolution in 2004. Under that resolution, FOSC is charged with the responsibility "to determine the availability of unique, threatened, or environmentally sensitive land parcels that may be appropriate to acquire to hold in perpetuity as dedicated open space for the public". At its regular meeting on September 5, 2012, the Town Council authorized FOSC to initiate negotiations with Neil Reed, the owner of three vacant, undeveloped lots located on or near Upper Ridgeway Avenue: Assessor's Parcel Nos. 001-193-07, 001-193-09 and 001-193-003 (the "Property"), for the purchase of the first two parcels (the "Purchase Parcels") by the Town and the donation to the Town of the third parcel (the "Donation Parcel"). The September 5, 2012 Staff Report **(Exhibit 2)** includes detail about the properties and their desirability as open space and as public accessways to adjacent publicly owned ridgetop lands.

DISCUSSION

Representatives of FOSC have successfully completed negotiation with Mr. Reid and have reached informal agreement on most of the major deal points, subject to Town Council approval. Those terms have been incorporated in a draft proposed "Option Agreement" (**Exhibit 3**). In brief, the deal points on which the parties have agreed are as follows:

1. The Town and Mr. Reid will enter into an option agreement that will allow for the purchase by the Town of the Purchase Parcels and for the acceptance of title to the Donation Parcel.
2. The option agreement will allow the Town up to one year to exercise the option, which will provide FOSC with time to raise additional funds for the purchase price and other costs (see below), beyond the funds currently held in the Open Space account and available for the purchase. According to the Town Finance Director, the Open Space account now has approximately \$9000 that might be directed to the costs of acquisition of this property.
3. Upon entering into the option agreement, the Town will pay an option payment of \$2,250 to secure the option and will pay a second payment of \$2,250, if the option is not exercised within the first six months. The option payment will be non-refundable if the Town elects not to exercise the option and does not purchase the property within the one year option term.
4. The Purchase Price for the Purchase Parcels is \$45,000, if purchased in the first six months of the option; it increases to \$47,250 if purchased subsequently. Mr. Reid will donate the Donation Parcel, if the Town acquires the Purchase Parcels.
5. The Town will reimburse the owner for all current property tax assessments for the property that become due prior to the exercise of the Option. Current bi-annual installments are approximately \$950.
6. The parties will split all costs of escrow. If the Town elects to have title insurance, the Town will bear that cost.

As noted above, FOSC will take the lead role in providing the additional funds required for the acquisition, through fundraising events, appeals for donation and seeking out grant opportunities. The only current Town funds that will be used are those that were raised in the past through FOSC activities. The risk of the transaction is limited to the amount of the option payment (up to \$4,500), should FOSC be unable to secure adequate funds for the acquisition through its activities.

FOSC believes that these terms are favorable to the Town and, for the reasons discussed in the September 5, 2012 Staff Report, that the purchase of the Purchase Parcels, along with acceptance of the Donation Parcel, will greatly benefit the Town, by providing additional open space lands, and by providing the opportunity for public

access to open space lands that are adjacent to the property.

FISCAL IMPACT

Only existing Town funds that are dedicated for use for open space purposes would be expended. No other current Town funds would be used or committed.

ATTACHMENTS

Exhibit 1 - Resolution No. 13-2

Exhibit 2 – Staff Report of September 5, 2012 with Exhibits

Exhibit 3 - Proposed Option Agreement

Exhibit 4 - Title Report

RESOLUTION 13-2

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX APPROVING THE OPTION AGREEMENT FOR THE UPPER RIDGEWAY PROPERTIES AND AUTHORIZING THE TOWN MANAGER TO EXERCISE THE OPTION AND ACCEPT THE PROPERTIES ON BEHALF OF THE TOWN

WHEREAS, Neil Dan Reid, an Individual and Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust ("Seller") owns three parcels, all located on Upper Ridgeway road in Fairfax, California, Marin County Assessor's Parcel Nos. 001-193-07, 001-193-09, and 001-193-03, attached hereto as Exhibit A (Legal Description) desires to sell said properties to the Town of Fairfax, a municipal corporation established and existing under the laws of the state of California ("Buyer") for the purpose of preserving them as open space and to provide public access to and across the properties to other adjacent, publicly-owned land; and

WHEREAS, there remain environmentally sensitive lands in the Town of Fairfax that are subject to development pressures which threaten the loss of unique environmental and aesthetic qualities for future generations of citizens that prompted the formation of the Fairfax Open Space Committee to protect such lands; and

WHEREAS, the Fairfax Open Space Committee has been tasked with informing the Town Council of open space acquisition opportunities and have voted unanimously to recommend these properties for purchase; and

WHEREAS, the Town of Fairfax desires to purchase said properties described in Exhibit A, according to the proposed "Option Agreement" attached to the staff report for this item;

WHEREAS, said Option Agreement is for the purpose of preserving these lands as open space and to provide public access to and across the properties to other adjacent, publicly-owned lands.

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Fairfax, hereby approves and authorizes the Town Manager to exercise the Option Agreement in substantially the form attached to the staff report, together with such changes as may be approved by the Town Attorney, and thereafter exercise the option on behalf of the Town.

BE IT FURTHER RESOLVED, that the Town Manager is authorized to accept the real property interest contained in the Option Agreement by executing and recording an acceptance certificate on behalf of the Town in the official records of the County of Marin.

The foregoing Resolution was adopted at a regular meeting of the Town of Fairfax held in said Town on the 10th day of January 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

JOHN REED, MAYOR

Attest:

Judy Anderson, Town Clerk

Ex 1

**TOWN OF FAIRFAX
STAFF REPORT**

To:	Mayor, Members of the Town Council
From:	Jack Judkins, Co-Chair Fairfax Open Space Committee
Date:	September 5, 2012
Subject:	Approval of Open Space Committee Recommendation That Town Accept Offer of Donation of Property: Assessor's Parcel No. 001-22-04

RECOMMENDATION

The Fairfax Open Space Committee recommends that the Town Council adopt the proposed resolution No. XX-XX, attached as **Exhibit 1**, accepting the donation of Assessor's Parcel No. 001-22-04.

BACKGROUND

The Town created the Fairfax Open Space Committee (FOSC) by resolution in 2004. Under that resolution, FOSC is charged with the responsibility "to determine the availability of unique, threatened, or environmentally sensitive land parcels that may be appropriate to acquire to hold in perpetuity as dedicated open space for the public".

In February 2012, FOSC was contacted by Elena Court, the owner of Assessor's Parcel No. 001-022-04 (the "Property"), who offered to donate to the Town the parcel owned by her. At its meeting of February 28, 2012, the Fairfax Open Space Committee voted unanimously to recommend to the Town that it accept the proposed donation of the Property. The "ranking criteria sheet" is attached as **Exhibit 2**.

DISCUSSION

The Property is located on an undeveloped, "paper" street – "Scenic Trail", which is between Scenic Road and Redwood Road, and is located near the intersection of Scenic and Bay Roads. Maps showing the location of the Property are attached as **Exhibit 3**. The Property is entirely unimproved. The Property is steeply sloped and populated with underbrush and trees. Satellite photographs of the property are attached as **Exhibit 4**.

To the west of the Property are other, similarly landlocked and undeveloped parcels on Scenic Trail. Immediately to the north of the Property there is an open space easement that is on a large privately-held piece of land and to the west there are two vacant and

Ex 2

undeveloped parcels. The third parcel to the west of the property is developed with a single family home.

FOSC recommends that the Town accept the donation of the Property for several reasons. First, the Property is undeveloped, and offers, along with the other undeveloped parcels and the adjoining open space easement, a natural setting, wildlife habitat and a corridor for travel and preservation of the scenic values on a hillside. Second, the Property is being donated, so it will cost the Town nothing to acquire the property. Further, since the property remains in its undeveloped and unimproved state, the potential for liability is reduced. Finally, although difficult to develop under current requirements and as a single lot, development under different requirements in the future or in conjunction with other parcels remains a possibility.

Through Town staff FOSC obtained a Preliminary Title Report for the Property, a copy of which is attached as **Exhibit 5**. The taxes have been brought current by the property owner. There are no encumbrances on the Property which might adversely affect the ownership of the Property by the Town.

Planning Staff Comments

Staff has reviewed the general location, slope and available access for APN # 001-022-04 and has determined the following:

- The site is zoned single-family residential RS 6.
- An accurate location in the field can only be made by a licensed land surveyor.
- The site has a steep, 49% average slope based on Marin County Marin Map GIS system database.
- It is located in a wildfire hazard zone on the Fairfax Wildland Urban Interface Zone Map and has unstable slopes as shown on the slope stability map utilized by the Town in reviewing development projects (Interpretation of the Relative Stability of Upland Slopes in the Upper Ross Valley and the Western Park of the San Rafael Area, Marin County, California, by Theodore C. Smith, Salem Rice and Rudolph Strand).
- The property is landlocked and does not have frontage on a public road. The only available access is 135 feet of a 10 foot wide easement known as Scenic Trail. The topography of Scenic Trail is too narrow and the topography too steep to provide vehicular access that would comply with Fire Department and Town access in compliance with safety regulations (Assessor's Map is attached as **Exhibit 3**).

Due to the lack of adequate emergency access, it would be difficult to impossible for Town Staff to make findings so that the parcel could be developed in compliance with the Town's Hill Area Residential Development Ordinance (Town Code Chapter 17.072).

FISCAL IMPACT

The acceptance of the donation of this property to the Town would result in the elimination of \$607.88 property taxes annually (see **Exhibit 6** for itemized taxes).

