

**DISCLOSURE STATEMENT  
KB HOME**

**KB HOME South Bay Inc.**  
**South Bay Division**  
2201 Walnut Ave., Suite 150  
Fremont, California 94538  
(510) 792-5262

Marina Cove - Phase I of Tract 7170  
North of Buena Vista Avenue between Entrance  
Road and Hibbard Street  
Alameda, California 94501  
County of Alameda

ISSUED:

10/19/01  
10/24/01

KB HOME wants its homebuyers to be totally satisfied customers. An important part of a Purchaser's satisfaction is in knowing the information reasonably material to a purchase decision. KB HOME offers this basic information statement as a service and protection for its homebuyers.

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**THIS IS AN IMPORTANT DOCUMENT. KB HOME REQUIRES THAT EACH PURCHASER SIGN THIS STATEMENT UNDER "PURCHASER'S ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT" AS AN INDICATION THAT THE PURCHASER HAS RECEIVED, READ AND ACCEPTED THE ENTIRE DISCLOSURE STATEMENT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS CURRENT AS OF THE LATEST DATE LISTED ABOVE AS THE DATE OF ISSUANCE OR REISSUANCE.**

**KB HOME HAS NO CONTROL OVER MUCH OF THE INFORMATION COVERED IN THIS DISCLOSURE STATEMENT, AND INFORMATION IS SUBJECT TO CHANGE WITHOUT NOTICE. THEREFORE, PURCHASERS ARE ENCOURAGED TO INDEPENDENTLY VERIFY THE INFORMATION CONTAINED HEREIN BY CONTACTING THE INDIVIDUALS, AGENCIES OR FIRMS IDENTIFIED FOR THE MOST UP-TO-DATE INFORMATION. IN ADDITION, AS INDIVIDUAL SENSITIVITIES MAY VARY WITH RESPECT TO CONDITIONS AT OR NEARBY THE COMMUNITY, PROSPECTIVE PURCHASERS ARE URGED TO INVESTIGATE THE AREA SURROUNDING THE COMMUNITY TO APPRECIATE AND/OR ASSESS NEARBY CONDITIONS AND/OR NUISANCES.**

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To the best of its knowledge, KB HOME South Bay Inc. (hereinafter referred to as "KB HOME") states that the following information concerning the Community is accurate as of the date of this statement, which is set forth above.

## **I. LOCATION/SURROUNDINGS**

### **LOCATION**

Marina Cove, a.k.a. Phase I of Tract 7170, (the "Community") is located in the City of Alameda, Alameda County, California, north of Buena Vista Avenue between Entrance Road and Hibbard Street.

### **FUTURE DEVELOPMENT AND HOME DESIGN CHANGES**

Purchaser is hereby informed that future development of the Community cannot be predicted with accuracy. Tract 7170 was approved by the City of Alameda for the construction of, among other improvements, 152 homes, a park and certain street improvements. Phase One of Tract 7170 (the "Community") includes 83 lots, the park, and partial improvement to the Clement Avenue extension. Phase Two of Tract 7170 includes the remaining 69 lots and the street improvements which were excluded in Phase One. As of the date of this Disclosure Statement, KB HOME does not control the property for Phase Two and makes no representation as to when or if the property will be developed nor as to the type, size, amenities, prices or other features of the homes which may be constructed on this property. KB HOME expressly reserves the right to build more or fewer than the number of homes currently planned for the Community or to change product lines; including, but not limited to, enlarging or decreasing the size of homes; adding larger, smaller or differently designed models; or changing (partially or in total) total designs and/or materials, at any point during development of this Community or any other KB HOME community. Due to the inability to predict future market conditions with accuracy, KB HOME makes no representation or warranty to Purchaser that the Community will be built as currently planned, or pursuant to any particular buildout schedule. Topographical maps in sales offices, lot plotting maps, maps offered by master developers and other materials showing complete community projections do not in any way constitute KB HOME's promise to complete the Community or, if completed, to complete the Community as shown or by a particular time. Further, KB HOME makes no representation or warranty that it will construct or be the builder of all homes in the Community. Indeed, KB HOME reserves the right to sell, at any time, all or any portion of the lots within the Community to any third party, including custom home builders, individual lot purchasers, other developers or builders. KB HOME also reserves the right to utilize the model homes located in the Community for the sale of other communities other than the Community. As such, Purchaser understands and accepts that such model home activities and traffic may continue even after the homes in the Community are sold out.

All prices, terms, upgrades, and other concessions offered to buyers are subject to change at any time and without notice, at the sole discretion of KB HOME. KB HOME has the full right, without any obligation whatsoever to the Purchaser, to establish prices for its sales of any houses and properties constructed by or to be constructed by KB HOME in the Community, without regard to the price paid by Purchaser for its lot and the home. Purchaser recognizes KB HOME's right to establish such prices include KB HOME's right to offer price reductions, allowances, mortgage incentives, KB HOME Studio incentives, additional features and any other similar incentives to future purchasers of properties in the Community without any obligation to offer any comparable incentives to the Purchaser.

## **DISCLOSURE REQUIRED BY CITY OF ALAMEDA**

The City of Alameda's Conditions of Approval (Resolution No. PB-00-89) for the Marina Cove subdivision, Tract 7170, require KB HOME to provide notices to Purchasers of the following:

- **Clement Avenue may be completed as an extension connecting through to the east and west from Grand Street to Sherman Street or further and may be designated as a truck route;**
- **The City may install an alternative vehicle corridor along Clement Avenue, the technology of which is currently unknown; and**
- **The one way segment of the Hibbard Street extension may be widened in the future to accommodate two way traffic.**

Purchasers are directed to the following section entitled **ADJACENT AREAS AND NEARBY FACILITIES** for additional information concerning the City's required disclosures.

### **ADJACENT AREAS AND NEARBY FACILITIES**

The following is a general description of land uses and proposed future development in the vicinity of the Community. KB HOME has used reasonable efforts to determine existing and planned uses in the vicinity of the Community but this is not intended to be an exhaustive list. KB HOME has no knowledge of or control over the scheduling, type and/or scope of future development, or changes to existing development, in the vicinity of the Community.

The Planning Department of the City of Alameda provided information in this Disclosure Statement regarding future public and private development planned for or under construction in the area of the Community. KB HOME can not and does not warrant its accuracy or completeness. Purchasers are encouraged to read the General Plan of the City of Alameda for further information regarding zoning and future development. A copy of the General Plan is available at the City of Alameda Planning Department at the address shown below. Purchasers are also directed to the **NOISE, AIRPORT AND AIR TRAFFIC NOISE, and HAZARDOUS MATERIALS** sections of this Disclosure Statement.

The property surrounding the Community is subject to future development and the zoning of the surrounding property is subject to change. Therefore future development cannot be predicted with accuracy and may change at any time. The City of Alameda may change land uses at any time for any purpose including, but not limited to, higher densities, commercial or industrial development, public facilities and/or low income or affordable housing. For further information on possible future developments within the City of Alameda, Purchasers are encouraged to contact the City of Alameda Planning Department, 2263 Santa Clara Avenue, Room 120, (510) 748-4554.

Tract 7170 was approved by the City of Alameda for the construction of, among other improvements, 152 homes, a park and certain street improvements. Phase One of Tract 7170

includes 83 lots, the park, and partial improvement to the Clement Avenue extension. Phase Two of Tract 7170 includes the remaining 69 lots and the street improvements which were excluded in Phase One. As of the date of this Disclosure Statement, KB HOME does not control the property for Phase Two and makes no representation as to when or if the property will be developed nor as to the type, size, amenities, prices or other features of the homes which may be constructed on this property.

Purchasers are notified that the City of Alameda is in the process of preparing a specific plan entitled the "Northern Waterfront Specific Plan" which in addition to the Community includes an area west of Grand Street, north of Buena Vista Avenue, and east of Webster Street. In addition to analyzing future land use within this area, among other things, the Specific Plan will evaluate the need for an extension of Clement Avenue westerly from Grand Street to Sherman Street or further. Purchasers should anticipate that in the event that Clement Avenue is extended, increased traffic, including heavy truck traffic, will be noticeable within and around the Community which may be objectionable to certain residents. In addition, the City of Alameda may elect to install an alternate vehicle or transportation corridor along the Clement Avenue extension, the technology of which is currently unknown. For additional information concerning the Northern Waterfront Specific Plan, the possible extension and/or installation of an alternate vehicle or transportation corridor along Clement Avenue, Purchasers may contact Ms. Judith Altschuler, Project Manager for the Northern Waterfront Specific Plan, City of Alameda Planning Department at the phone number and address set forth above. Purchasers are also directed to the section of this Disclosure Statement entitled DISCLOSURE REQUIRED BY THE CITY OF ALAMEDA for possible future improvements in the vicinity of the Community.

Currently, the following properties are located adjacent to and in the vicinity of the Community:

Fortman Marina. Located northwest of the Community at 1535 Buena Vista Avenue is the Fortman Marina. According to Mr. Mark Ruckman, Harbor Master, the facility has approximately 486 boat slips, 10% of which are allowed by the City of Alameda as permanent "live aboards". According to Mr. Ruckman, the facility also has an office, open everyday from 7:00 a.m. to 5:00 p.m., a yacht brokerage, yacht club, parking area, and small "mini-park" with benches and barbecues. The Marina is open for public access from sunrise to sunset and open to boat owners or residents at any time of the day or night. According to Mr. Ruckman, the facility does not have a boat repairing facility but minor boat repairs and maintenance, including the application of varnish, are allowed. According to Mr. Ruckman, the facility is crowded on weekends and holidays and visitors to the Fortman Marina commonly park in the adjacent areas. Purchasers should anticipate that nuisances including, but not limited to, noise, dust, odors, glare, traffic and parking impacts may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning the facility, Purchasers may contact Mr. Mark Ruckman, Harbor Master, Fortman Marina, 1535 Buena Vista Avenue, Alameda, CA 94501, (510) 522-9080.

City of Alameda Animal Center. Located north of the Community at 1590 Fortmann Way is the City of Alameda Animal Center. According to Ms. Shellette Bass, Supervisor and Animal Control Officer, the facility has business hours from 9:00 a.m. to 4:00 p.m. Tuesday through Friday and from 10:00 a.m. to 4 p.m. on Saturdays. However, employees typically

arrive at 5:30 a.m. and depart the facility by approximately 7:00 p.m. According to Ms. Bass, the animal shelter houses animals which include, but are not limited to, dogs, cats, goats, geese and roosters. Purchasers should anticipate that nuisances including, but not limited to, noise, including barking, yelping and crowing, dust, odors, glare, and traffic may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning this facility, Purchasers may contact Ms. Diana Barrett, Supervisor, City of Alameda Animal Center, 1590 Fortmann Way, Alameda, CA 94501, (510) 748-4585.

City of Alameda Park. Located to the north of the Community between the Fortman Marina property and the City of Alameda Animal Center is a site designated by the City of Alameda as a neighborhood park (Parcel A of Tract 7170). According to the approved recommendations of the San Francisco Bay Conservation and Development Commission ("BCDC"), the park amenities are planned to include, but are not limited to, a linear pathway along the north of Clement Avenue, two turf play fields, a children's playground and associated play equipment, parking lot, picnic tables, plaza area, marina outlook, and landscaping. KB HOME makes no representation as to when or if the park will be completed. Purchasers should anticipate that nuisances associated with this park including, noise, dust, traffic, including pedestrian and bicycle traffic, parking impacts, glare and other annoyances may be noticeable within the Community which some residents may find objectionable. For information concerning the future park, Purchasers should contact the City of Alameda Planning Department at the phone number and address set forth above.

Grand Marina. Located north of the Community at 2099 Grand Street is the Grand Marina. According to Mr. Curt Bolton, Harbor Master, the facility has approximately 400 boat slips, 10% of which are allowed by the City of Alameda as permanent "live aboards". According to Mr. Bolton, in addition to the Harbor Master office and convenience store, the facility leases to approximately 22 marine related businesses on site, including but not limited to, the following: Alameda Prop & Machine, Bay Island Yachts, Diesel Fuel Filtering, Mariner Boat Yard, Neville Marine Electric, and several boat and yacht brokerages. Mr. Bolton stated that the hours of operation for these businesses are typically from 8:00 a.m. to 5:00 p.m. but noted that work may continue at any hour of the day or night. The Marina offices are open from 9:00 a.m. to 5:00 p.m., open for public access from sunrise to sunset and open to boat owners or residents at any time of the day or night. According to Mr. Bolton, the facility is crowded on weekends and holidays and visitors to the Grand Marina commonly park in the neighboring areas. Purchasers should anticipate that nuisances including, but not limited to, noise, including grinders, saws, metal fabricators, and machine tools, dust, odors, glare, traffic and parking impacts may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning this facility, Purchasers may contact Mr. Curt Bolton, Harbor Master, Grand Marina, 2099 Grand Street, Alameda, CA 94501, (510) 865-1200.