ATTACHMENTS

- Exhibit 1** - Resolution No. XX-XX
- Exhibit 2** - Ranking Criteria Sheet
- Exhibit 3** - Maps, including Assessor's Map
- Exhibit 4** - Satellite Photographs
- Exhibit 5** - Title Report
- Exhibit 6** - Property Tax Details

PROPERTY INFORMATION

Address: Between #2 + #11 Upper Ridgeway Ave, Fairfax CA 94930

Parcel No: 001-193-07; 001-193-09; 001-193-03

Owner/Agent Name and Contact Info:

Neil Reid - Realtor Rick Holland → rickholland@toproducer.com
Bradley Real Estate (DRE # 01360957)
415-482-3101

Size of the parcel: parcels 07+09 = 1,3769 acres TOTAL = 5532 acres
parcel 03 = 1763 acres

Zoning, including overlays and special protection areas (setbacks, ridgeline etc):

part of the property extends up to the ridgeline.

Potential development (houses/other residential or commercial units): appears to be developable - there are some questions regarding turn-around for fire dept. Well-developed residential area

Preservation assistance available from non-town sources:

Supervisor Rice has been contacted & has expressed support for the acquisition - still working with other organizations eg MOST, Coastal Conservancy, Marin City Open Space etc

Parcel has potential for other public uses:

existing trail provides access to San Anselmo Open Space + ridgeline trail system above, Fairfax, San Anselmo + Sleepy Hollow

Encumbrances, easements etc. affecting (if available, e.g through Title Report):

unknown

Development Status:

currently undeveloped

PRIORITY RATING SHEET

Score: Assign 1-10 points for each of the follow categories

I. PROPERTY ATTRIBUTES

A. Natural Resources 4 [Score]

Notes: assessment of natural resource value still underway.

B. Cultural Resources 8 [Score]

Notes: parcel contains important scenic views, is within a Visually Distinctive Area, and is part of Ridgeline Scenic Corridor.

C. Recreational Opportunities 10 [Score]

Notes: Existing trail from residential area with otherwise limited access to Ridgeline trail system.

D. Connectivity 10 [Score]

Notes: identified as priority for acquisition as Open Space in general plan, connects with Hawthorne Canyon Open Space, Wild life corridor, accessible to residents

Total Property Attributes Score 32 [Total Score]

II. ADDITIONAL CONSIDERATIONS

[Note: A particularly high or low score on one of these "Additional Considerations" would offset a high or low "Property Attributes" score]

E. Level of Threat 5 [Score]

Notes: Questions exist regarding potential need for residential developer to improve turnaround for fire dept.

F. Cost Related Issues _____ [Score]

Notes: potential tree-fall liability to be assessed.

OPTION AGREEMENT
(Upper Ridgeway Properties)

This Option Agreement is dated as _____ 2013, (the "**Agreement**") by and between Neil Dan Reid, an Individual and the Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust ("**Seller**"), and the Town of Fairfax, a municipal corporation established and existing under the laws of the state of California ("**Buyer**"). Seller and Buyer hereby agree as follows:

RECITALS

A. The addresses and telephone numbers of the parties are:

SELLER:

Neil Dan Reid

_____, CA 9 _____

Tel: (____) ____ - _____

Email: n-reid@sbcglobal.net

Copies of any notice to Seller should also be sent to:

Tel: (____) ____ - _____

Email: _____

BUYER:

Town of Fairfax

Attn: Judy Anderson, Interim Town Manager

Fairfax Town Hall

142 Bolinas Road

Fairfax, CA 94930

(415) 453-1584

Email: janderson@townoffairfax.org

Copies of any notice to Buyer should also be provided to:

Fairfax Open Space Committee

Attn: Jack Judkins, Co-Chair

Tel: (415) 717-3739

Email: jbjudkins@comcast.net

- B. Seller owns three parcels, all located on Upper Ridgeway Road in Fairfax, California: Marin County Assessor's Parcel Nos. 001-193-07 and -09, consisting of approximately 0.3769 acres and legally described in Exhibit A attached to this Agreement (the "**Purchase Parcels**"), and Marin County Assessor's Parcel No. 001-193-03, consisting of approximately 0.1763 acres and legally described in Exhibit B attached to this Agreement (the "**Donation Parcel**"). The Purchase Parcels and the Donation Parcel collectively will be referred to in this Agreement as the "**Property**".
- C. The Buyer desires to purchase from Seller and Seller desires to sell to Buyer the Purchase Parcels in order for the Buyer to preserve the Purchase Parcels as open space and to provide public access to and across the Purchase Parcels to other adjacent, publicly-owned lands.
- D. In connection with the purchase by the Buyer of the Purchase Parcels, the Seller desires to donate to the Buyer and the Buyer desires to accept title to the Donation Parcel in order for the Buyer to preserve the Donation Parcel as open space and to provide public access to and across the Donation Parcel to other adjacent, publicly-owned lands.

THE PARTIES AGREE AS FOLLOWS:

1. *Option.* In consideration of the payment by Buyer to Seller of the Option Payment, as defined below, and other good and valuable consideration, the receipt and sufficiency of which Seller acknowledges, Seller hereby grants to Buyer an exclusive and irrevocable option to purchase the Purchase Parcels and, concurrently to accept the donation by Seller of fee title to the Donation Parcel, all parcels in "as is" condition and on the terms stated in this Agreement (the "**Option**").
- 1.1 *Option Term.* This Agreement shall be effective as of the date this Agreement is fully signed and delivered by both parties (the "**Effective Date**"). The Option shall commence on the Effective Date and terminate at 5:00 P.M. California time on that date which is twelve (12) months after the Effective Date ("**Option Term**"), unless terminated earlier as provided for in this Agreement.
- 1.2 *Exercise.* If Buyer chooses to exercise the Option, Buyer will do so by notifying Seller in writing prior to the expiration of the Option Term. If Buyer does not exercise the Option as provided in this Section 1.1, the Option shall automatically expire and terminate, the Option Payment shall be applied as provided herein, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.
- 1.3 *Purchase Price for Purchase Parcels.* If Buyer exercises the Option: Seller shall convey and Buyer will accept title to the Donation Parcel; and Seller shall sell the Purchase Parcels to Buyer and Buyer shall buy the Purchase Parcels from Seller for a purchase price (the "**Purchase Price**"), as follows:
- (a) If Buyer exercises the Option within 6 month after the Effective Date, the Purchase Price is \$45,000 (forty-five thousand dollars).

(b) If Buyer exercises the Option more than 6 months after the Effective Date, the Purchase Price is \$47,500 (forty-seven thousand five hundred dollars)

1.4 *Option Payment.*

(a) *Payment of initial Option Payment.* Within ten (10) business days after the Effective Date, Buyer shall deposit as initial consideration for the Option the sum of \$2,250 (two thousand two hundred fifty dollars) with Escrow Holder (as defined in Section 3.1 below).

(b) *Payment of additional Option Payment.* If the Buyer does not exercise the Option within 6 months of the Effective Date, Buyer shall deposit as further consideration for the Option the additional sum of \$2,250 (two thousand two hundred fifty dollars) with Escrow Holder no later than 6 months after the Effective Date. If the Buyer fails to deposit the additional Option Payment required by this subsection, then the Agreement shall be terminated and the Option Payment shall be payable to Seller as specified in subsection (d) of this section 1.4.

(c) *Total Option Payment.* The total sum actually deposited with the Escrow Holder under this Subsection 1.4, including all interest accrued thereon, shall be referred to as the "**Option Payment.**"

(d) *Application of the Option Payment.* The Option Payment shall be placed by Escrow Holder in an interest bearing account satisfactory to Buyer, and all interest accrued shall be payable to Buyer. If Buyer elects not to exercise its Option as provided in this Agreement during the Option Term, then upon expiration of the Option Term, the Option Payment then deposited with Escrow Holder shall be payable to Seller. If the Purchase Parcels are sold and fee title to the Donation Parcel is transferred by Seller to Buyer as provided herein, the Option Payment shall be applied to the Purchase Price. If the Purchase Parcels are not sold and fee title to the Donation Parcel is not transferred by Seller to Buyer, the Option Payment shall be applied as provided in this Agreement.

1.5 *Memorandum of Option.* Concurrently with its execution and delivery of this Agreement, Seller shall execute (with notarized signature) and deliver to Buyer an original Memorandum of Option Agreement in the form of Exhibit C, attached hereto. Buyer may record the Memorandum of Option Agreement in the Official Records of Marin County, California. No later than the date of recordation of the Memorandum of Option, Buyer shall execute and deliver into escrow a Quitclaim Deed, in recordable form, quitclaiming Buyer's interest as optionee in the Property, together with instructions to the Escrow Holder to release the Quitclaim Deed for recordation if Buyer does not exercise the Option during the Option Period for any reason other than Seller's Default (as defined below). Escrow Holder shall, upon the written instruction of Seller, forthwith record the Quitclaim Deed in the Official Records of Marin County to eliminate any cloud on Seller's title to the Property related to the Memorandum of

Option Agreement and this Agreement.