Pennzoil Quaker State. Located adjacent to the northeast of the Community at 2015 Grand Street is the Pennzoil Quaker State facility. According to a representative from the Pennzoil Quaker State corporate offices, this facility is a packaging and blending plant engaged in the storage, production, and distribution of finished lubricants to the Northern California area. The hours of operation are typically from 5:00 a.m. to 6:00 p.m., Monday through Friday. According to the Pennzoil Quaker State representative, the facility has operated at this

location since the 1950's. Purchasers should anticipate that nuisances associated with this facility including, but not limited to, noise, including heavy trucks, forklifts and backup beepers, dust, glare, vibration, odors, including the smell of petroleum products and lubricants, traffic, and other annoyances will be noticeable within the Community which some residents may find objectionable. For information concerning this facility, Purchasers should contact the City of Alameda at the phone number and address set forth above. Purchasers are also directed to the section of the Disclosure Statement entitled HEAVY INDUSTRY/HAZARDOUS MATERIALS for additional information concerning this facility.

City of Alameda Maintenance Service Center. Located north of the Pennzoil Quaker State facility and the City of Alameda Animal Center, at 1616 Fortmann Way, is the City of Alameda Maintenance Service Center. According to Ms. Sharon Dickson, Administrative Services Coordinator with the Public Works Department, the facility is used as a vehicle yard for the City of Alameda Public Works Department. The facility is open from 7:00 a.m. to 5:00 Monday through Friday but may be accessed on a 24 hour emergency basis. The facility also serves as a gas dock for the City of Alameda fleet, including emergency vehicles, which may refuel at any hour of the day or night. Purchasers should anticipate that nuisances including, but not limited to, noise, including back up beepers, dust, odors, diesel fumes, glare, and traffic may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning this facility, Purchasers may contact Mr. Lance Bryant, Superintendent, City of Alameda Public Works Department, (510) 748-4520.

Chipman United Warehouse. Located to the west of the Community, at 1551 Buena Vista Avenue, is the Chipman United Warehouse. According to Mr. Jim Steven, General Manager of the Chipman United Warehouse, the facility operates a moving and storage business. According to Mr. Steven, the hours of operation are typically from 6 a.m. to 6 p.m., Monday through Friday, and from 6 a.m. to 12 p.m. on Saturdays. Purchasers should anticipate that noise, including security alarms, dust, glare, traffic, including large delivery trucks, some of which may remain idling at the site, may be noticeable within the Community which some residents may find objectionable. In addition, KB HOME is aware that Chipman United Warehouse has a lease on the building through 2013. For information concerning this facility, Purchasers may contact Mr. Jim Steven, General Manager, Chipman United Warehouse, 1551 Buena Vista Avenue, Alameda, CA 94501, (510) 748-8796.

Del Monte Warehouse. Located further west of the Chipman United Warehouse, across Entrance Road, is the Del Monte warehouse. This commercial building has several tenants including, among others, National Furniture Liquidators, Metro Storage, and the Alameda Self Storage, which is located nearest to the Community. According to Mr. John Zimmerman, owner of Alameda Self Storage, the business operates from 8 a.m. to 6 p.m. seven days per week. Purchasers should anticipate that noise, dust, traffic, including large delivery trucks, may be noticeable within the Community which some residents may find objectionable. For information concerning the warehouse building to the west of the Community, Purchasers may the City of Alameda Planning Department at the phone number and address set forth above.

Encinal Terminals. Located to the northwest of the Community are the Encinal Terminals. According to the property owner, Mr. Peter Wang, the facility is currently leased to the International Container Care company, a shipping container storage and repair facility. According to business owners adjacent to the Encinal Terminals, noise, vibration, and other annoyances may be noticeable from this facility at any hour of the day or night. Purchaser are cautioned that that noise and vibration at any hour of the day or night, dust, traffic, glare and other annoyances, including heavy truck traffic, will be noticeable within the Community which some residents may find objectionable. For information concerning the Encinal Terminals, Purchasers may the City of Alameda Planning Department at the phone number and address set forth above.

South Across Buena Vista Avenue. Located to the south of the Community, across Buena Vista Avenue, are existing residential properties. According to Mr. Kevin Bryant of the Alameda Planning Department, these properties have a General Plan designation of Medium-Density Residential. Purchasers are also notified that this area is within the area identified as the Northern Waterfront Specific Plan and land uses may change as a result of the recommendations of that plan. For information concerning this area, Purchasers may contact the City of Alameda Planning Department at the phone number and address set forth above.

East of the Community. Located to the east of the Community are existing residential properties and a vacant parcel on the northeast corner of Hibbard Street and Buena Vista Avenue. According to the City of Alameda Zoning Map, revised through June 30, 1999, these properties are currently zoned C-M, Commercial-Manufacturing. Allowable uses within this zoning designation include, but are not limited to, automobile repairing, cabinet and carpenter shops, equipment sales and services, exterminators, laundries, packaging establishments, miscellaneous repair shops, and warehousing and storage facilities. In the event that the vacant parcel is developed or the land use of other parcels change, Purchasers should anticipate that noise, dust, traffic, glare, odors and other annoyances associated with the construction and future use of these properties may be objectionable to certain residents within the Community. For information concerning these properties, Purchasers may contact the City of Alameda Planning Department at the phone number and address set forth above.

To the east of the Community, are properties which include a former General Electric substation building, on the southeast corner of Eagle Street and Grand Street, a restaurant, on the southeast corner of Clement Avenue and Grand Street, and existing residential properties. According to Mr. Bill Garvine, Marketing Manager with the Alameda Power & Telecom municipal utility, the former General Electric building may be remodeled for use by Alameda Power & Telecom office and work crews in the near future. For information concerning this property, Purchasers may contact the City of Alameda Planning Department at the phone number and address set forth above.

In addition to those properties identified above, KB HOME has identified the following properties in the vicinity of the Community which may cause traffic, noise, dust, illumination, odors, or other nuisances which may be noticeable within the Community and which may be objectionable to certain residents:

Alameda Power & Telecom. Located east of the Community on the northeast corner of Clement Avenue and Grand Street is the Alameda Power & Telecom William M. McCall

Senior facility. According to Mr. Bill Garvine, Marketing Manager, this facility serves as the main office and maintenance yard for Alameda Power & Telecom which is a municipally owned power company. According to Mr. Garvine, the work crews typically operate from 6:30 a.m. to 3:30 p.m. Monday through Friday and respond to emergencies at any hour of the day or night. The offices for this facility are open from 9 a.m. to 5 p.m. during the week and from 10:00 a.m. to 2 p.m. on Saturdays. Purchasers should anticipate that nuisances including, but not limited to, noise, including back up beepers, dust, glare, and traffic may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning the Alameda Power & Telecom facility, Purchasers should contact Mr. Bill Garvine, Marketing Manager, Alameda Power & Telecom, 2000 Grand Street, Alameda, CA 94501, (510) 748-3900.

City of Alameda Garage. Located north of the Alameda Power & Telecom at 2040 Grand Street is the City of Alameda Garage which serves as a repair and maintenance facility for the City of Alameda's vehicle fleet. According to Ms. Sharon Dickson, Administrative Services Coordinator, the facility is open from 7:00 a.m. to 3:30 p.m. Monday through Friday but may be accessed on a 24 hour emergency basis. Purchasers should anticipate that nuisances including, but not limited to, noise, including back up beepers, dust, odors, glare, and traffic may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning this facility, Purchasers may contact Mr. Lance Bryant, Superintendent, Public Works Department, (510) 748-4520.

City of Alameda Public Launch area and Parking lot. Located approximately 800 feet northeast of the Community, at the current termination of Grand Street, is the City of Alameda public boat launch area and parking lot. Purchasers should anticipate that traffic, noise, and other annoyances from the use of this facility, particularly on weekends and holidays may be noticeable within the Community which may be objectionable. For information concerning the City of Alameda Boat Launch and Parking lot, Purchasers should contact the City of Alameda Parks and Recreation Department, 1327 Oak Street, Alameda, CA 94501, (510) 748-4565.

Alameda Marina. Located northeast of the Community at 1815 Clement Avenue is the Alameda Marina. According to Mr. Wayne Milani, General Manager, the facility is a privately owned marina and mix-use commercial facility which includes, among others, approximately 530 boat slips, dry storage for approximately 500 boats and RV's and motor homes, and over 50 other businesses on site, including Svendsen's Boat Works, a major boat repair facility. According to Mr. Milani, the property is open from 6 a.m. to 9 p.m. to the public, but tenants have access to the property at any hour of the day or night. Purchasers should anticipate that nuisances including, but not limited to, noise, dust, odors, glare, traffic and parking impacts may originate from this facility at any time of the day or night which some residents may find objectionable. For information concerning this facility, Purchasers should contact Mr. Wayne Milani, General Manager, Alameda Marina, 1805 Clement Avenue, Building 25, Alameda, CA 94501, (510) 521-1133.

Wind River Systems Office Complex. Located to the west of the Community, at 500 Wind River Way, is the Wind River Systems office complex. According to Mr. Pat Kealey, Facilities Manager with Wind River Systems, the business has obtained approval from the City of Alameda for the construction of a fifth building at the site of approximately 100,000



square feet. According to Mr. Kealy, the company currently has not established a start date for the construction of the new building. In the event that the office building is constructed, Purchasers should anticipate that noise, dust, traffic, including traffic delays may be noticeable within the Community which may be objectionable to certain residents within the Community. For information concerning the Wind River Systems office complex, Purchasers may contact Mr. Pat Kealey, Facilities Manager, Wind River Systems, 500 Wind River Way, Alameda, CA 94501, (510) 748-4100.

Littlejohn Park. Located southeast of the Community on the southeast corner of Buena Vista Avenue and Sherman Street is Littlejohn Park. The park amenities include, among others, tennis courts, play fields, picnic area and recreation building. According to the Alameda Recreation and Park Department, Littlejohn park has after school daycare, youth soccer practices and summertime programs. Purchaser should anticipate that noise, traffic, and other nuisances associated with Littlejohn Park may be noticeable within the Community which may be objectionable to certain residents. For information concerning Littlejohn Park, Purchasers may contact the Alameda Recreation and Park Department, 1327 Oak Street, Alameda, CA 94501, (510) 748-4565.

Alameda High School Football Field. Located approximately 1/2 mile east of the Community, at the northwest corner of Buena Vista Avenue and Walnut Street, is the Alameda High School Football Field. According to Ms. Donna Fletcher, Public Information Officer, the field is used by Alameda High School to conduct practices, hold graduation, special schools functions and football games, some of which occur in the evening. Purchasers are cautioned that noise, glare from lights, traffic, and increased parking in the neighborhood during events, may be noticeable within the Community which some residents may find objectionable. For information concerning the Alameda High School Football Field, Purchasers may contact Ms. Donna Fletcher, Public Information Officer, Alameda Unified School District, 2200 Central Avenue, Alameda, CA 94501, (510) 337-7000.

Coast Guard Island. Located approximately 1500 feet to the north of the Community in the Oakland Estuary is Coast Guard Island. According to Petty Officer David Conner, this facility provides a wide variety of services in direct support of Coast Guard activities throughout the West Coast. Purchasers should anticipate that noise, and other nuisances may originate from this facility at any time of the day or night, which some residents may find objectionable. For information concerning Coast Guard Island, Purchasers may contact the Public Affairs Office, Building 42, Coast Guard Island, Alameda, CA 94501, (510) 437-3325.

In conjunction with the development of the Community, it is anticipated that a number of improvements within and around the area of the Community will be made. These construction projects may cause temporary traffic delays, noise, dust and other nuisances in the area of the Community which some residents may find inconvenient. For further information on the status of street improvements in the vicinity of the Community, Purchasers are urged to contact the City of Alameda Public Works Department, 950 West Mall Square, Alameda, CA 94501, (510) 749-5840.

**Although this Disclosure Statement describes current adjacent uses, KB HOME strongly recommends that a prospective purchasers drive and walk around or**

otherwise inspect the Community and the surrounding area at various times of the week and various times of the day and night to familiarize themselves with local conditions such as traffic, noise, nuisances current and prospective future development and other factors prior to consummating their purchase transaction because different conditions may impact the purchasing decision on an individual basis.