2. *Inspections.*

- 2.1 *Title.* Buyer has obtained a Preliminary Title Report for the Purchase Parcels from Stewart Title Company of California, Inc. ("**Title Company**"), Order No. 476716, Titke Unit No. 7931, undated ("**PTR**"). Within a reasonable time after the Effective Date, the Buyer will request an amended PTR from the Title Company covering the Property.
- 2.2 *Property Information.* Buyer may investigate any matters that may directly or indirectly affect the Property and/or the present or future value, use, control, operation or ownership of the Property.
- (a) *Access.* Commencing on the Effective Date, Seller shall provide Buyer, and its agents full access to enter upon the Property to conduct such inspections, tests, surveys and investigations as they deem appropriate.
- (b) *Property Information.* At Buyer's request, Seller shall provide to Buyer complete and accurate copy of any and all information or agreements in Seller's possession, custody or control concerning the Property which may affect the value, use, control, operation or ownership of the Property, now or in the future ("**Property Information**"), including without limitation, environmental assessments, notices from governmental entities, pleadings in lawsuits affecting the Property and tax statements.

2.3 *Buyer's Review Period.*

- (a) Within ninety (90) days of the Effective Date, Buyer shall investigate the condition of the Property, including its physical and title conditions, ("**Buyer's Review Period**"). During the Buyer's Review Period, Buyer shall notify Seller of exceptions in the amended PTR (see section 2.1, above) that are acceptable to Buyer and those that are objectionable to Buyer. Seller shall promptly notify Buyer, no later than 85 days after the Effective Date, as to the exceptions that are objectionable to Buyer that Seller is willing to remove. The remaining exceptions are referred to in this Agreement as the "**Permitted Exceptions**".
- (b) At the expiration of Buyer's Review Period, Buyer may elect to: (1) terminate this Agreement by providing written notice to Seller that, due to the facts ascertained during Buyer's Review Period, Buyer has determined, in its sole discretion, that Buyer is unable to proceed with this Agreement; or (2) provide written notice to Seller that Buyer is prepared to proceed with this Agreement, with title to the Property subject to the Permitted Exceptions. If the Buyer does not provide Seller with any notice, Buyer will be deemed to have elected to proceed with the Agreement.

- (c) If Buyer elects to terminate this Agreement under the terms of Section 2.3(b) above, the Option Payment shall be returned to Buyer, this Agreement shall terminate and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

2.4 *Public Agency and Funding Parties' Review.* The parties acknowledge that if Buyer elects to proceed with this Agreement as provided in Section 2.3 above, the Property's title and physical condition may also be inspected by any public or nonprofit agency providing funding for the purchase of the Property (each a "**Funding Party**"). Any Funding Party may notify Buyer of (i) the exceptions to title and/or issues related to the legal description of the land shown on the PTR to which it objects or (ii) matters related to the Property to which the Funding Party objects ("Funder's Objections") no later than Buyer's exercise of the Option. Upon receipt of Funder's Objections, Buyer shall provide the same to Seller.

(a) *Seller's Cure.* If Seller is unable or unwilling to remove and/or remedy any of Funder's Objections, prior to Buyer's exercise of the Option, to Buyer's satisfaction as determined by Buyer in Buyer's reasonable discretion, Buyer shall either:

- (1) terminate this Agreement, in which case the Option Consideration then deposited with Escrow Holder shall be paid to Seller and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive; or
- (2) proceed with this Agreement.

2.5. *Change in Condition.* All risk of loss related to the Property shall remain with Seller until Close of Escrow.

(a) *Seller's Notice.* Seller shall immediately notify Buyer of and provide Buyer with all information related to any of the following (each of which shall each be referred to as a "**Change in Condition**"):

- (1) any damage or destruction to the Property or any portion thereof which occurs after the Effective Date;
- (2) any receipt after the Effective Date of notice of any potential eminent domain proceedings affecting the Property or any portion of it;
- (3) any supplement to the PTR issued for any reason whatsoever or any matter that affects title not reflected in the PTR ("PTR Supplement");
- (4) receipt of any documents or information related to the Property's use, value or control that Seller did not have in its custody or possession as of the Effective Date; or
- (5) any other event that occurs after the Effective Date or information received or discovered by Seller after the Effective Date that affects the value or use of the Property.

(b) *Buyer's Election to Terminate.* If a Change in Condition occurs Buyer shall have the right, at its election (even if Buyer has already exercised the Option), within a

reasonable time after notice from Seller, to terminate this Agreement by written notice to Seller, in which case this Agreement shall expire and terminate, the Option Payment shall be returned to Buyer, and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

3. Closing.

3.1 *Escrow Holder.* Within ten (10) calendar days after the Effective Date, Buyer and Seller shall open an escrow with _____, Attn: _____, Senior Escrow Officer, Tel: (415) _____; Fax: (415) _____ (the "Escrow Holder") for the purpose of consummating the purchase and sale and conveyance of title to the Property in accordance with the terms of this Agreement. Buyer and Seller shall jointly request that the Escrow Holder waive any escrow fees, on the basis that the subject transaction is for the public benefit and the transfer of the Property is being done on a bargain sale basis. If Buyer exercises the Option, the closing of the transaction shall be carried out pursuant to this Section 3. Escrow shall close on the date which is thirty (30) days after the date on which Buyer exercises the Option (the "Close of Escrow"). However, the Close of Escrow may be extended by Buyer for up to an additional thirty (30) calendar days if necessary.

3.2 Documents.

(a) *Seller's Documents.* At least five business day prior to the Close of Escrow, Seller shall deposit with Escrow Holder:

- (1) one original duly executed, acknowledged and dated grant deed in a form suitable for recordation, conveying to Buyer marketable, record, fee simple title to the Purchase Parcels (the "**Grant Deed**") in substantially the form of Exhibit D attached hereto (or in such other form as required by any Funding Agency) which Grant Deed shall be recorded in the Official Records of Marin County, California at the Close of Escrow;
- (2) one original duly executed, acknowledged and dated grant deed in a form suitable for recordation, conveying to Buyer marketable, record, fee simple title to the Donation Parcel (the "**Donation Deed**") in substantially the form of Exhibit E attached hereto (or in such other form as required by any Funding Agency) which Grant Deed shall be recorded in the Official Records of Marin County, California at the Close of Escrow;
- (3) one original duly executed and dated separate statement of documentary transfer tax;
- (4) one original duly executed and dated affidavit from Seller which satisfies the requirements of Section 1445 of the Internal Revenue Code, as amended,
- (5) one original duly executed and dated California Form 593-C. Seller acknowledges that if Seller is a non-California resident pursuant to Revenue and Taxation Code Section 18662 and 18668, as amended, and is not otherwise exempted from such sections' withholding requirements, Buyer or Escrow Holder may be required to withhold a portion of the Purchase Price at the Close

of Escrow according to applicable law;

- (6) one original duly executed and dated Owner's Title Affidavit;
- (7) one original duly executed and dated joint escrow instructions by and between Buyer and Seller which shall instruct Escrow Holder in its closing of this transaction pursuant to the terms herein, the provisions of which shall not conflict with the provisions of this Agreement ("Joint Escrow Instructions");
- (8) such other instruments and documents as may be reasonably required by Escrow Holder and/or Title Company to transfer the Property to Buyer (or Buyer's nominee) and issue the Title Policy (as defined below), which may include copies of trust instruments.

(b) *Buyer's Documents.* At least two business days prior to the Close of Escrow, Buyer shall deposit with Escrow Holder:

- (1) one (1) original duly executed and dated counterpart of the Joint Escrow Instructions;
- (2) such other instruments and documents as may be reasonably required by Escrow Holder and/or Title Company to transfer the Property to Buyer.

3.3 *Funds.* At least one (1) business day prior to the Close of Escrow, Buyer shall deposit with the Escrow Holder the Purchase Price (plus or minus additional sums as may be credited/debited to Buyer hereunder). Buyer will only deposit these funds once Escrow Holder has notified Buyer that Seller has delivered all of the documents described in Section 3.2(a) above and is prepared to proceed to close the transaction in accordance with the terms of the Joint Escrow Instructions. These funds shall be transferred to Seller by Escrow Holder only after all of Seller's obligations in this Section 3 have been met, the Grant Deed and the Gift Deed has been recorded, and the Escrow Holder is otherwise in a position to comply with all aspects of the Joint Escrow Instructions.

(a) *Taxes.* The Buyer shall be responsible for the costs of all current unpaid real property taxes based on the most recent property tax bills available, for the Property through the Close of Escrow, except to the extent that Buyer has provided payment for such taxes to Seller pursuant to section 6.1, below.

(b) *Closing Costs.*

- (1) Seller shall pay the following closing costs: (i) one-half the escrow fee, if any; (ii) all documentary tax, sales tax, or real property transfer tax; (iii) any additional taxes, penalties and interest, including compensatory or roll back taxes on the Property due and payable as a result of the conveyance to Buyer and (iv) one-half of all fees other than those specified in this Section 4.3.
- (2) Buyer shall pay the following closing costs: (i) one-half the escrow fee, if any; (ii) recording fees for the Grant Deed and the Gift Deed; (iii) the premium for the Title Policy; and (iv) one-half of all fees other than those specified in this Section 3.3.
- (3) Each party shall pay its own attorneys' fees and other expenses incurred by it in connection with this Agreement and Close of Escrow.

3.4 *Delivery of Possession.* Seller shall deliver possession of the Property to Buyer at Close of Escrow, free and clear of anyone in possession or occupancy. Aside from reasonable wear and tear, the Property shall be in the same order and condition as on the Effective Date, except as otherwise specifically provided for in this Agreement.

3.5 *Title Insurance.* At the Close of Escrow, Buyer may elect to cause Title Company to provide Buyer with an CLTA standard coverage owner's policy of title insurance with regional exceptions in the full amount of the Purchase Price insuring that title to the Property is vested in Buyer upon Close of Escrow without any liens and subject only to the Permitted Exceptions ("**Title Policy**"). Buyer shall pay the premium on the Title Policy.

3.6 *Conditions to Close.*

(a) *Buyer's Conditions.* Escrow shall not close unless and until the following conditions precedent and contingencies have been satisfied or waived in writing by Buyer. If any condition precedent set forth in this Section 3.6(a) is not satisfied or waived by Buyer, in addition to any other rights and remedies of Buyer set forth herein, Buyer may terminate this Agreement by written notice to Seller and the parties shall have no further obligation to each other under this Agreement except those expressly stated to survive.

- (1) All instruments described in Section 3.2(a) have been delivered to the Escrow Holder;
- (2) On the Close of Escrow, Seller shall not be in material default in the performance of any covenant or agreement to be performed by Seller under this Agreement;
- (3) On the Close of Escrow, all representations and warranties made by Seller herein shall be materially true and correct as if made on and as of the Close of Escrow;
- (4) On the Close of Escrow, Title Company shall be in a position to issue the Title Policy;
- (5) Before Buyer exercises the Option, the Board of Directors of Buyer shall have authorized and approved, in the sole and absolute discretion of such Board of Directors, the exercise of the Option and consummation of the transaction contemplated by this Agreement;
- (6) On or before the Close of Escrow, Funding Parties shall have deposited with Escrow Holder funds for Buyer's use in amount sufficient for Buyer to acquire the Property pursuant to the terms herein; and
- (7) On the Close of Escrow, the Property shall be in the materially same order and condition as on the Effective Date.

(b) *Seller's Conditions.* Escrow shall not close unless and until the following conditions precedent and contingencies have been satisfied or waived in writing by Seller. If any condition precedent set forth in this Section 3.6(b) is not satisfied or waived by Seller, in addition to any rights and remedies of Seller set forth herein, Seller may terminate this Agreement by written notice to Buyer, and the parties shall have no further

obligation to each other under this Agreement except those expressly stated to survive.

- (1) All instruments described in Section 3.2(b) have been delivered to the Escrow Holder;
- (2) All funds described in Section 3.3 have been delivered to the Escrow Holder;
- (3) On the Close of Escrow, Buyer shall not be in material default in the performance of any covenant or agreement to be performed by Buyer under this Agreement; and
- (4) On the Close of Escrow, all representations and warranties made by Buyer herein shall be materially true and correct as if made on and as of the Close of Escrow.

4. *Seller's Covenants.*

4.1 *Condition.* From the Effective Date to the Close of Escrow, Seller shall not:

- (a) remove or permit the removal of any vegetation, trees, soil or minerals from the Property or disturb or permit the disturbance of the existing contours and/or other natural features of the Property;
- (b) undertake any improvements to or physical development of or construct any structures of any type on the Property, except with the prior written consent of the Buyer, which shall not be unreasonably withheld if the improvement, development or constructions is reasonably necessary to address conditions that are hazardous, dangerous or threaten life, health or property or to comply with applicable laws or regulations or order of a regulatory agency;
- (c) cause or permit any dumping or depositing of any materials on the Property, including, without limitation, garbage, Hazardous Substances (as defined below), construction debris or solid or liquid wastes of any kind;
- (d) use, produce, process, manufacture, generate, treat, handle, store or dispose of any Hazardous Substances in, on or under the Property, or permit any person using or occupying the Property or any part thereof to do any of the foregoing; or
- (e) take any action or permit any action that could reduce the value of the Property. Seller shall continue to operate and maintain in accordance with appropriate, responsible property management practices. Seller shall comply, and shall cause all persons using the Property or any part thereof to comply, with all Environmental Laws (as defined below) applicable to the Property.

4.2 *Removal of Personal Property.* Prior to Close of Escrow, Seller shall remove from the Property at Seller's expense all personal property and/or trash or any other unsightly or offensive materials, including but not limited to, any above ground and underground tanks, barrels, equipment, on the Property, unless otherwise agreed to in writing by Buyer.

4.3 *No Encumbrance.* From the Effective Date until the Close of Escrow, Seller shall not:

- (a) make any leases, contracts, options or agreements affecting the Property;
- (b) cause, permit or suffer to exist any right, restriction or easement to be created, placed upon or claimed upon with respect to the Property;
- (c) cause or permit any secured property tax to be come delinquent;
- (d) cause or permit any mortgage, deed of trust or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or failure to obtain any required consent; or
- (e) sell, convey, assign, transfer, encumber or otherwise dispose of the Property, or any part thereof or interest therein.

4.4 *No Action.* Seller shall not commence any legal action or proceeding with respect to the Property without first obtaining the prior written consent of Buyer, which consent shall not be unreasonably withheld.

5. *Seller's Representations and Warranties.* Seller hereby covenants that the following representations and warranties of Seller are true as of the Effective Date and shall be true and correct as of the Close of Escrow and shall survive the Close of Escrow. Seller represents and warrants the following:

- 5.1 *Power and Authority.* Seller has full power and authority to enter into this Agreement and the person signing this Agreement for Seller, if Seller is not an individual, has full power and authority to sign for Seller and to bind it to this Agreement and to sell, transfer and convey all right, title and interest in and to the Property in accordance with this Agreement.
- 5.2 *Validity of Agreement.* This Agreement is a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.
- 5.3 *Insolvency.* Seller is not insolvent and has no intention of filing for protection under the bankruptcy laws of the United States.
- 5.4 *Litigation.* There is no suit, action, arbitration, legal, administrative or other proceeding pending against the Property, or pending against Seller which could affect Seller's title to the Property, authority to convey the Property, affect the value of the Property, or subject an owner of the Property to liability.
- 5.5 *Tenants. Occupants and Use.* There is no tenant, occupant, or any person or entity other than Seller in possession of or using any part of the Property or entitled to possession or use of any part of the Property.

- 5.6 *Encumbrances and Liens and Encroachments.* Except as stated in the PTR and disclosed in this Agreement, there are no encumbrances or liens against the Property and no encroachments on or over the Property.
- 5.7 *Other Sales Contracts.* Seller has not entered into any other options, rights of first refusal, or contracts for the sale or transfer of the Property that are in force or effect.
- 5.8 *Violation of Law.* No notices of violation of any ordinance, law, rule or regulation relating to the Property have been issued to, served upon, received by or entered against Seller.
- 5.9 *Taxes.* Except for the amounts disclosed by the tax bills delivered to Buyer by Seller and the real property taxes to be assessed due to the change of ownership of the Property, no other real property taxes, assessments, or other governmental charges or exactions ("**Taxes**") have been or will be assessed against the Property for the current tax year.
- 5.10 *Hazardous Substances.* There is no known and has been no known: condition at, on, under or related to the Property presently or potentially posing a significant hazard to human health or the environment and no Hazardous Substance, pollutant or contaminant has been into, upon or over the Property or within the immediate vicinity of the Property. As used in this Agreement, the term "**Hazardous Substance(s)**" means any substance which is (1) defined as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under or regulated by any Environmental Law(s). The term "**Environmental Law(s)**" means each and every federal, state, and local law, , regulation, rule, order or similar requirement of each and every federal, state and local governmental agency or other governmental authority, pertaining to the protection of human health and safety and the environment.
- 5.11 *Property Information.* All the Property Information provided by Seller to Buyer is true, correct and complete and is all of the documentation and information that Seller has in its possession, custody or control concerning any matters which may directly or indirectly affect the Property and/or the value, use, control, operation or ownership of the Property either now or in the future.
- 5.12 *Development Rights.* Seller has not sold, conveyed, transferred or assigned any rights to develop the Property.

6. *Buyer's Covenants*

6.1 *Buyer's Reimbursement of Property Taxes.*

- (a) If Buyer does not exercise the Option on or before March 10, 2013, Seller may provide Buyer with a copy of each of the three Marin County Secured Tax Statements for the Property and a notice requesting payment by Buyer of the

Second Installment of secured taxes on the Property for the period July 1, 2012 to June 30, 2013 (the “**2012-13 Second Installment of Property Taxes**”). Within ten business days of receipt of the notice and statement, Buyer shall provide payment to Seller in the amount of the 2012-13 Second Installment of Property Taxes.

- (b) If Buyer does not exercise the Option on or before November 10, 2013, Seller may provide Buyer with a copy of each of the three Marin County Secured Tax Statements for the Property and a notice requesting payment by Buyer of the First Installment of secured taxes on the Property for the period July 1, 2013 to June 30, 2014 (the “**2013-14 First Installment of Property Taxes**”). Within ten business days of receipt of the notice and statement, Buyer shall provide payment to Seller in the amount of the 2013-14 First Installment of Property Taxes.
- (c) Notwithstanding this section 6.1, Seller shall remain responsible for paying to the Marin County Tax Assessor all secured property tax payments for the Property as and when due and prior to delinquency, as specified in section 4.3, above.

6.2 Buyer Cooperation with Seller – Bargain Sale

- (a) Based on an appraisal done in October 2010, the parties believe that the sale of the Purchase Parcels may be a “bargain sale”, with the Purchase Price below the fair market value of the Purchase Parcels. Further, the parties also believe that the donation of the Donation Parcel at minimal consideration, as detailed in this Agreement, is likewise a “bargain sale”.
- (b) Seller acknowledges that Seller should seek the advice of a tax professional as to whether the transaction under this Agreement is a “bargain sale” and that the Seller cannot rely on Buyer’s belief. Nonetheless, Buyer agrees to cooperate with Seller, if and as requested by Seller, to the extent Buyer reasonably can, in connection with any attempt by the Seller to seek a charitable tax deduction or other favorable treatment under the tax law, based on the belief that the transaction under this Agreement is a “bargain sale”.