## **II. SPECIAL ENVIRONMENTAL CONDITIONS AND NUISANCES**

### **CONSTRUCTION AND SALES ACTIVITY**

KB HOME discloses that certain construction and sales activities may occur after occupancy within and in the vicinity of the Community. This may result in inconvenience to Purchaser, due to increased noise, mud, dirt and dust from the construction activities, the operation of the model homes and Sales Office and the capping of streets with the final layer of asphalt after the build out of the Community. Construction hours often begin early (particularly in warmer seasons) and sales activity will likely involve significant traffic and visitors, particularly on weekends before the Community is completely sold out.

As a result of the ongoing construction and sales activities, KB HOME also discloses that infrastructure, street access and parking, public and private utilities (water, electrical, cable television, sewers, storm drain, etc.) within the Community and/or servicing of the home may be temporarily interrupted and/or adversely affected during and after the build-out of the Community. While KB HOME will use its reasonable efforts to minimize these service interruptions as well as other construction nuisances, traffic, noise, air quality and other environmental conditions within and around the Community, individuals may be impacted and such impact may have an adverse effect on Purchaser's enjoyment of its home from time to time. KB HOME also reserves the right to utilize the model homes located in the Community for the sale of other communities other than the Community. As such, Purchaser understands and accepts that such model home activities and traffic may continue even after the homes in Marina Cove are sold out.

### **NOISE**

**Individuals have varying sensitivity to noise. Prior to entering into the purchase agreement for the home, Purchaser should visit the Community and its environs at various times of the day and night to assess its own sensitivity to noise levels there. Different lots may be impacted differently.**

The information provided in this section is not intended to be an exhaustive list of all potential noise sources that could impact residents of the Community. KB HOME does not know and cannot control the noises generated by all facilities within the vicinity of the Community. Further, noise sources and intensity in areas such as the City of Alameda are subject to frequent change due to new development, changes in existing land uses, increased traffic and other reasons.

Purchasers are encouraged to contact the City of Alameda Planning Department, 2263 Santa Clara Avenue, Room 120, (510) 748-4554, for further information about potential noise impacts.

**KB Home strongly recommends that prospective Purchasers drive and walk around or otherwise inspect the Community and the surrounding area, at various times of the week and various times of day to familiarize themselves with local noise sources such as traffic, construction, aircraft and trains prior to consummating their purchase transaction because different conditions may be disturbing to certain sensitive individuals and impact the purchasing decision on a individual basis.**

The impact of noise from vehicular traffic along Buena Vista Avenue and the future extension of Clement Avenue was investigated by Illingworth & Rodkin, Inc., Acoustic Consultants. Their findings are reported in the report entitled "Marina Cove Subdivision, Alameda, California - Acoustical Consulting", dated August 2, 2001 (together, the "Noise Study"). A copy of the Noise Study is available in the Sales Office.

Sound intensity is typically measured on an A-weighted decibel (dBA) scale, which indicates the level of environmental noise at any instant in time. The descriptor "CNEL" (also referred to as "L<sub>DN</sub>") is a measurement which conveys "day/night average sound level", which indicates the 24-hour weighted average level of environmental noise, and accounts for greater human sensitivity to nighttime noise levels. According to the Noise Study, Alameda's acceptable noise level objectives are set forth in the City of Alameda's General Plan (the "General Plan"). Under City's requirements, the City's goal is that exterior noise levels in outdoor use areas will be controlled to a community noise equivalent level (CNEL) of 60 dBA or better. Indoor noise levels must not exceed 45 dBA CNEL in all habitable rooms. Additionally, the City requires that the maximum instantaneous noise levels caused by individual events, such as trucks, do not exceed maximum noise levels, of 50 dBA in bedrooms and 55 dBA in living areas. According to the Noise Study, these guidelines apply to all dwellings.

According to the Noise Study, outdoor noise level would exceed the City's standards along Buena Vista Avenue and along Clement Avenue if it is extended. In order to meet the City's exterior standards, an approximately eight foot fence will be constructed on the following lots with rear yards along Buena Vista Avenue and Clement Avenue:

- Tract 7170: Lots 1, 11, 12, 24, 25, 40 through 43, and 76

According to the Noise Study, in order to meet the City's 45 CNEL interior noise standard, sound rated windows will be installed in those homes within the Community listed below.

The following homes at the Community will be provided with an STC rating of 34 or better in windows facing or perpendicular to Buena Vista Avenue or Clement Avenue:

- Tract: 7170: Lots 1, 12, 24, 25, 41, 42, 57, 59-61, and 76

In addition, the following homes at the Community will be provided with an STC rating of 36 or better in windows facing or perpendicular to Buena Vista Avenue or Clement Avenue.

- Tract 7170: Lots 11, 40, 43, 58, and 60

The remaining windows in the above-listed homes will have an STC rating of 29 or better.

All of the above-listed homes at the Community will be provided with forced air mechanical ventilation which could be in the form of a summer switch on the furnace or an air conditioning unit that provides ventilation to all habitable rooms. According to the Noise Report, there are no specific window requirements for other homes in the Community.

**PURCHASERS ARE CAUTIONED THAT THE NOISE REDUCTION PROVIDED BY MECHANICAL VENTILATION IS ONLY EFFECTIVE WHEN WINDOWS AND/OR SLIDING DOORS ARE CLOSED.**

Please be advised that although the installation of STC rated windows may reduce noise produced by traffic on Buena Vista and Clement Avenue and other sources, they will not, and are not intended to, completely block out all noise.

**THE ACHIEVEMENT OF INTERIOR AND EXTERIOR NOISE LEVELS SATISFYING THE CITY'S REQUIREMENTS (WHICH ADDRESSES AVERAGE NOISE LEVELS OVER A 24 HOUR PERIOD) WILL STILL RESULT IN MAXIMUM AND PEAK NOISE LEVELS IN EXCESS OF AN INTERIOR CNEL OF 45 DBA AND AN EXTERIOR CNEL OF 60 DBA. THE NOISE STUDY PROVIDES MORE DETAILED INFORMATION REGARDING THE EXISTENCE OF MAXIMUM AND PEAK NOISE LEVELS ABOVE THE CITY REQUIRED AVERAGE.**

For further information regarding noise analysis prepared for the Community, Purchaser is encouraged to contact Mr. Richard Illingworth, Project Engineer, at Illingworth & Rodkin, Inc., 505 Petaluma Boulevard South, Petaluma, CA 94952, (707) 766-7700.

KB HOME has identified the following noise sources whose activities may be audible to residents and which some residents may find objectionable. The following list is not intended to be exhaustive of all possible noise sources. Other adjacent and nearby facilities, may also generate noises. In addition, please also read the ADJACENT AREAS AND NEARBY FACILITIES and AIRPORT AND AIR TRAFFIC NOISE sections of this Disclosure Statement.

As described in the ADJACENT AREAS AND NEARBY FACILITIES section of the Disclosure Statement, located adjacent to the Community are several commercial and industrial facilities, including among others, Fortman Marina, the City of Alameda Animal Center, Grand Harbor Marina, Pennzoil Quaker State, the City of Alameda Maintenance Service Center, and the Chipman United Warehouse. Purchasers should anticipate that nuisances associated with these facilities including, but not limited to, noise, dust, odors, glare, traffic and parking impacts may originate from these facilities at any hour of the day or night which may be objectionable to certain residents. Purchaser are directed to the ADJACENT AREAS AND NEARBY FACILITIES section of this Disclosure Statement for additional information regarding adjacent commercial and industrial facilities.

Located approximately 2 miles south of the Community is the Oakland International Airport. According to Mr. Christian Valdes, Noise Abatement Specialist with the Oakland

International Airport, general aviation aircraft departing the airport during cloudy weather conditions typically fly over an area of Alameda which includes the Marina Cove Community at an altitude of approximately 1,500 to 3,000 feet. Residents of the Community should be aware that noise associated from flights from the Oakland International Airport as well as other airports will be audible at all hours and some Purchasers may find the noise to be objectionable. According to the Noise Element of the City of Alameda's General Plan, the Community is located outside of the CNEL 65 dBA noise impact area. Nonetheless, Purchasers should be aware that CNEL levels compute noise levels on an average noise basis, so peaks may exceed 65 dBA. Purchasers are urged to visit the Community and their particular home site at different hours of the day to experience the impact of current noise levels. For information concerning the Oakland International Airport, Purchasers may contact Mr. Christian Valdez, Noise Abatement Specialist, Oakland International Airport, #1 Airport Drive, Oakland, CA 94621, (510) 577-4606. Purchasers are directed to the AIRPORT AND AIR TRAFFIC NOISE sections of this Disclosure Statement for additional information concerning the Oakland International Airport and other airports in the vicinity of the Community.

Located approximately 3/4 miles to the north of the Community, in the City of Oakland and across the estuary, are railroad tracks. According to Mr. Mike Furtney, Regional Director of Public Relations with the Union Pacific Railroad, these tracks are used by Union Pacific Railroad primarily for freight and by Amtrak for passenger trains. The frequency, cargo and hours of the trains varies although currently approximately 40 to 45 freight and passenger operations use these tracks per day. Trains are required by the Federal Railroad Administration to use a whistle/horn in the area of at-grade crossings. Purchasers are advised that train noises and whistles may be audible to residents within the Community, which may be disturbing to certain individuals. KB Home has no control over the schedule, operation of and/or materials shipped on the rail line and such schedule, operations and/or materials may change from time to time. Questions about the Union Pacific Railroad can be directed to Mike Furtney, Regional Director of Public Relations, Union Pacific Railroad, 49 Stevenson Place, Suite 1500, San Francisco, CA 94105, (415) 541-7030. Information regarding the passenger trains can be directed to Amtrak at (800) 872-7245.

Construction equipment used in and around the Community will produce noise levels that can reach from 70 to 90 decibels. The completion of the construction of the Community is dependent to a great extent on market conditions beyond the control of KB HOME. In addition, KB HOME has no control over the start and completion of other improvements and projects in the vicinity of the Community.

#### **AIRPORT AND TRAFFIC NOISE**

Located approximately 2 miles south of the Community is the Oakland International Airport. According to Mr. Christian Valdes, Noise Abatement Specialist with the Oakland International Airport, there were approximately 450,000 operations at Oakland International Airport in 2000. The airport is open 24 hours per day and air traffic includes passenger and cargo jets, helicopters and general aviation (e.g., small jets and single and twin engine passenger aircraft). According to Mr. Valdez, general aviation aircraft departing the airport during cloudy weather conditions typically fly over an area of Alameda which includes the Marina Cove Community at an altitude of approximately 1,500 to 3,000 feet. The flight

track primarily responsible for aircraft noise levels which may effect the Community is currently the departure path of runway 27. Residents of the Community should be aware that noise associated from flights from the Oakland International Airport will be audible at all hours and some Purchasers may find the noise to be objectionable. For information concerning the Oakland International Airport, Purchasers may contact Mr. Christian Valdez, Noise Abatement Specialist, Oakland International Airport, #1 Airport Drive, Oakland, CA 94621, (510) 577-4606.

Located approximately 10 miles south of the Community is the Hayward Airport. According to the Ms. Delores Resendez, Secretary with the Hayward Airport, there were approximately 162,000 operations at the airport in 2000. The tower operates from 6 a.m. to 9 p.m. although planes can land at any hour. Ms. Resendez indicated that the airport serves general aviation aircraft including single and twin engine airplanes and occasionally small "corporate type" jets. Approximately 400 aircraft are currently based at the Hayward Airport. According to Ms. Resendez, additional hangers for aircraft are planned. KB HOME has no knowledge of and makes no representation as to future usage levels. For further information concerning the Hayward Airport, contact Mr. Brent Shiner, Airport Manager, 20301 Skywest Drive, Hayward, CA 94541, (510) 293-8678.

In addition, located approximately 12 miles southwest of the Community is the San Francisco International Airport. According to Mr. Bert Ganoung, Noise Abatement Specialist, there are approximately 450,000 operations (take-offs and landings) annually at the San Francisco International Airport. Air traffic is primarily passenger and cargo jets, although helicopters and general aviation (e.g., small jets and single and twin engine passenger aircraft) also use the facility. According to Mr. Ganoung, commercial aircraft currently fly directly over or in the vicinity of the Community during wet weather conditions at altitudes of approximately 2,800 to 6,000 feet. The flight track primarily responsible for aircraft noise levels which may effect the Community is currently the arrival path of runway 19. Residents of the Community should be aware that noise associated from flights from the San Francisco International Airport will be audible at any hour of the day or night within the Community and some Purchasers may find the noise to be objectionable. For information concerning the San Francisco International Airport, Purchasers may contact the Aircraft Noise Abatement Office, San Francisco International Airport, P.O. Box 8097, San Francisco, CA 94128, (650) 821-5100.

While aircraft noise levels will be below the CNEL of 65 decibels adopted by the City as acceptable for exterior noises, certain aircraft noises may be disturbing to certain individuals. Purchasers should be aware that CNEL levels compute noise levels on an average noise basis, so peaks may exceed 65 decibels. Purchasers are urged to visit the Community and their particular home site at different hours of the day to experience the impact of current noise levels. This information is accurate as of the date of this Disclosure Statement.

Purchasers are cautioned that future use of neighboring airports and traffic patterns are subject to change. KB HOME has no knowledge and makes no representations as to future usage levels and disclaims any liability arising from aircraft noise originating from any neighboring airport.

**KB HOME strongly recommends that prospective Purchasers drive and walk around or otherwise inspect the Community and the surrounding area, at various times of the week and various times of day and night to familiarize themselves with local noise sources such as traffic, construction and aircraft prior to consummating their purchase transaction because different conditions may impact the purchasing decision on an individual basis. ATTACHED UNITS/NOISE**

KB HOME has taken steps to adhere to applicable code requirements pertaining to sound attenuation between homes, and between floors of the townhouse buildings. However, the transmission of all noise between dwellings cannot be eliminated. Further, meeting code requirements will not necessarily eliminate unit to unit noise. In addition, some people are more sensitive to noise transmission than others. Before buying, Purchaser should satisfy himself or herself that noise transmission between homes and floors is at or will be at an acceptable level.

KB HOME advises and Purchaser understands and acknowledges that multi-unit and/or attached housing inevitably creates more sound transmission and noise intrusion than detached residences due to shared walls, floor and ceiling construction. Shared walls, floors and ceilings will contain plumbing lines, ventilation ducts and other related devices which can generate noise from a neighboring home which may or will be heard in Purchaser's home. Purchaser acknowledges that KB HOME disclaims any responsibility for any type of sound transmission within or between units in a Community building and within floors, or from street noise within the Community or other surrounding properties.

#### **HEAVY INDUSTRY/HAZARDOUS MATERIALS**

The presence of hazardous materials within the Community and a review of prior environmental reports at the Environmental Site was investigated by Innovative & Creative Environmental Solutions. Their findings are reported in the "Limited Site Investigation, Alameda, Subdivision, Alameda, California" dated September 14, 1998 and "Site Management Plan", dated January 12, 2001 (together, referred to as the "Environmental Assessment"). For more information regarding the presence of hazardous materials and other related public health concerns at and near the Community, Purchasers are urged to read the Environmental Assessment, a copy of which is available in the Sales Office.

According to the Environmental Assessment, the Community has historically been used for industrial uses and petroleum and other hazardous materials have been stored on site. According to the Environmental Assessment, three 1,000 gallon and one 10,000 gallon underground diesel tanks were removed in early 1991 from the Community. According to the Environmental Assessment, 18 soil samples and one ground water sample were collected in August 1998 for total hydrocarbon and mineral levels. Based on the analysis of these samples, there were detectable traces of TPHd and TPHo located adjacent to the neighboring Pennzoil tank farm, and detectable concentrations of TPHo, copper, lead, zinc and polynuclear aromatic compounds were found in soils along the southern perimeter of the Community. Similarly, groundwater adjacent to and west of the Pennzoil facility was impacted with TPHd and TPHo. According to the Environmental Assessment, lead concentrations ranging from 130 mg/kg to 450 mg/kg were detected in the rock material beneath the railroad tracks ("ballast") located within the Community during the field

investigations. According to the Environmental Assessment, the highest lead concentration of 450 mg/kg were just above the typical acceptable residential lead cleanup level of 400 mg/kg. According to the Environmental Assessment, the ~~ballast containing lead~~ concentrations exceeding 400 mg/kg are planned to be excavated and disposed offsite at an appropriate disposal facility. According to the Environmental Assessment, the Alameda County Health Care Services Agency issued a "No Further Action" letter for the Community in December of 1999. According to Mr. Peng Leong, Principal Engineer with Innovative & Creative Environmental Solutions, an underground storage tank was found in the area of the park site during site construction activities in October 2001. According to Mr. Leong, a permit has been filed with the Alameda County Department of Environmental Health for the removal of the tank. Purchasers are directed to the Environmental Assessment for additional information concerning soil removal and disposal, water sampling and remediation activities in the area of the Community.

According to the Environmental Assessment, federal, state and local regulatory agencies and databases were reviewed to help establish information on regional environmental conditions in the vicinity of the Community. According to the Environmental Assessment, the Community is located adjacent to the Pennzoil Quaker State facility, which has been listed as a CERCLIS site, and located within one-half mile of 5 regional Leaking Underground Storage Tanks and 9 abandoned potential hazardous waste sites and 4 potential and confirmed hazardous substances sites as identified in the CAL/EPA CORTESE database. Purchasers are directed to the Environmental Assessment for additional information concerning these sites.

Business activities involving the use, storage and handling of hazardous materials are regulated by the State of California. With the passage of Proposition 65, the State requires all businesses to post public notices acknowledging the use of certain "substances which have been listed by the State of California as known to the State to cause cancer or reproductive harm."

Questions regarding the use and handling of hazardous materials should be referred to County of Alameda Environmental Health Department, 1131 Harbor Bay Parkway, Alameda, CA 94502-6577, (510) 567-6700. Buyers are hereby informed that the Community is located within a diverse area with combined urban and industrial land uses. Some of the northerly portions of this area are zoned for industry and, as such, neighboring land uses include, however are not limited to, commercial, industrial and transportation activities and may involve hazardous materials not normally associated with suburban residential housing development and which could, in some instances, be harmful to residents. You are urged to carefully investigate the potential impact of these uses prior to purchasing a home in the Community. Purchasers are also directed to the ADJACENT AREAS AND NEARBY FACILITIES section of this Disclosure Statement for information concerning industrial facilities.

#### **CONTROL OF SURROUNDING AREAS**

While KB HOME makes reasonable efforts to notify Purchasers of the current development status of adjacent properties, surrounding areas are under the control of the City of Alameda and, further, are regulated by the State of California. KB HOME makes no representation



or warranty, whatsoever, regarding the safety of current business activities taking place in close proximity to residential areas, or future development or operation of manufacturing, industrial and/or transportation activities within the area.

### **CORRECTIONAL FACILITY**

The City of Alameda Jail is located at 1555 Oak Street, approximately 0.75 miles south of the Community. This facility is operated by the City of Alameda Police Department. According to Sergeant Michael Noonon of the City of Alameda Police Department, the Type I facility serves as a temporary holding facility for a maximum of 25 detainees or prisoners typically no longer than 24 hours. For further information regarding the City of Alameda Jail, contact Sergeant Michael Noonon, (510) 748-4508.

### **AFFORDABLE HOUSING**

In connection with the overall development of the Community, the City of Alameda has required KB HOME to make available for sale 15% of the homes within the Community to very low, low or moderate income households. The definition of very low, low, and moderate income households are families earning less than 50%, between 50% to 80%, and between 80% to 120%, respectively, of the area median income adjusted for household size as defined by the current income limits for the Oakland Metropolitan Area provided by the U.S. Department of Housing and Urban Development ("HUD"). The affordable units within the Community will have certain restrictions on the resale of these units, except to other affordable households for 59 years. Thus, buyers of these units will be severely restricted in their ability to participate in an appreciating real estate market.

For further information concerning the affordable housing requirements within the Community, please contact Mr. Steve Belcher, City of Alameda Housing Redevelopment Manager, 950 West Mall Square, Room 215, Alameda, CA 94501, (510) 749-5821.

Purchasers should determine, based on their own investigation, the impact, if any, that this may have, currently or in the future, on the value of Purchasers' home at the Community.

### **POWER LINES/MAGNETIC FIELDS DISCLOSURE**

Several electrical transmission lines are located in the vicinity of the Community. According to Mr. Chris Banaban, Senior Electrical Engineer with Alameda Power and Telecom Company, 115 kilovolt (kV) transmission lines and 12 kV distribution lines run along the south side of Buena Vista Avenue and the west side of Grand Street, and 12 kV distribution lines run along the east side of Hibbard Street.

Please note that the size, nature, voltage and location of such power lines are not within KB HOME's control and are subject to change.

Since the mid-1970's, numerous studies have been conducted to determine whether or not there is a link between certain health risks and exposure to electric and/or magnetic radiation. Electromagnetic fields, commonly referred to as EMFs or ELF-EMF (extremely low frequency electric and magnetic fields), are produced from or associated with electrical facilities and/or appliances, including without limitation, electrical power lines, electrical

substations, microwave ovens, cellular phones and other appliances. To date, there is no conclusive scientific evidence regarding health risks associated with exposure to EMFs. Indeed, there is a wide split within the scientific community regarding the existence or non-existence of health risks associated with EMFs. In a recent study conducted by the NIEHS ("National Institute of Environmental Health Sciences"), NIEHS Director Kenneth Olden, Ph.D., concluded that "scientific evidence suggesting that ELF-EMF exposures pose any health risk is weak."

In 1992, the U.S. Congress authorized the Electric and Magnetic Fields Research and Public Information Dissemination Program ("EMF-RAPID Program") in the Energy Policy Act. The Congress instructed NIEHS, National Institutes of Health ("NIH") and the U.S. Department of Energy ("DOE") to direct and manage a program of research and analysis aimed at providing scientific evidence to clarify the potential for health risks from exposure to ELF-EMF. After review and analysis of the existing data, NIEHS reported to Congress on May 4, 1999, the following:

- "The scientific evidence suggesting that ELF-EMF exposures pose any health risk is weak."
- "Virtually all of the laboratory evidence in animals and humans and most of the mechanistic work done in cells failed to support a causal relationship between exposure to ELF-EMF at environmental levels and changes in biological function or disease status."
- "The NIEHS does not believe that other cancers or non-cancer health outcomes [from ELF-EMFs] provides sufficient evidence of a risk to currently warrant concern."

In California, the State Public Utilities Commission and the Department of Health Services are conducting an ongoing, joint research program initiated in 1989 to examine the possible health effects of exposure to electric and magnetic fields from electric power facilities. Their findings may determine whether regulatory action is warranted to reduce any health hazard.

KB HOME recognizes and discloses to Purchaser that (a) no definitive research has said that ELF-EMF exposure is entirely safe; (b) ELF-EMFs impact on humans will undoubtedly continue to be an area of public concern; and (c) advocacy groups of different scientific orientations have opposing views on this subject with some arguing that ELF-EMFs are entirely safe and others arguing that there are correlations between ELF-EMF presence and serious diseases.

As a result, KB HOME hereby discloses that transmission lines may create health risks and may have financial or other adverse impacts on the homes or residents within the Community. In addition, there is a risk that certain pacemaker heart implant devices may not operate properly when in close proximity to certain electric power lines. The susceptibility of different types of pacemaker devices to electro-magnetic interference should be discussed with a physician.

KB HOME does not render an opinion or endorse any particular study, even including the NIEHS study. KB HOME's quotations of some portions of the NIEHS report do not

represent an exhaustive description of the NIEHS report. Copies of the entire NIEHS study are available at the Sales Office for review or at <http://library.niehs.nih.gov/>.

The NIEHS report contains a list of references, including an extensive bibliography, for potential buyers to consider for additional research. Indeed, more than 300 studies regarding these issues were reviewed by the NIEHS in the course of its study and are described in the report. KB HOME urges interested purchasers to research and review the literature available on the subject and to reach their own conclusions of safety as related to ELF-EMF exposures.

By signing this Disclosure Statement, Purchaser acknowledges that Purchaser has reviewed the particular sections of the disclosure regarding electromagnetic fields and Purchaser's acknowledgement constitutes Purchaser's waiver and release of KB HOME, its affiliates, parent companies, subsidiaries, employees, officers and directors from any loss, damage or claim whatsoever in any way related to exposure to ELF or EMFs.

Therefore, by executing a copy of this Disclosure Statement, Purchaser expressly acknowledges and agrees that KB HOME shall have no responsibility for any costs, expenses, liabilities or obligations of any kind or nature whatsoever arising out of or in any way related to the transmission lines. For further information please contact Alameda Power and Telecom Company, Customer Service, (510) 748-3900.