7. *Buyer's Representations and Warranties.* Buyer hereby covenants that the following representations and warranties of Buyer are true as of the Effective Date and shall be true and correct as of the Close of Escrow and shall survive the Close of Escrow. Buyer represents and warrants the following:

7.1 *Power and Authority of Buyer.* Buyer is a municipal corporation duly organized and existing under the laws of the State of California and has the requisite power and authority to enter into and carry out the terms of this Agreement.

7.2 *Validity of Agreement.* This Agreement is a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

8. *Seller Default.* If Seller defaults in the performance of any of Seller's obligations, promises,

or agreements under this Agreement or if Seller breaches any of its representations or warranties hereunder ("Seller's Default"), the Option Consideration shall be immediately returned to Buyer, and Buyer may elect to terminate this Option Agreement. If a Seller's Default exists as of the Close of Escrow, Buyer may elect to either defer the Close of Escrow until the Seller's Default has been remedied or proceed to the Close of Escrow.

9. *Miscellaneous Terms.*

- 9.1 *Notices.* All notices required or permitted under this Agreement will be in writing and delivered to the Parties by email, followed by personally delivery or delivery by first class mail, postage prepaid, at the addresses stated in Recital A, above. A notice will be considered given after it is emailed and either deposited in the mail, first class postage prepaid, addressed to the party to be notified, or delivered by hand to the party to be notified.
- 9.2 *No Broker's Commission.* In early negotiation of the transaction contemplated by this Agreement the Seller used a real estate broker. However, the Seller has notified the Buyer that the real estate broker has waived any commission or fee to which the broker might otherwise be entitled. If any person asserts a claim for a broker's commission or finder's fee against one of the parties, the party on account of whose actions the claim is asserted shall indemnify and hold the other party harmless from and against the claim. The indemnification obligation shall survive the Close of Escrow or earlier termination of this Agreement.
- 9.3 *Binding on Successors.* This Agreement shall be binding not only on the parties but also on their respective successors and assigns.
- 9.4 *Additional Documents.* Seller and Buyer agree to sign and deliver such additional documents, including escrow instructions, as may be reasonable and necessary to carry out the provisions of this Agreement.
- 9.5 *Entire Agreement.* This Agreement is the entire agreement between the parties about the Property and supersedes all prior and contemporaneous agreements representations, and understandings.
- 9.6 *Interpretation.* This Agreement will be interpreted without regard to any presumption or other rule of interpretation based on who drafted the Agreement. Both parties have been advised and have had the opportunity to confer with counsel regarding this Agreement.
- 9.7 *Amendment.* No amendment of this Agreement will be binding unless in writing and signed by the parties.
- 9.8 *Assignment of Buyer's Interest.* Buyer may assign its interest in this Agreement to another public entity or nonprofit organization, subject to the prior written consent of Seller, which shall not be unreasonably withheld, provided that one of the purposes of

the public entity or nonprofit organization is to preserve land as open space.

9.9 *Governing Law.* This Agreement will be governed by and interpreted in accordance with the laws of the State of California.

9.10 *Counterparts.* This Agreement may be signed in counterparts, each of which will be considered an original and which together will constitute one and the same agreement.

IN WITNESS of the foregoing provisions the parties have signed this Option Agreement below:

SELLER:

NEIL DAN REID, AN INDIVIDUAL, AND THE NEIL REID TRUST A (SURVIVOR TRUST), ESTABLISHED UNDER THE REID 1988 REVOCABLE TRUST

By: Neil Dan Reid, Individually, and as
Trustee of the Neil Reid Trust A (Survivor
Trust), established under the Reid 1988
Revocable Trust

BUYER:

TOWN OF FAIRFAX

By: _____
Judy Anderson
Acting Town Manager

Attest:

CLERK, TOWN OF FAIRFAX

BY: _____
Insert Name

EXHIBIT A
LEGAL DESCRIPTION OF PURCHASE PARCELS

Parcel One:

Lot 44, as shown upon that certain Map entitled "Map of P.H. Jordan Company Subdivision of Ridgeway Park (now known as Ramona Terrace)", filed for record March 30, 197 in Volume 2 of Maps, at Page 80, Marin County Records.

Parcel Two:

A portion of Lots 42 and 43, as shown upon that certain Map entitled "Map of P.H. Jordan Company Subdivision of Ridgeway Park (now known as Ramona Terrace)", filed for record March 30, 197 in Volume 2 of Maps, at Page 80, Marin County Records.

Being more particularly described as follows:

Beginning at the most Northerly corner of Lot 43, as said Lot is laid down and delineated upon the certain Map entitled, "Licensed Surveyor's Record Resurvey of a portion of P.H. Jordan Company, Subdivision of Ridgeway Park, Marin Co. Calif.", original Map filed May 30, 1907 in Volume 2 of Maps at Page 80, Resurvey September 1923, by C.H. Towle, filed in Book 1 of Licensed Surveys at Page 42, Marin County Records; and running thence along the Northeasterly lines of Lot 43 and 42 Southeasterly 80 feet to the most Easterly corner of Lot 42; thence Southwesterly along the Southeasterly line of Lot 42, 101.5 feet; thence Northwesterly 80 feet more or less to a point on the Northwesterly line of Lot 43 distant on said line 81.8 feet Southwesterly from the point of beginning and running thence along said line Northeasterly 81.8 feet to the point of beginning.

Parcel Three:

An easement for public utilities 5 feet in width lying Northerly of and adjacent to the Southeasterly line of Lot 42 from the lot above described to Ridgeway Avenue.

APN's 001-193-07 & 09

EXHIBIT B
LEGAL DESCRIPTION OF DONATION PARCELS

EXHIBIT C
Form of Memorandum of Option Agreement

**RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:**

Town of Fairfax
142 Bolinas Road
Fairfax, CA 94930
Attention: Town Manager

Transfer Tax Not Applicable: R&T Code 11922
Exempt from Recording Fees: Gov. Code 27383

APN No. 001-022-04

(Space Above Line for Recorder's Use Only)

MEMORANDUM OF OPTION AGREEMENT

This Memorandum of Option Agreement is dated as of , 201_ by **Neil Dan Reid, an individual, and the Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust ("Seller")** and is a memorandum of that certain Option Agreement dated as of , 201_ ("**Option Agreement**") between Seller and **THE TOWN OF FAIRFAX**, a California municipal corporation ("**Buyer**"), all the terms and conditions of which are hereby made a part hereof with the same force and effect as though fully set forth herein. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Option Agreement.

Pursuant to the Option Agreement, Seller has granted to Buyer an exclusive option to purchase that certain real property located in Marin County, California, and more particularly described in Exhibit A attached hereto, all subject to the terms therein. Said option will expire at 5:00P.M. California time on the date which is twelve months after the Effective Date, provided, however, at the election of Buyer, the Effective Date may be extended an additional six months.

Nothing herein shall be deemed to amend the terms of the Option Agreement.

Seller: **NEIL DAN REID, AN INDIVIDUAL, AND THE NEIL REID TRUST A (SURVIVOR TRUST), ESTABLISHED UNDER THE REID 1988 REVOCABLE TRUST**

By: Neil Dan Reid, Individually, and as
Trustee of the Neil Reid Trust A (Survivor
Trust), established under the Reid 1988
Revocable Trust

[*add notary page*]

[add "Exhibit A to Memorandum of Option Agreement" – Legal Description]

EXHIBIT D
Form of Grant Deed

**RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:**

Town of Fairfax
142 Bolinas Road
Fairfax, CA 94930
Attention: Town Manager

Transfer Tax Not Applicable: R&T Code 11922
Exempt from Recording Fees: Gov. Code 27383

APN No. 001-193-07 and -09

(Space Above Line for Recorder's Use Only)

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Neil Dan Reid, an individual, and the Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust** (collectively, the "GRANTOR") hereby grants to the **Town of Fairfax**, a municipal corporation existing under California law, the real property in the Town of Fairfax, County of Marin, State of California, legally described on Exhibit 1 hereto.

IN WITNESS WHEREOF, the undersigned has executed this document as of the day and year indicated.

Dated: _____, 2012

GRANTOR:

Neil Dan Reid, Individually, and as Trustee of the Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust

**[*add notary page*]
[add Exhibit 1 – Legal Description]
[add Town Certificate of Acceptance]**

EXHIBIT E
Form of Donation Deed

**RECORDING REQUESTED
AND WHEN RECORDED MAIL TO:**

Town of Fairfax
142 Bolinas Road
Fairfax, CA 94930
Attention: Town Manager

Transfer Tax Not Applicable: R&T Code 11922
Exempt from Recording Fees: Gov. Code 27383

APN No. 0001-193-03

(Space Above Line for Recorder's Use Only)

GIFT DEED

Neil Dan Reid, an individual, and the Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust (collectively, the "GRANTOR") hereby grants to the **Town of Fairfax**, a municipal corporation existing under California law, the real property in the Town of Fairfax, County of Marin, State of California, legally described on Exhibit 1 hereto.

IN WITNESS WHEREOF, the undersigned has executed this document as of the day and year indicated.

Dated: _____, 2012

GRANTOR:

Neil Dan Reid, Individually, and as Trustee of the Neil Reid Trust A (Survivor Trust), established under the Reid 1988 Revocable Trust

[*add notary page*]
[add Exhibit 1 – Legal Description]
[add Town Certificate of Acceptance]



Stewart Title of California, Inc
 100 Drakes Landing Road, #130
 Greenbrae, CA 94904
 (415) 461-7474 Phone
 (415) 925-0470 Fax

May 15, 2012

Town of Fairfax
 Attn: Linda
 Email: lneal@townoffairfax.org

Re: Escrow Officer : Alison Cardy
 Escrow Number : 466180
 Property Address : AP#001-022-04
 Fairfax, California 94930
 Buyer : Arthur Court Elena Court Elena Court
 Seller :
 Invoice # :

INVOICE

Income Code	Description	Amount
	Preliminary Title Report	\$400.00
		\$
		\$
	Invoice Total	\$400.00

STEWART TITLE OF CALIFORNIA, INC.

Ex 4

Next Prop-Id: _____ Bill Nbr: _____
Next Time: ACT Type: REAL Bill Type: ALL Prop Cd: ALL Active Bill: ACT

Prop-Id: 001-022-04 Time: ACT Type: REAL Bill Ty: SEC Prop Cd: RPR
Situs Addr:

Owner: ARTHUR & ELENA COURT FAMILY Tax Yr: 2011/12 Bill Dt: 09/30/2011

Tax Cd: SECR Bill Nbr: 11-104649

Current Addr 240 TRINITY RD
BRISBANE CA 94005

Enrl: SC-11-007414930

TRA: 003-000 Rvsn:

	1st Installment	2nd Installment	Land:	Taxable Value
Tax:	303.94	303.94	Improvements:	467
Pen/Cost/Fee:	30.39	40.39	Business:	
Tot Due:	334.33	344.33	Pers Property:	
Date Paid:			Exemptions:	
Date Dlnq:	12/10/2011	04/10/2012	Net Value:	467
Tax Type: SECR	Total Bill:	607.88		

FS1 CMD: _____ KEY: _____

007 THERE ARE NO MORE BILLS FOR THIS PROPERTY-ID

1-RFNDBSEL 2-DEEDPSEL 3-EVNTPEL 4-PAYOFF 5-BILLPSEL 6-OLDRBILL 7-NEWRBILL 2

Next Prop-Id: _____ Bill Nbr: _____
 Next Time: ACT Type: REAL Bill Type: ALL Prop Cd: ALL Active Bill: ACT
 Select Key:
 Prop-Id: 001-022-04 Time: ACT Type: REAL Bill Ty: SEC Prop Cd: RPR
 Roll Year: 2011/12 Bill Nbr: 11-104649 Tax Year: 2011/12 Tax Type: SECR
 Levy Rte/Fnd Title

		1st	2nd	Total	
0	1.0000	BASIC TAX	2.33	2.33	4.66
L	.1198	SCHOOL BONDS	.22	.22	.44
L	.0455	CITY BONDS	.10	.10	.20
L	.0910	FAIRFAX PENSION	.21	.21	.42
3	107761	TAM UNION H SCH DIST	119.39	119.39	238.78
3	101160	CO LIBRARY SPEC TAX	24.50	24.50	49.00
3	107892	ROSS VALLEY SCH ASMT	154.83	154.83	309.66
3	109156	FAIRFAX-RUNOFF CHR	2.36	2.36	4.72
		Total Tax Charges:	303.94	303.94	607.88
		Total Tax Credits:	.00	.00	.00
		Total Tax Balance:	303.94	303.94	607.88

FS1 CMD: _____ KEY: _____
 0404 NO MORE INFORMATION AVAILABLE
 1-RFNDBSEL 2-DEEDPSEL 3-EVNTPSEL 4-PAYOFF 5-BILLPSEL 6-OLDRBILL 7-NEWRBILL 8

FS1 PAYSTAX PAYOFF SECURED TAX BILLS FOR THIS PROPERTY T1314A 13

Next Prop-Id: 5/11/2012
Next Time: ACT Type: REAL Bill Type: ALL Prop Cd: ALL Active Bill: ACT

Prop-Id: 001-022-04 Time: ACT Type: REAL Bill Type: SEC
Prop Cd: RPR Prop Cd Title: REAL PROPERTY

Situs:

Type	Bill Nbr	Mailed	Instl	Taxes	Due on	Late Charge	Amount Due
SECR	11-104649	09/30/2011	01	303.94	12/10/2011	30.39	334.33
SECR	11-104649	09/30/2011	02	303.94	04/10/2012	40.39	344.33

To Payoff all Unpaid Taxes as of 05 11 2012 will cost 678.66

FS1 CMD: KEY:
1007 THERE ARE NO MORE BILLS FOR THIS PROPERTY-ID
1-PROPVIEW 2-DEEDVIEW 3-EVNTVIEW 4-PAYUTAX 5-BILLPSEL 6-ETALVIEW 7-BILLVIEW 2

to view



Stewart Title of California, Inc
2850 Cordelia Road, Ste 100
Fairfield, CA 94534
(707) 439-7500 Phone

PRELIMINARY REPORT

Order Number : 466180
Title Unit Number : 7931

Buyer/Borrower Name: : Arthur Court Elena Court

Property Address: AP#001-022-04, Fairfax, California

In response to the above referenced application for a Policy of Title Insurance, Stewart Title of California, Inc. hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referenced to as an Exception on Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions, and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on covered Risks of said policy or policies are set forth in Exhibit A attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limits of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report, (and any supplements or amendments thereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance a binder or commitment should be requested.

Dated as of: May 7, 2012 at 7:30 a.m.

Peggy Suhrke, Title Officer

When replying, please contact Alison Cardy, Escrow Officer

Stewart Title of California, Inc.
100 Drakes Landing Road, #130
Greenbrae, CA 94904
(415) 461-7474

PRELIMINARY REPORT

The form of Policy of Title Insurance contemplated by this report is:

- California Land Title Association Standard Coverage Policy
- American Land Title Association Owners Policy
- American Land Title Association Residential Title Insurance Policy
- American Land Title Association Loan Policy
- CLTA/ALTA Homeowners Policy
- ALTA Short Form Residential Loan Policy (06/16/07)
- 2006 ALTA Loan Policy

SCHEDULE A

The estate or interest in the land hereinafter described or referred to covered by this report is:

Fee

Title to said estate or interest at the date hereof is vested in:

Elena Marie Orsini-Court, and The Arthur and Elena Court Family Trust, as their respective interest appear of record

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Marin, City of Fairfax, and described as follows:

Lot 19, in Block "P", as shown upon that certain Map entitled "Amended Map of Fairfax Manor", filed for record April 8, 1919 in Volume 5 of Maps, at Page 4, Marin County Records.

APN 001-022-04

(End of Legal Description)

SCHEDULE B

At the date hereof, exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy or policies would be as follows:

Taxes:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes, to be levied for the fiscal year 2012 – 2013.

- B. General and Special City and/or County taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2011 - 2012:
 - 1st Installment: \$303.94 Delinquent
 - Penalty: \$30.39
 - 2nd Installment: \$303.94 Delinquent
 - Penalty: \$30.39
 - Cost: \$10.00
 - Code Area: 003-000
 - Assessor's Parcel No.: 001-022-04

- C. Assessments, if any, for Community Facility Districts affecting said land which may exist by virtue of assessment maps or notices filed by said districts. Said assessments are collected with the County Taxes.

- D. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California.

Exceptions:

- 1. Covenants, Conditions, and Restrictions as set forth in an instrument, but omitting, except to the extent permitted by any applicable federal or state law, covenants or restrictions, if any, based on race, color, religion, sex, familial status, national origin, handicap, sexual orientation, marital status, ancestry, source of income, disability, medical condition, or other unlawful basis.
Recorded: January 9, 1915 in Book 166 of Deeds at Page 142, Marin County Records.

The conditions therein contain no express words of forfeiture or reversion of title if violated.

Note: Section 12956.1 of the Government Code provides the following: If this document contains any restrictions based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void. Any person holding an interest in this property may request that the county recorder remove the restrictive language pursuant to subdivision (c) of Section 12956.1 of the Government Code.

- 2. The interest, if any, of The Arthur & Elena Court Family Trust, grantee(s) in the deed recorded July 10, 2002, as Instrument 2002-0059682 of Official Records. The record does not disclose that such grantee is an entity capable of acquiring title to real property.

3. Any invalidity or defect in the title of the vestees in the event that the trust referred to in the vesting portion of Schedule A is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.
4. If title is to be insured in the trustee(s) of a trust or their act is to be insured, we will require a full copy of the trust agreement and any amendments thereto. In certain situations the Company may accept a Trust Certificate, pursuant to Section 18100.5 of the California Probate Code in lieu of the trust agreement. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.
5. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records

(End of Exceptions)

NOTES AND REQUIREMENTS

According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report.

This report is preparatory to the issuance of an ALTA loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA Endorsement Forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA Endorsement Form 116 or 116.2, if applicable will reference a(n) Vacant/Unimproved-Commercial, AP#001-022-04, Fairfax, CA. 94930

The charge for a policy of title insurance, when issued through this title order, will be based on the Refinance Rate, if applicable.

The map attached, if any, may or may not be a survey of the land depicted hereon. Stewart Title expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

A Preliminary Change of Ownership Report must be completed by the transferee (buyer) prior to the transfer of property in accordance with the provisions of Section 480.3 of the Revenue and Taxation Code. The Preliminary Change of Ownership Report should be submitted to the recorder concurrent with the recordation of any document effecting a change of ownership. If a document evidencing a change of ownership (i.e. Deed, Affidavit-Death Joint Tenant) is presented to the recorder for recording without a preliminary change of ownership report, the recorder may charge an additional \$20.00

If your property is in San Francisco, it is the requirement of the City and County of San Francisco that a Transfer Tax affidavit to be completed and signed by the Grantor for each deed submitted for recording. This is an addition to a Preliminary Change of Ownership Report.