#### **WATER RATIONING/QUALITY**

For example, from 1987-1992, the State of California was faced with severe drought conditions. State-wide supplies of water storage were seriously depleted and many cities and counties enacted some form of voluntary or mandatory cut-backs in usage. Such cut backs frequently involve restrictions on the use of water for irrigating lawns and landscaping, and car washing. Future drought conditions could force the resumption of rationing and other restrictive programs, both voluntary and mandatory and such programs could affect the residents of the Community. For current information regarding any rationing plans, proposed rationing plans and/or water quality issues for the Community, please contact the Water Conservation Department of the East Bay Municipal Utility District ("EBMUD") at (510) 232-5051. The mailing address is East Bay Municipal Utility District, Customer Service, 2130 Adeline, Oakland, CA 94622.

The Community may be subject to state and local rules regarding water efficient landscaping. Prior to making substantial changes or additions to the landscaping provided with your home,

The Community may be subject to state and local rules regarding water efficient landscaping. Prior to making substantial changes or additions to the landscaping provided with your home, Purchasers are urged to contact the City of Alameda Planning Department, 2263 Santa Clara Avenue, Room 120, Alameda, CA 94501, (510) 748-4554.

#### **ANIMAL LIFE**

Please note that due to the proximity of open space to the project, wild animals, including but not limited to skunks, coyotes, snakes, insects, deer, raccoons, possum, spiders, insects, and skunks have been found in the surrounding areas. Purchasers are hereby advised of the potential danger and inconvenience connected with the existence of such animals in close

proximity to the Community. Purchasers are strongly advised to take appropriate cautions, including securing food and trash located outside the home in order to avoid attracting such animals and keeping children and pets from straying outside their lot. Purchasers are also warned that future development within and in the vicinity of the Community, including building demolition, could result in an increase in rodents and other animal life in and around the Community.

## **INSECTS, TERMITES AND PESTS**

Homeowners are solely responsible for periodic professional inspections of their homes and property and should apply pest control measures as recommended by the appropriate pest control professionals to control insects, termites and pests. The KB HOME Limited Warranty specifically excludes coverage for infestations unless directly attributable to improper design, defective materials, or an incorrect method of installation. If the foundation subgrade has been chemically treated to prevent subterranean termite infestations, certain Limited Warranty coverage and repairs for damage caused by subterranean termite infestations may apply, depending upon the circumstances. Review the Limited Warranty for full details.

Homeowner associations should likewise consult appropriate pest control professionals to periodically inspect common areas and structures and apply pest control measures as recommended to control insects, termites and pests. Homeowner associations should properly budget for all pest control expenses since common areas are not covered by the Limited Warranty.

## **WOOD WASPS**

Homeowners should be aware of the potential existence of a common wood-boring insect known as the "Wood Wasp" or "Horntail" in a new home. Commonly found in lumber used in newly constructed homes, Wood Wasps may, during the first few years of new home occupancy, occasionally bore small holes through sheetrock or drywall and emerge into the living spaces of homes. Nonetheless, Wood Wasps rarely create structural damage, instead typically leaving round, clean-cut exit holes of about 1/4" to 1/2" in diameter. Because no structural damage is typically caused, holes in the wood or plaster can be filled, re-finished and painted. No pesticides are needed because the Wood Wasps cannot re-infest the wood.

KB HOME has been informed that the Wood Wasp is generally harmless. Wood wasps may, however create a loud buzzing noise. While the emergence of a Wood Wasp out of a wall can be somewhat frightening, it is important to note that neither the female nor male Wood Wasp bite or sting and they do not carry a poison.

Although the KB HOME Limited Warranty specifically excludes damage caused by insects, the following statement shall supersede the warranty exclusion: As set forth below, KB HOME hereby warrants that each home at the Community will be free from any damage actually caused by the Wood Wasp for a period of five years from the date the original owner closed escrow. In the event of any Wood Wasp damage occurs during this time, KB HOME will repair by filling in the holes of wood or plaster, re-texturing the applicable wall and

repainting or replacing wallpaper if necessary. This warranty coverage also extends to subsequent purchasers of the home for the warranty period described.

Prospective purchasers with questions regarding the Wood Wasp are encouraged to contact their local pest control company.

### **III. PUBLIC FACILITIES**

KB HOME cannot and does not guarantee the establishment of, or future or continuing operation of any of the facilities or services listed below, but only provides this information as a courtesy to its customers. For all further information, Purchaser understands and accepts the obligation to independently contact the facility directly, and hereby specifically releases KB HOME from any liability resulting from any changes, omissions, misinformation, errors, or any other discrepancies in the below information, and acknowledges that none of the facilities listed are guaranteed by KB HOME to be completed or operated continually.

#### **SCHOOL INFORMATION**

According to Ms. Donna Fletcher, Public Information Officer, the Community is currently serviced from the Alameda Unified School District located at 2200 Central Avenue, Alameda, CA 94501, (510) 337-7000, and the Community is presently serviced by the following schools:

Alameda Unified School District:

Haight Elementary School (Grades K to 5)

2025 Santa Clara Avenue

Alameda, CA 94501

(510) 748-4005

Principal: Mary McGuiness

Will C. Wood Middle School (Grades 6 to 8)

420 Grand Street

Alameda, CA 94501

(510) 748-4015

Principal: Bill Sonneman

Encinal High School (Grades 9 to 12)

210 Central Avenue

Alameda, CA 94501

(510) 521-4956

Principal: Darryl Stucker

Ms. Fletcher stated that many of the schools within the District are at or near capacity. As information can change rapidly, KB HOME strongly recommends that Purchasers contact the School District directly for the most up-to-date information regarding placement and class size; traditional, year round, or other forms of school year scheduling; the availability or non-availability of school bus transportation and any fees or required distances from the schools;

and any other information related to the public schools. Purchaser acknowledges and understands that KB HOME has no control or influence over which schools the children living in the Community will be attending; the determination is made solely by the School District and may be changed at any time without prior notification. Any questions relating to schools should be directed to the School District.

#### **REGISTERED SEX OFFENDER DATABASE**

**NOTICE:** The California Department of Justice, sheriffs' departments, police departments serving jurisdictions of 200,000 or more, and many other local law enforcement authorities maintain for public access a data base of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The data base is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The department of justice also maintains a sex offender identification line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service. Purchaser is hereby advised to check periodically with state and local governmental agencies and the database to obtain any such registration information.

Purchaser is hereby advised to check periodically with state and local governmental agencies and the database to obtain any such registration information. KB HOME is not providing any of this information and does not accept any responsibility for any of this information.

### **IV. TAXES**

#### **REAL ESTATE TAXES AND ASSESSMENTS**

Purchaser acknowledges he or she shall take title to the Property subject to any real property taxes and assessments arising by reason of the inclusion of the Property in any special improvement district and/or local improvement district. Purchaser has satisfied itself with regard to the services performed by, the rules and regulations of, and the taxes, assessments and other fees charged by such districts, if any. Purchaser acknowledges that the Property is and will be subject to all assessments, special assessments and other charges and burdens having been or which may hereafter be imposed upon the Property by reason of the Property's inclusion in such district or an other district which is established or may hereafter be established, and expressly agrees to timely pay all such assessments, special assessments and other charges and burdens imposed by such districts, and other taxing, assessing and levying authorities. For further information, Purchaser should contact the applicable district(s) directly.

**ALL INFORMATION REGARDING TAXES AND ASSESSMENTS IS BASED UPON INFORMATION PROVIDED BY THE APPROPRIATE GOVERNMENTAL AND QUASI-GOVERNMENTAL AUTHORITIES AND MUST BE INDEPENDENTLY VERIFIED BY PURCHASER.**

Real estate taxes for homes in the Community are determined by multiplying the annual local tax rate by the full cash value of a property as determined by the County Tax Assessor. For

the 2001-2002 tax year, the annual local tax rate for Alameda County that will be applicable to homes in the Community will be approximately 1.1129% of the purchase price, although Purchaser's total tax rate may exceed 1.1129% of the full cash value of Purchaser's property. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the total tax so that it exceeds 1.1129% of the full cash value. For the purchaser of a lot or unit in this subdivision, the "full cash value" of the lot or unit will be the valuation, as reflected on the tax roll, determined by the County Tax Assessor as of the date of purchase of the lot or unit or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

The above information was provided by the Alameda County Tax Collector's Office. KB HOME cannot warrant the accuracy or completeness of the information. Purchasers should assume that the percentage and dollar amounts are approximate. Purchasers are urged to contact a tax clerk at the Alameda County Tax Collector's Office, 1221 Oak Street, Oakland, CA 94612, (510) 272-6800.

According to the Alameda County Tax Collector, charges for the following services will be in addition to the 1.1129% tax rate: 1) City of Alameda Sewer Service, 2) Alameda County Mosquito Abatement District, 3) Alameda County Vector Control District, 4) County Services Lead Abatement District, 5) East Bay Municipal Utility District - Wet Weather, 6) East Bay Regional Park Trails District, and 7) Urban Run-Off.

The following information was provided by the respective agency administering the special assessment. KB HOME makes no representation or warranty as to its accuracy or completeness of the following information and urges Purchasers to contact the respective agencies directly for further information. Purchasers should assume that the percentage and dollar amounts are approximate. The assessments are collected on the semiannual property tax billings.

**City of Alameda Sewer Service.** Information regarding the City of Alameda Sewer Service was provided by Ms. Sharon Dixon, Administrative Services Coordinator with the City of Alameda Public Works Department. The Sewer assessment is collected for the purposes of providing and maintaining the sewer system within the City of Alameda. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is \$139.20 per lot, per year. The estimated annual assessment could increase in the future and is expected to continue in perpetuity. For information regarding the City of Alameda Sewer District assessment, Purchasers should contact the City of Alameda Public Works Department at (510) 748-4520.

**Alameda County Mosquito Abatement District.** Information regarding the Alameda County Mosquito Abatement District (the "Mosquito District") was provided by Ms. Vinay Davis, Administrative Assistance with the Mosquito District. The Mosquito District was formed for the purposes of providing mosquito detection, disease surveillance and control. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is expected to be \$0.80 per lot, per year. The annual assessment could increase in the future and is expected to continue in perpetuity. For information regarding

the Mosquito District assessment, Purchasers should contact the Alameda County Mosquito Abatement District at (510) 783-7744.

**Alameda County Vector Control District.** Information regarding the Alameda County Vector Control District (the "Vector District") was provided by Mr. Ernest Pontisfelt with the Vector District. The Vector District was formed for the purposes of controlling animal vectors, such as rats and mice, which can transmit and cause human disease. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is \$5.92 per lot, per year. The estimated assessment could increase in the future and is expected to continue in perpetuity. For information regarding the Vector District assessment, Purchasers should contact the Alameda County Vector Control District, 1131 Harbor Bay Parkway, Suite 166, Alameda, CA 94502, (510) 567-6800.

**Alameda County Lead Abatement District.** Information regarding the Alameda County Lead Abatement District (the "Abatement District") was provided by staff at the Lead Poisoning Prevention Program. The Abatement District was formed for the purposes of educating the public about the dangers of lead poisoning, and identifying and remediating lead hazards in Alameda County. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is \$10.00 per lot, per year. The estimated assessment could increase in the future and is expected to continue in perpetuity. For information regarding the Alameda County Lead Abatement District assessment, Purchasers should contact the Alameda County Lead Poisoning Prevention Program at (510) 567-8280.

**East Bay Municipal Utility District - Wet Weather.** Information regarding the East Bay Municipal Utility District ("EBMUD") Wet Weather assessment was provided by staff at the EBMUD customer service office. The EBMUD Wet Weather assessment is collected for the purposes of expanding sewer and storm drain capacity and eliminating overflows of storm water during storm events. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is \$58.80 per lot, per year. The estimated assessment could increase in the future and is expected to continue in perpetuity. For information regarding the EBMUD Wet Weather assessment, Purchasers should contact the East Bay Municipal Utility District at (510) 287-1380.

**East Bay Regional Park Trails District.** Information regarding the East Bay Regional Park Trails District (the "Park District") assessment was provided by staff at Berryman and Heningar, special administrators for the Park District. The Park District assessment is used for maintenance of trails within the Park District and related improvements. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is \$5.44 per lot, per year. The estimated assessment could increase in the future and is expected to continue in perpetuity. For information regarding the assessment for the Park District, Purchasers should contact Berryman and Heningar, 6150 Stoneridge, Pleasanton, CA 94588, (800) 945-4272. For information regarding the Park District operations, Purchasers should contact Mr. Tom Mikkelsen, East Bay Regional Park District, 2950 Peralta Oaks Court, Oakland, CA 94605-0381, (510) 635-0138.

**Urban Runoff.** Information regarding the Urban Runoff assessment was provided by Ms. Nicole Narver of the City of Alameda Public Works Department, Environmental Services Division. The Urban Runoff assessment is used for the purposes of providing street



sweeping, storm drain cleaning, illicit discharge control, facility inspections, public education, and administration. This assessment is listed separately on the tax bill. The estimated annual assessment for each homeowner in the Community is \$31.86 per lot, per year. The estimated annual assessment is expected to increase in the future and is expected to continue in perpetuity. For information concerning the Urban Runoff assessment, Purchasers should contact Ms. Nicole Narver at (510) 749-5898.

**Assessment District.** In addition, according to the Conditions of Approval for the Community, a funding mechanism, such as an assessment district, community facilities district, or a landscape or lighting district will be established for the purpose of providing funds to maintain the public and private streets within the Community, including public utilities and landscaping within the right-of-way, landscaping in common areas, and the waterfront park. As of the date of this disclosure, the funding mechanism has not been formed but it is anticipated that a community facilities district will be formed in February 2002. Purchasers are notified that each lot within the Community will be subject to another annual assessment from the creation of this funding mechanism which is anticipated to begin at approximately \$1,080.00 per lot, per year. For information concerning the future funding mechanism and estimated assessments, Purchaser may contact Mr. Bashir Anastas, Senior Civil Engineer, City of Alameda Public Works Department, 950 West Mall Square, Alameda, CA 94501, (510) 749-5901. **In the event a community facilities district is formed, Purchasers will be required to review and execute a NOTICE OF SPECIAL TAX.**

**Supplemental Tax Bills:** Purchaser acknowledges and understands that the Tax Assessor has the authority to re-assess newly constructed homes after the Purchaser acquires title to the home and that upon such re-assessment, the Tax Assessor may then issue a supplemental tax bill to Purchaser for the tax difference resulting from any re-assessment. Purchaser acknowledges and understands that KB HOME has no control over the assessment, Purchaser is solely responsible for the amount due and owing pursuant to the supplemental tax bill and for paying such supplemental assessment and KB HOME accepts no responsibility for adjusted taxes.

#### **CITY AND COUNTY TRANSFER TAX**

In Alameda County, the one-time transfer tax applicable to homes in the Community is \$1.10 for every \$1,000 or fraction thereof of the price of the home, upgrades included, paid at the time of sale. In addition to the county transfer tax, the City of Alameda transfer tax is equal to \$4.40 per \$1,000 of the home price, upgrades included.

#### **POTENTIAL INCREASES TO ASSESSMENT DISTRICT FEES & TAXES**

Purchaser understands and accepts that homeowner fees and taxes for financing assessment districts (including, but not limited to, lighting and maintenance districts, landscape maintenance districts, water facilities districts, community facilities districts, school facilities districts, special tax assessments, and any such similar assessment district fees and taxes, if any, whether disclosed in this Disclosure Statement, any attached addenda at the end of this Disclosure Statement, any supplemental Disclosure Statements, or otherwise disclosed to Purchaser) may potentially increase beyond any current established fees, taxes and annual

percentage increases disclosed to Purchaser, and any such increases could be excessive and significant in the event of circumstances beyond KB Home's control, such as energy shortages, increases in energy costs, changes in service providers, increases in the costs to maintain facilities, or other significant environmental or economic changes.

If the fees and taxes collected by an assessment district are insufficient to pay for the costs to maintain the facilities, it is possible that, pursuant to the terms of the CC&Rs and/or the assessment districts, homeowners could vote to increase the assessments to pay for the increased costs. If KB Home and other developers own lots in the Community at the time of any such vote, pursuant to the terms of the CC&Rs and/or the assessment districts, KB Home and other developers may have the right, but not the obligation to vote.

If assessments are not increased to cover the increased costs, it is possible that services or facilities paid for by the assessments could be left without maintenance, not serviced, turned off or even removed from the Community altogether. For example, if a lighting and maintenance district does not collect sufficient fees to cover the increasing cost of electricity due to the energy crisis, and if the homeowners do not vote to increase the assessment fees, it is possible that street lights within the Community may be limited to shorter time periods or turned off, or the street lights may be removed altogether by the facilities provider.

In all such events, the loss of such services or facilities may negatively impact the valuation of homes and safety, and otherwise adversely affect the Community. KB Home has no control over any circumstances such as energy shortages, increases in energy costs, changes in service providers, increases in the costs to maintain facilities, other significant environmental or economic changes. Therefore, Purchaser understands and accepts that KB Home will have no liability whatsoever arising out of or in connection with any such losses, regardless of whether or not KB Home had a right to vote in favor of or against increased fees or taxes, or whether or not KB Home exercised its voting rights.

## **V. COVENANTS, CONDITIONS AND RESTRICTIONS**

Many new residential communities are subject to recorded restrictions which are generally designed for the protection of the neighborhood as a whole. The Declaration of Covenants, Conditions and Restrictions of Marina Cove ("CC&Rs") which apply to the Community, were recorded in the Alameda County Recorder's Office. It is KB HOME's practice to provide a copy of the CC&Rs to Purchaser for review during escrow. The CC&Rs are also described in Purchaser's title report. If a copy of the CC&Rs has not been provided to you, be sure to request a copy from the sales representative or from escrow sufficiently prior to the close of escrow to make an adequate review. Purchaser is strongly advised to carefully review the recorded CC&Rs for important information affecting the Community and the use of Purchaser's property. During the period that KB HOME is the "Declarant" under the CC&Rs, KB HOME has the right but not the obligation to enforce the CC&Rs.

Purchasers are cautioned that Article IV of the CC&R's contains restrictions on the use of your home and lot including, among other things, alterations to the home, keeping of animals, installation of antennas and satellites dishes, mineral exploration, parking, including restrictions on boat, trailer, commercial vehicle, and recreational vehicles which are visible

from the street or adjacent lots, signs, sports equipment, storage of refuse, use and occupancy of residences, including renting, and window coverings. In addition, **Purchasers are hereby notified by KB HOME that they may not change or interfere with the drainage pattern(s) and drainage system as specified in the CC&R's.** Purchasers are urged to become familiar with the restrictions contained in the CC&R's. Purchasers are also encouraged to contact the City of Alameda Planning Department, 2263 Santa Clara Avenue, Room 120, (510) 748-4554 regarding any City zoning requirements which may affect alterations to the home or lot. In addition to the above, Article V of the CC&R's requires that Purchasers shall each maintain, repair and replace, as necessary, improvements situated on the Purchaser's lot. These improvements include, among other things, driveways, all storm drainage improvements, fences, landscaping and mailboxes which serves that lot, wherever it is located. Purchasers are urged to become familiar with the maintenance obligations contained in the CC&R's.

### **ARCHITECTURAL COMMITTEE**

Under the terms of the CC&Rs, KB HOME will establish an Architectural Committee, which will be in place until the last lot in Community is sold, to review plans and specifications for construction of improvements within the Community, including both new home construction and material exterior changes or improvements. Article XII of the CC&Rs provides that Purchaser may make no material changes or alterations to the home or lot, including front yard landscaping, without the prior written consent of the Architectural Committee. Any improvements constructed by Purchaser or on Purchaser's behalf **MUST BE PRE-APPROVED** by the Architectural Committee and once built, must be maintained by Purchaser. Purchasers are urged to review the criteria set forth in the CC&Rs for Architectural Committee review and approval. Purchasers should note that the Architectural Committee will terminate with the close of escrow of the final lot sold within the Community by KB HOME.

Purchaser recognizes and acknowledges that, in addition to the approval from the Architectural Committee, Purchaser is responsible for obtaining any other required governmental approvals and permits for any proposed improvements to the lot after the close of escrow. For example, improvements may require the approval of the Fire Department, Health Department, Building and Planning Department or other such departments and agencies. It is the sole responsibility of the Purchaser to obtain all approvals required by law for any improvements to the lot.

## **VI. MODEL HOMES**

### **MODEL HOMES**

KB HOME often constructs and decorates model homes to show prospective homebuyers what types of features could be incorporated into the Community's homes and to be helpful in providing homebuyers with possible decorating ideas.

For many reasons, such as the unavailability of materials, design changes, field conditions and other circumstances, changes may be made to the production homes from the plans and specifications used to construct the models. Prospective purchasers are urged to review the

plans and specifications described elsewhere in this Disclosure Statement for the most up-to-date listing of materials. The model home items which have been substituted or are most likely to require substitution are listed within this Disclosure Statement under the heading "Changes in Materials and Specifications." After Purchaser has entered into a contract for the purchase of a home in the Community, changes in materials or specifications may be made without Purchaser's consent provided substantially similar materials are substituted.

Model home displays exhibit certain paint, furnishings, decorations and interior and exterior design features which are considered "decorator items" and are not available for purchase. These items are listed under the heading "Model Home Decorator Items" in this Disclosure Statement and are also identified in the model homes themselves on placards listing such items near a model entry or by identification tags or stickers.

KB HOME also offers certain upgrades or optional items for purchase for fixed prices at predetermined stages of construction. These items are listed under the heading "Optional Items" and typically include available flooring upgrades, appliance upgrades, room reconfigurations, and other upgraded features. Optional Items are also identified in the model homes themselves on placards listing such items near a model entry or by identification tags or stickers. Once the construction of a home has gone past certain cut-off points in the construction process, certain of these options or upgrades may no longer be available for purchase. The Sales Representative can provide such cut-off dates and provide Purchaser with information regarding additional costs. It should be noted that if Purchaser desires to obtain a "Decorator Item" which does not appear on the list of "Optional Items" below, it cannot be provided by KB HOME even upon the payment of additional charges.

As of the issue date of this Disclosure Statement, the following lists of "Decorator Items" and "Optional Items" list items displayed in the model homes, but are subject to change. Purchasers are urged to review the on-site identification of "Decorator Items" and "Optional Items" for the most up-to-date description.

#### **MODEL HOME DECORATOR ITEMS**

"Decorator Items" are NOT available for purchase (even upon the payment of an additional charge). These "Decorator Items" are identified in model homes by placards near the model entrance listing "Decorator Items" and/or identification tags or stickers labeled "Decorator Item." Purchasers are urged to review the on-site "Decorator Item" identification for the most up-to-date description. The list of Decorator Items is attached to this Disclosure as "Attachment A".

The patio covers, spas, fencing set-backs and certain exterior landscaping treatments displayed on these models are not available for purchase and have been constructed under a special permit from the City of Alameda, and are not included in the purchase of your home. Should you choose to incorporate these features or any other features into your own home after the close of escrow, you should contact the City of Alameda Planning Department, Alameda, 2263 Santa Clara Avenue, Room 120, (510) 748-4554.

## OPTIONAL ITEMS

The model homes display certain Optional Items which are available to our customers at an additional charge and subject to the cut-off dates described below. A sales representative can provide Purchaser with those charges and cut-off dates. These Optional Items are identified in the model homes by small placards displayed near the model entrance listing "Optional Items" and/or identification tags or stickers labeled "Optional Item." Purchasers are urged to review the on-site "Optional Item" identification for the most up-to-date description.

Please see the attached Exhibit "B" for a list of the Optional Items.

Buyers should be aware that polished brass fixtures, including, but not limited to, exterior door hardware and bath fixtures, may corrode, tarnish or discolor due to circumstances beyond the control of KB HOME. For example, exposure to the elements, including salt air, rain and sunlight may all affect the finish on your exterior hardware. Care should be exercised in the use of cleaning products as well. For further information, please follow the maintenance guidelines for brass fixtures that are included in your homeowner walkthrough package that will be given to you at the time of your buyer orientation.

The carpeting and pad displayed in the model homes are typically of a higher grade than the flooring which is included in the base price of the Community homes. Most of the carpet, vinyl and ceramic floor treatments are available through KB HOME STUDIO located at 4226 Rosewood Drive, Pleasanton, California. Some treatments, however, may not be available at time of purchase. **When upgraded carpet is not selected, the standard grade MUST be installed. Purchasers CANNOT choose carpet or pad outside the KB HOME STUDIO. Therefore, no credit will be issued in lieu of standard carpet and pad.**

Optional Items and prices are subject to change without notice. KB HOME only agrees to provide those options and prices offered on the date an options selection contract is signed by both KB HOME and Purchaser. Purchaser should also note, however, that once the construction process of a home has gone past certain cut-off points, certain Optional Items may increase in cost and specific options may not be available for purchase. A sales representative can provide selection time periods and cut-off dates, as well as information regarding additional costs. Purchaser must be aware that any selections that Purchaser makes are final.