In addition to County Transfer Tax, any conveyance of the herein described property may be subject to a City Transfer and/or Conveyance Tax, as follows.

Alameda	\$12.00 per thousand
Albany	\$11.50 per thousand
Berkeley	\$15.00 per thousand
Cloverdale	\$1.10 per thousand
Cotati	\$1.90 per thousand
Culver City	\$4.50 per thousand
Hayward	\$4.50 per thousand
Los Angeles	\$4.50 per thousand
Mountain View	\$3.30 per thousand
Oakland	\$15.00 per thousand
Palo Alto	\$3.30 per thousand
Petaluma	\$2.00 per thousand
Piedmont	\$13.00 per thousand
Pomona	\$2.20 per thousand
Redondo Beach	\$2.20 per thousand

Richmond	\$7.00 per thousand
Riverside	\$1.10 per thousand
Sacramento	\$2.75 per thousand
San Leandro	\$6.00 per thousand
City and County of San Francisco	Up to \$250,000 = \$5.00 per thousand \$250,000 to \$1,000,000 = \$6.80 per thousand \$1,000,000 to \$5,000,000 = \$7.50 per thousand \$5,000,000 to \$10,000,000 = \$20.00 per thousand Above \$10,000,000 = \$25.00 per thousand (Do not add the additional \$1.10 for County Tax, it is included.)
San Jose	\$3.30 per thousand
San Mateo	\$5.00 per thousand
San Rafael	\$2.00 per thousand
Santa Monica	\$3.00 per thousand
Santa Rosa	\$2.00 per thousand
Sebastopol	\$2.00 per thousand
Vallejo	\$3.30 per thousand
Waterford	\$0.55 per thousand
Winters	\$1.10 per thousand
Woodland	\$1.10 per thousand

Additional Requirements for "Short Sale" Transactions in which a lender will accept less than the outstanding balance of its loan as full satisfaction of the obligation:

The Company will require, prior to the issuance of a policy of title insurance, evidence that the first-position trust deed holder has received and acknowledged all payments to be made to subordinate-position lien holders, regardless of whether such payments are to be made from proceeds or from contributions by real estate brokers and/or buyers in the subject transaction, or from other third-party sources. Evidence shall include but not be limited to: (a) a written demand from the first-position trust deed holder acknowledging and approving payments to subordinate-position lien holders from proceeds and otherwise; or (b) a supplemental letter or amended demand from the first-position lien holder acknowledging payments to be made to subordinate lien holders from sources other than proceeds (including broker commissions and additional buyer deposits).

CALIFORNIA "GOOD FUNDS" LAW

California Insurance Code Section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds received by Stewart Title of California, Inc. via wire transfer may be disbursed upon receipt. Funds received via cashier's checks or teller checks drawn on a California Bank may be disbursed on the next business day after the day of deposit. If funds are received by any other means, recording and/or disbursement may be delayed, and you should contact your title or escrow officer. All escrow and sub-escrow funds received will be deposited with other escrow funds in one or more non-interest bearing escrow accounts in a financial institution selected by Stewart Title of California, Inc.. Stewart Title of California, Inc. may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and Stewart Title of California, Inc. shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by Stewart Title of California, Inc.. Such benefits shall be deemed additional compensation to Stewart Title of California, Inc. for its services in connection with the escrow or sub-escrow.

If any check submitted is dishonored upon presentation for payment, you are authorized to notify all principals and/or their respective agents of such nonpayment.

Wire Instructions

Please find below Wiring Instructions for Escrow # 466180

<u>Effective</u>	May 11, 2012
All funds wired should be directed to:	
Bank	Comerica Bank
Address	2 Embarcadero Center, Suite 300
City/State	San Francisco, CA 94111
ABA	121137522
Credit To	Stewart Title of California, Inc.
Account No.	1894096591
Reference	Escrow Officer - Alison Cardy
	Escrow Number - 466180
	Escrow Unit No. - 7906

We do not accept ACH Transfers, these funds will be returned and may cause a delay in closing. If you have any questions regarding this matter, please do not hesitate to contact this office.

4 4STG Privacy Notice 1 (Rev 01/26/09) Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do we share?	Can you limit this sharing?
For our everyday business purposes — to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</i>	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	We don't share
For our affiliates to market to you	Yes	No
For nonaffiliates to market to you. Nonaffiliates are companies not related by common ownership or control. They can be financial and nonfinancial companies.	No	We don't share

We may disclose your personal information to our affiliates or to nonaffiliates as permitted by law. If you request a transaction with a nonaffiliate, such as a third party insurance company, we will disclose your personal information to that nonaffiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

Sharing practices	
How often do the Stewart Title Companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you <div style="text-align: center;">request insurance-related services provide such information to us</div> We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact Us

If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company, 1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.

CLTA Preliminary Report Form

4. Risks:
- a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
- This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1 % of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1 % of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1 % of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1 % of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

**2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

CLTA Preliminary Report Form

3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

Date: May 11, 2012

To : _____

Property: AP#001-022-04
Fairfax, California 94930

From: Stewart Title of California, Inc.

This is to give you notice that Stewart Title of California, Inc. ("Stewart Title") has a business relationship with Stewart Solutions, LLC, DBA – Stewart Specialty Insurance Services, LLC ("Stewart Insurance"). Stewart Information Services Corporation owns 100% of Stewart Insurance and Stewart Title of California. Because of this relationship, this referral may provide Stewart Title a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for purchase, sale, or refinance of the subject Property. **THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.**

<i>Stewart Insurance Settlement Service</i>	<i>Charge or range of charges</i>
Hazard Insurance	\$400.00 to \$6,500.00
Home Warranty	\$255.00 to \$ 780.00
Natural Hazard Disclosure Report	\$ 42.50 to 149.50

ACKNOWLEDGMENT

I/we have read this disclosure form, and understand that Stewart Title is referring me/us to purchase the above-described settlement service(s) and may receive a financial or other benefit as the result of this referral.

Signature

Signature

Order No. 466180

AVAILABLE DISCOUNTS DISCLOSURE STATEMENT

This is to give you notice that Stewart Title of California, Inc. (Stewart Title) is pleased to inform you that upon proper qualification, there are premium discounts available upon the purchase of title insurance covering improved property with a one to four family residential dwelling.

Such discounts apply to and include:

Property located within an area proclaimed a state or federal disaster area;

Property purchased from a foreclosing beneficiary or successful bidder at a foreclosure sale;

Property being refinanced.

Please talk with your escrow or title officer to determine your qualification for any of these discounts.

WARNING: THIS DOCUMENT MUST BE COMPLETED IN ITS ENTIRETY (1 THROUGH 9, BELOW MUST BE FILLED IN) FOR IT TO BE ACCEPTED BY Stewart Title of California, Inc.. IF IT IS NOT COMPLETED Stewart Title of California, Inc. WILL REQUIRE A COMPLETE COPY OF THE TRUST, WITH A SIGNED AND ACKNOWLEDGED AFFIDAVIT.

Order No. 466180

TRUSTEE CERTIFICATE
(California Probate Code Section 18100.5)

I (We) _____
(NAME OF TRUSTEE(S))

Trustee(s) of the _____
(NAME OF TRUST)

date _____ am providing the information set forth below at the request of Stewart Title Company, a Texas Corporation, and its agent, Stewart Title of California, Inc. (hereinafter collectively called Company).

WHEREAS, Company has been requested to issue a title insurance policy on the following described real property, more particularly described in Exhibit A , and
WHEREAS, Company has determined that the following information concerning the above named trust is necessary to ascertain whether it will be able to issue the requested policy of title insurance,
THEREFORE, acting in my capacity as trustee of the above named trust, I hereby certify and confirm to Company that the information set forth below is accurate and correct.

1. The _____
(NAME OF TRUST)
is currently in existence and was created on _____
(DATE OF CREATION OF TRUST)

2. The settlor(s) of the trust are: _____

3. The current trustee(s) of the trust are: _____

4. The powers of the trustee(s) are: _____

5. The trust is a) revocable b) irrevocable (CIRCLE THE APPLICABLE CHOICE)

6. If the trust is revocable, the name of the person holding any power to revoke the trust:

7. If there are multiple trustees, the number of currently acting trustees' signatures necessary to exercise the various powers of the trustee set forth above in Number 4 and the validity bind the trust.

8. The trust identification number (social security number or employer Tax ID): _____

9. The manner in which title to trust assets should be taken: _____

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.: 466180
Escrow No: 466180

The land referred to herein is situated in the State of California County of Marin, City of Fairfax, and described as follows:

Lot 19, in Block P , as shown upon that certain Map entitled "Amended Map of Fairfax Manor", filed for record April 8, 1919 in Volume 5 of Maps, at Page 4, Marin County Records.