Inventory homes, or houses with options installed prior to the time of purchase are sold on an "as is" basis. No changes will be accepted on an inventory home with pre-selected options and/or flooring.

In addition, Purchasers are informed that KB HOME does not provide a warranty or assurance of any kind against changes in technology that may render certain optional electronic, media, and/or networking equipment obsolete.

Many of the available Optional Items shown at the models are also on display at the KB HOME Studio located at 4226 Rosewood Drive, Pleasanton, California. (925) 467-5575. Purchasers are required to visit the KB HOME Studio to select carpeting, finishes and other materials for their home. Purchasers are encouraged to visit the studio prior to their

scheduled appointment. KB HOME Studio representatives will assist Purchasers with their selections and guide them through the pricing and fit with the model selected.

### **CHANGES IN MATERIALS AND SPECIFICATIONS**

With the exceptions of landscaping, Decorator Items and Optional Items found in the models described above, homes in the Community will be similar to the model homes. (In addition, some of the models and/or lots within the Community may have an enhanced elevation. Purchasers may not request a substitution or change to the enhanced elevations.) However, for many reasons, including the length of time which sometimes separates the construction of the model homes and the construction of Purchaser's production home, certain items displayed in the model homes may require substitution. These items may include, but are not limited to:

1. Light fixtures;
2. Kitchen, bath and linen cabinets;
3. Plumbing fixtures;
4. Bathroom vanities;
5. Windows and patio and garage doors;
6. Roof material;
7. Door hardware brands; and
8. Heating and cooling equipment brands.

As of the date of this Disclosure Statement, the following changes have been made from items displayed in the model homes. The changed items have been substituted with substantially similar or better materials:

1. The Plan 2510 front entry porch step runs the entire width of the porch in the models. In production homes, the width of the steps will be reduced.

KB HOME hereby discloses to Purchasers that once the Purchaser enters into a contract for the purchase of a home, changes in materials or specifications can be automatically made without Purchaser's consent provided substantially similar or better quality materials are substituted.

### **STANDARD FEATURES**

The base price of a KB HOME home includes the features listed on the attached Exhibit "C", plus the standard lot only.

Standard carpeting is also included in the purchase price of the home and carpet must be ordered through and installed by KB HOME prior to the close of escrow.

To show what types of features could be incorporated in the Community, KB HOME suggests that prospective Purchasers visit the KB HOME STUDIO located at 4226 Rosewood Drive, Pleasanton, California.

## **VII. THE HOME**

### **PRICING**

By executing the acknowledgment of this Disclosure Statement, Purchaser acknowledges that KB HOME has the full right to establish prices for the sale of properties in the Community (or any other community developed by KB HOME), without regard to the price to be paid by the Purchaser or any other purchasers for any specific lot within the Community. Purchaser acknowledges KB HOME's right to have offered or to offer lower prices, price reductions, financing incentives, interest rate buy-downs, KB HOME Studio allowances, new floorplans, additional features, and other similar incentives (collectively, "Incentives") to past or future purchasers of properties in the Community (or any other community developed, constructed or sold by KB HOME) without any obligation to offer any comparable Incentives to Purchaser.

Purchaser further acknowledges that he or she has satisfactorily negotiated its purchase price for a particular property (and improvements) within the Community and that Purchaser is fully satisfied with such price and the Incentives received in connection with the negotiation of such price. Other than Purchaser's contracted price, all other prices, terms, upgrades, and other concessions, are subject to change without notice at the discretion of KB HOME, including changes in the model homes offered for sale, specification levels in future homes, etc. Purchaser also acknowledges that KB HOME Studio coupons, or other incentives distributed by KB HOME at various times as part of mass marketing campaigns, must be presented at the time of purchase or they are invalid and will not be honored for that purchase.

### **CONSTRUCTION SCHEDULE AND COMPLETION DATE**

Unless a senior officer of KB HOME has provided a clear written statement that a particular home is available for immediate occupancy, all KB Homes will require substantial construction before they are ready for sale and/or occupancy. Projecting the timing of the completion of construction is difficult and delays in completion are common. KB HOME will use its reasonable efforts to keep Purchaser informed of delays in the construction schedule to assist in scheduling moving and move in dates; however, Purchaser understands and acknowledges that: (a) KB HOME makes no representation as to the actual date of completion of the home, (b) any target completion dates and move in dates provided by sales or construction staff represent estimates only; and (c) all estimated dates are subject to adjustment and change (including any periodic updates). Prospective purchasers are hereby notified that KB HOME will not be responsible for inconvenience, loss or expense (including costs of scheduling movers, storage time, etc.) to the Purchaser resulting from delays in completion of construction of Purchaser's home.

### **PROHIBITION ON INSTALLATION OF NON-STANDARD AND NON-OPTIONAL ITEMS BY PURCHASER**

Purchaser is aware that prior to close of escrow, Purchaser is not allowed to install, or to request KB HOME or a third party to install, any items in the home that are not Standard Items or Optional Items offered by KB HOME. KB HOME reserves the right to remove any

and all such items, and Purchaser understands that KB HOME will seek reimbursement from Purchaser for the cost of such removal and any necessary repair. If Purchaser objects to the removal of such items or refuses to pay the cost of such removal, KB HOME reserves the right to cancel the transaction and take such further action as may be necessary to recover the cost of removal and repair. Please note that the foregoing limitation applies only to installation of items prior to close of escrow. Purchasers are, of course, free to install items within the terms and conditions of the CC&Rs, if applicable, after the close of escrow.

## **HOME PLANS AND SPECIFICATIONS**

Plans and specifications for each home being offered for sale in the Community are available for inspection at the Sales Office during normal business hours. Such specifications include descriptions of the materials and components used in the construction of homes in the Community.

All home plans are owned by KB HOME and are the subject of copyright law protection. KB HOME does not permit its architectural plans to be copied or removed from the Sales Office under any circumstances.

Plans are subject to minor variations including room dimensions and window locations. Items displayed as Standard Items in model homes, which have been substituted with substantially similar items, are identified in the plans and specifications available for review in the Sales Office. Renderings, topographical maps and floor plans shown in the Sales Office, sales brochures and/or advertising may not be drawn perfectly to scale. Home renderings are intended as an artist's conception only and show non-standard landscaping.

## **ADJUSTMENTS**

A home is a unique product engineered with several thousand component parts, many of which are natural materials. All new homes are subject to changes as materials dry out and naturally settle. Such settlement occurs in virtually all wood-frame construction. During this process, natural phenomena such as small hairline cracks in wood, concrete, brick and stucco, lumber shrinkage, joint separations and slight re-alignments of moldings, trims and door jams may appear in Purchaser's home. In addition, various appliances and operating components of Purchaser's home may require fine tuning or adjustments after initial move-in. To the extent these types of occurrences are covered by the KB HOME Limited Warranty and Warranty Performance Standards, they will be responded to by KB HOME upon submission of a written claim in compliance with the procedures outlined in the Limited Warranty. Purchaser is strongly encouraged to review the KB HOME Limited Warranty and Warranty Performance Standards for precise details regarding coverage and methods of making claims. The Limited Warranty and Warranty Performance Standards are described elsewhere in this Disclosure Statement and will be provided to the Purchaser for review upon entering into the purchase agreement for Purchaser's home. KB HOME is not responsible for any such matters except as described in the Limited Warranty and Warranty Performance Standards.



## **ADDITIONS AND ALTERATIONS**

Any and all additions or alterations performed by Purchaser to the home and/or lot after move-in are typically subject to the regulations of the city or county in which the Community is located as well as to the regulations of other agencies having jurisdiction. Those regulations may include a requirement to obtain building and other permits. The additions or alterations may be prohibited. Purchasers are strongly urged to contact the city or county government officials regarding such regulations if they are contemplating making additions or alterations to their home and/or lot. KB HOME makes no representation whatsoever as to Purchaser's right or ability to make additions and alterations after move-in. KB HOME disclaims any statements to the contrary made by salespersons or other employees.

In addition to city, county or other agency regulations, additions and alterations may be subject to rules contained in the CC&R's. Purchasers are urged to read the Community's CC&R's as well as the CC&R's section of this Disclosure Statement for additional information. Certain additions and alterations can affect the grading or drainage system of Purchaser's property. Such additions and alterations may void your warranty. Please read the DRAINAGE, LANDSCAPING and CC&R's sections of this Disclosure Statement for further information.

## **SQUARE FOOTAGE**

Advertisements, marketing materials, model numbers or other plan type identification, which contain or refer to square footage measurements of homes, are approximate. Different standards of measurements may yield different results. For example, the square footage measurements used by property tax assessors, multiple listing services, real estate appraisers and/or brokers in particular communities each could differ from the standards of square footage measurement used by KB HOME. Purchasers should rely upon their own inspection of the model homes, floor plans and other material available in the Sales Office to determine their satisfaction with the size of the home selected.

## **GARAGE SIZES**

Typically, the two-car garage size in KB Homes is 20 feet in width by 20 feet in depth. In some instances, where permitted by applicable municipal zoning ordinances or building codes, two-car garages may have dimensions of less than 20 feet in width or less than 20 feet in depth.

Each of the models available for purchase at the Community are designed such that the two-car garages are a minimum of 20 feet in width by 20 feet in depth except Plan 5, in which the dimensions are 19'9" in width. Please see the plans and specifications (available at the Sales Office) for specific size details. The garage plans are subject to minor variations in dimensions.

In the event that a two-car garage contains one or more dimensions that are less than either 20 feet in depth or 20 feet in width, certain purchasers may find it difficult to park two vehicles in the applicable garage. As a result, prospective purchasers are urged to review carefully the specific garage sizes with respect to the plan they have selected, including

comparisons of that space with the measurements of the width and depth of the automobiles (with doors or trunk open) they plan to park in the garage.

With respect to three-car garages, the garage area for the third car is typically of different dimensions than the two spaces available in the two-car component of the garage. Purchasers are urged to review the plans and specifications and the exact dimensions of the space allotted for the third car to determine if the dimensions of the planned third car garage will "fit" the needs of the prospective purchaser.

KB HOME is not responsible for, or bound by, any statement or agreement by a salesperson or agent relating to the size of garages representing that a prospective purchaser's automobile or automobiles will "fit" in any garage unless such statement or agreement is in writing and is signed by the President or Sales Manager of KB HOME.

### **VISITING THE HOME/COMMUNITY BEFORE MOVE-IN**

Purchasers are certainly welcome to visit the Community or their prospective home site after contracting for a home and before moving in. Indeed, Purchasers are urged to familiarize themselves with the Community and surrounding neighborhood before contracting to purchase their home in order to assess potential impacts of noise, traffic, available commercial and recreational amenities and the purchasers' personal sensitivities to such concerns.

During visits to the Community, Purchasers must be aware that Purchaser's lot is located within a construction area of the Community and that such construction sites are potentially dangerous. KB HOME, at its sole discretion, may permit the Purchaser to enter their lot and the construction area surrounding the lot provided that Purchaser is accompanied by a KB HOME Sales Representative and Purchaser is fully aware of, and voluntarily assumes the risks of, such entry.

First, KB HOME requires that the Purchaser be accompanied by a KB HOME Sales Representative, or another representative of KB HOME, on any and all visits to the home. Second, KB HOME requires that such visits be limited to Sundays only. Third, by signing this Disclosure Statement, Purchaser acknowledges that KB HOME has warned Purchaser that such entry is DANGEROUS and POTENTIALLY HAZARDOUS. There are numerous risks of injury to persons and property associated with visiting a home or the construction site during construction because of conditions including, without limitation, open trenches, construction traffic, potential falling debris, exposed nails and electrical wiring, incomplete construction and certain other potential hazards. Fourth, by signing this Disclosure Statement, Purchaser agrees that during any site visit, Purchaser shall proceed at his or her own risk and Purchaser hereby releases and waives any claims against KB HOME and all of its affiliates, parent and subsidiary companies, officers, directors, employees, attorneys, assigns and any and all other persons or entities that could be potentially liable to Purchaser as a result of any injury which may occur during Purchaser's visit to the lot or to any portion of the Community. Fifth, Purchaser agrees to use due care, including without limitation, the wearing of hard hats and protective footwear, during any such visit.

Purchaser is notified that the homes within the Community will be locked once cabinets or flooring are installed and access will not be available until customer walk-through. Therefore, KB HOME recommends, for example, Purchaser measure window openings and refrigerator spaces prior to cabinet installation.