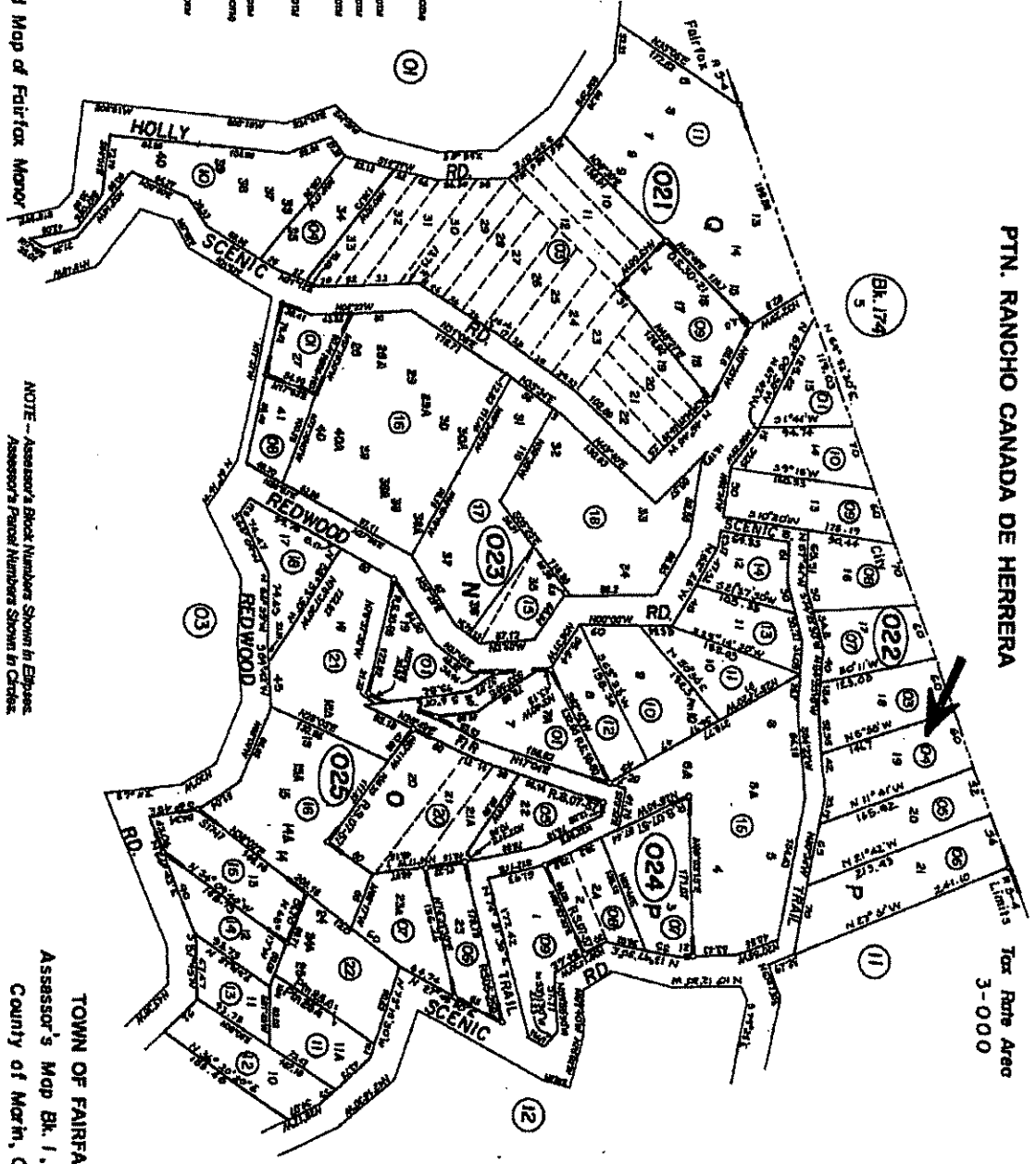
APN 001-022-04

(End of Legal Description))

PTN. RANCHO CANADA DE HERRERA

Tax Rate Area
3-000

1-02



R.M. Bk. 5, Pg. 4-Amended Map of Fairfax Manor

NOTE -- Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

TOWN OF FAIRFAX
Assessor's Map Bk. 1, Pg. 02
County of Marin, Calif.

CHANGES			
SECTION	LOT	ASSASSOR'S PARCEL NUMBER	ASSASSOR'S BLOCK NUMBER
021	1	02101	021
021	2	02102	021
021	3	02103	021
021	4	02104	021
021	5	02105	021
021	6	02106	021
021	7	02107	021
021	8	02108	021
021	9	02109	021
021	10	02110	021
021	11	02111	021
021	12	02112	021
021	13	02113	021
021	14	02114	021
021	15	02115	021
021	16	02116	021
021	17	02117	021
021	18	02118	021
021	19	02119	021
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021	100	02200	021

Town of Fairfax Triangle Park

PTN. RANCHO CANADA DE HERRERA

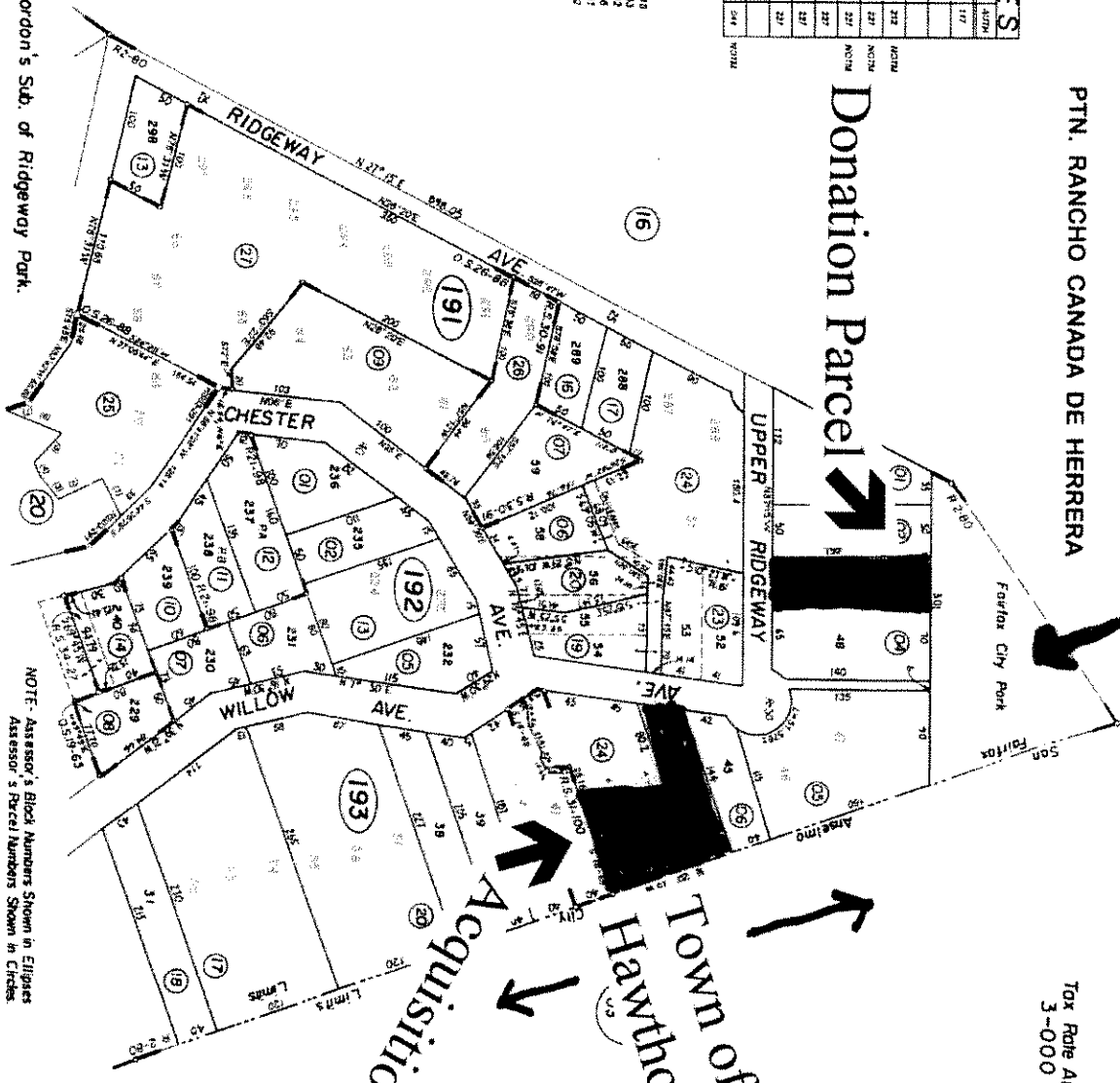
Tax Rate Area
3-000

1-19

ASSESSOR'S MAP

Block	Parcel No.	Area (sq. ft.)	Area (sq. ft.)	Area (sq. ft.)
191	001-133-20	40714	40714	40714
191	001-133-21	40714	40714	40714
191	001-133-22	40714	40714	40714
191	001-133-23	40714	40714	40714
191	001-133-24	40714	40714	40714
191	001-133-25	40714	40714	40714
191	001-133-26	40714	40714	40714
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191	001-133-97	40714	40714	40714
191	001-133-98	40714	40714	40714
191	001-133-99	40714	40714	40714
191	001-133-100	40714	40714	40714

(1) N 44° 23' 14" E 42.10
 (2) S 24° 35' 47" E 48.63
 (3) S 22° 38' 51" W 28.42
 (4) S 69° 17' 28" W 71.86
 (5) S 44° 52' 57" E 41.51
 (6) S 45° 52' 57" E 41.58
 (7) S 38' 14" E 22



THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT CORRELATE WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

R.M. Bk. 2 - Pg. 80, P.H. Jordan's Sub. of Ridgeway Park.

NOTE - Assessor's Block Numbers Shown in Ellipses
 Assessor's Parcel Numbers Shown in Circles

TOWN OF FAIRFAX
 Assessor's Map Bk. 1 - Pg. 19
 County of Marin, Calif.