### **WALK-THROUGH SCHEDULING**

It is KB HOME's policy that prior to the time Purchaser has taken title to the home, a KB HOME customer service representative will have carefully examined the home to insure that it is ready for customer walk-through, and subsequent key release and occupancy. Once the home is completed, the sales representative will contact Purchaser to schedule the walk-through appointment.

### **INVESTMENT**

Purchaser acknowledges that he or she has not relied upon nor has KB HOME made any representation or warranty with respect to any prospective tax benefits of home ownership or price appreciation of Purchaser's new home. Purchaser acknowledges that any current federal income tax law benefits of home ownership are subject to change and/or qualification and such laws are subject to repeal, revision or other challenge. Further, KB HOME cannot control the "up" or "down" cycles of the housing markets in which it builds and under no circumstances has it made any representation, warranty or guaranty of price stability or appreciation.

### **APPLIANCES AND EQUIPMENT**

New KB Homes contain numerous appliances and types of mechanical equipment which, if used improperly, could result in (a) damage to the particular appliance or mechanical equipment or (b) damage or injuries to persons or property. Typically, at the walk-through orientation, KB HOME personnel will demonstrate the basic operations and safety precautions for such appliances and equipment and homeowners will also be provided with applicable instruction manuals and warranties. Manuals also typically contain safety precautions as well as operating instructions. Be sure to review each instruction manual carefully; however, please note that the manuals cannot cover all possible situations that may arise in the operation of appliances and mechanical equipment. Common sense, caution and care must always be used. Appliance manufacturers often include toll free telephone numbers for questions regarding maintenance, or repairs of their appliances. When warranties of at least one year are provided by manufacturers, such warranties supersede and are in lieu of KB HOME's one-year appliance warranties (see KB HOME New Home Limited Warranty for details).

Installing or replacing appliances and/or equipment in the home by Purchaser may have an adverse impact on the KB HOME New Home Limited Warranty, including cancellation. Please consult with your Customer Service Representative and the Limited Warranty before installing or replacing any appliances or equipment in your KB Home.

## **PAINT COLORS**

In many KB HOME communities, specific exterior colors will be required by cities or master developers for the homes erected on particular lots. In the instances in which color schemes have been pre-selected or the color of Purchaser's home has been pre-determined, such colors may not be changed. Indeed, Purchaser's ability to change the exterior paint color after assuming ownership of the home may be limited by other restrictions such as CC&Rs or architectural control guidelines. Purchasers are encouraged to familiarize themselves with the CC&R's and to contact the City of Alameda Planning Department, 2263 Santa Clara Avenue, Room 120, (510) 748-4554, for information regarding exterior paint color restrictions.

Colors identified for selection by Purchaser or required for particular lots may vary slightly from the color or materials presented at selection even though KB HOME and its subcontractors will strive to match the color of Purchaser's home on our color chart. KB HOME reserves the right to revise all or part of the designated color schemes at its discretion.

KB HOME disclaims any representation regarding "washability" of any interior or exterior paint or finishes made by its sales representatives or KB HOME Studio representatives unless such representation is made in writing and signed by an officer of KB HOME.

## **TILE AND GROUT COLORS**

Ceramic tile is subject to cracking, chipping and scratching if heavy or sharp objects are dropped on it or if abrasions occur. Tile grout has a tendency to crack in corners, especially where it meets a trim surface such as baseboards or sheet rock. This type of cracking can generally be remedied by applying caulking or tile grout.

KB HOME is not responsible to precisely match any colored grout, sanded or non-sanded, as portrayed in model homes or KB HOME Studio selection options with respect to interior or exterior tile. All grout is pre-mixed by the manufacturer and blended for color at their factories. Grout colors cannot be guaranteed against impurities in the local waters that are mixed with grout or against drying or against other causes of color variation. These, as well as other factors, can cause grout colors to vary in shade when compared to the color palettes or boards used in the selection process.

## **WOOD PRODUCTS AND FINISHES**

The homes constructed in the Community may include cabinets, handrails and other features with wood finishes which are stained with a water based product. Exterior wood doors also contain wood finishes which have been stained or painted. As the finish matures and depending on the use and the exposure to ultraviolet light, some discoloration may occur.

Additionally, wood colors and textures vary and will receive finishes differently. This can cause variations in final color of the product. As a result, Purchasers are advised that in the months after move-in, they may detect a slight color difference in the woodwork in the new home as compared to the materials which are shown in the models, production homes and/or

the KB HOME Studio, but such discoloration does not indicate any defect in the cabinetry products.

Varnished wood surfaces (including cabinetry when applicable and exterior doors) also require ongoing maintenance and care and may, depending on the degree of exposure to the sun and other elements, need to be revarnished as frequently as once a year to maintain optimal appearance. Refinishing of exterior doors and woodwork is the responsibility of homeowners.

## **WINDOWS**

All windows, at the Community will be dual-glazed. Purchasers should note that different styles of windows are anticipated to be used at the Community and are directed to speak with a Sales Representative regarding those differences.

Many homeowners have their windows tinted with Mylar or similar film after taking title to the home. Since this film is applied to the glass surface facing the inside of the house, a particular problem may develop that will threaten the integrity of dual-glazed windows and doors. Most failures of dual-glazed units are due to moisture condensation that can be traced to the presence of tinted film on the inside of the glass. The deflection caused by the tinted film creates heat build-up and consequent expansion within the airspace of the dual unit, and destroys the butyl seal. Water vapor can thus be admitted causing condensation between the panes of glass. In addition, cracking of window panes may occur.

Window manufacturers, installers and KB HOME will not be responsible for replacement of dual glazed windows should window tinting be applied. **Purchasers are hereby informed that the use of such window tinting products voids any warranty of dual-glazed windows.**

Excessive condensation -- most likely to occur in winter time -- should be avoided to lessen the chance of window sill or interior drywall damage. KB HOME's customer service department can provide practical tips on reducing condensation.

## **SMOKE DETECTORS**

The Uniform Building Code adopted in the State of California, § 1210, requires that all new dwelling units contain smoke detectors in all sleeping rooms and at a point centrally located in the corridor or area giving access to the sleeping rooms. These smoke detectors must be hard-wired into the building's primary source of power and must have battery back-up.

Smoke detectors will be appropriately installed in Purchaser's home in accordance with this Code provision. Please be aware that it is the Purchaser's obligation (and not the obligation of KB HOME) to regularly test and maintain the lawful, working condition of these smoke detectors in the future and with respect to any future sale of the home to any third party. On most smoke detectors (but not all), testing can be done by firmly pressing the light lens located near the center of the cover for a few seconds. If working, the alarm will sound. Smoke detectors operate on the home's electric current; however, a battery back-up is provided so that the detector operates in power outages. On most smoke detectors (but not all), a chirping noise is sounded if the battery is low.

## **PRESSURE REDUCING REGULATORS**

Some of the homes in the Community may be equipped with Pressure Reducing Regulators at the point where the water source enters the house. These regulators are to prevent excess water pressure from entering water pipes in the home and adjustments or repairs should only be done by qualified plumbers. The device should not be tampered with and should not be used except as recommended by licensed, professional plumbers. Please see the Sales Representative with any questions. During the walk-through, the Customer Service Representative will be able to demonstrate the use of the regulator.

## **WATER CONSERVATION**

State law requires that all new homes constructed in California use toilets which use no more than 1.6 gallons of water per flush and flow restrictors in shower heads. Purchasers are also directed to the WATER RATIONING/QUALITY AND RESTRICTIONS section of this Disclosure Statement for further information regarding water conservation.

Toilets are designed for normal toilet tissue usage only. Even paper towels, excessive tissue or other foreign matter may cause a stoppage. In the event of stoppage caused by improper use, repair of such stoppage will not be covered by the KB HOME New Home Limited Warranty and in such event the plumbing contractor dispatched by KB HOME will charge for the service call. If evidence indicates improper usage of the toilet and damage to floors, etc. has occurred, neither the plumbing contractor nor KB HOME can be held responsible.

Purchasers may detect reduced water pressure from shower heads in situations in which flow restrictors have been installed if Purchasers are not accustomed to such flow restrictors or if Purchasers' prior residences were not so equipped.

## **TITLE 24**

Homes in the Community qualify for the new California Energy Standards, commonly referred to as Title 24. The compliance method utilized by KB HOME's Energy Consultant in order to meet these energy conservation standards was Micropas Computer Analysis 5.10. The Energy Consultant was ConSol, Inc., 7407 Tam O'Shanter Drive, Suite 200, Stockton, CA 95210, (209) 474-8446. Roller shades may be required on some windows to qualify for these energy standards and such shades shall be provided at KB HOME's cost, but Purchasers are advised that no roller shades shall be installed by KB HOME or at KB HOME's cost other than on windows for which Title 24 compliance requires the installation of shades. A sales representative can specify the location of windows requiring roller shades for a particular home. Please be advised that removal of the roller shades could result in a less energy efficient home.

## **CONDENSATION AND MOLD**

Title 24 of the California Building Standards Administrative Code ("Title 24") sets forth the State of California's energy efficiency requirements. Title 24 obligates builders to follow its provisions in residential construction. While energy efficiency is obviously very important, one of its consequences is that homes are more air-tight today than they were before energy efficiency requirements were enacted. Because of the resulting restricted air-flow within

homes, today's homes are typically subject to increased condensation levels. You may notice condensation around windows, window sills, window tracks, and sliding glass doors. When possible and feasible in conjunction with outside weather conditions, KB Home recommends opening windows slightly (considering comfort and security) to increase air-flow and to reduce condensation levels. Bathroom and kitchen exhaust fans should be operated when moisture is being generated (showering, boiling liquid, cooking with gas). Windows in bathrooms and adjoining rooms should also be opened, at least partially (considering comfort and security) during hot showers and baths to limit condensation. If you notice excessive condensation in your home, we recommend that it simply be wiped dry with a common absorbent towel as much as on a daily basis. It is important to not leave excessive condensation in place because it can lead to deterioration of wood and drywall surfaces and to mold growth. For this reason, KB Home also discourages anything other than occasional usage of humidifiers in the home because regular use of humidifiers can lead to excessive condensation and mold.

Molds are ubiquitous micro-organisms which constitute approximately twenty-five percent of the bio-mass on the planet. Mold exists outdoors and indoors and performs ecologically vital functions in eliminating dead and decaying organic material (for example, leaves and compost). To "live", mold requires moisture and food. Some of the common household materials that allow mold growth include food, garbage, clothing, plants, compost, drywall, carpet, insulation, lumber, among other items, provided they remain moist for several days or weeks.

Mold spores easily become suspended in the air and are regularly exchanged between indoor and outdoor environments through the air, by clothing and shoes, and many other items brought into the home. Some molds, in elevated airborne concentrations, may cause allergic or hay fever symptoms in people who are sensitive to mold. In some cases, people who are highly sensitive to mold may have asthmatic or other reactions. Individuals with suppressed immune systems may be at risk for mold infections. Such infections are rare, but may be a significant concern for this highly sensitive group.

Good housekeeping practices (regular vacuuming and other cleaning) should help keep mold levels normal. Bleach solutions and tile cleaners often have ingredients that will eliminate and/or prevent mold growth. Check your local grocery store and review product labels for products that are specifically designed to eliminate mold and mold growth. On hard surfaces, homeowners should wash mold off and completely dry the surfaces.

The best way to prevent uncontrolled indoor mold growth is to control moisture and to promptly eliminate it. When excessive moisture or water accumulates indoors, abnormal mold growth may occur, particularly if the moisture problem remains undiscovered or uncorrected, and materials stay damp for days or weeks. In order to minimize moisture, homeowners should: immediately fix leaky plumbing or other sources of water or moisture; keep air conditioner, refrigerator and dehumidifier drip pans clean and dry; use exhaust fans or open windows slightly (considering comfort and security) in kitchens and bathrooms when showering, cooking or using the dishwasher; vent clothes dryers to the outside; maintain low indoor humidity; and wipe dry condensation or moisture build-up. During your warranty period, please immediately contact KB Home if your home experiences any form of non-

homeowner maintenance water intrusion resulting from a problem with any component KB Home installed into your home.

If your home experiences mold after your warranty period, homeowners should take the appropriate steps to clean up the mold and eliminate the source of moisture. Bleach and the other products referenced above may be helpful in controlling mold conditions. Depending on the amount of mold, the materials to which it has attached may need to be removed and replaced. Care should be taken during the removal process to prevent releasing spores beyond the affected area. If mold contamination is extensive or is of concern, homeowners should consult a KB Home customer service representative for possible coverage under the KB Home Limited Warranty and/or referral to a professional mold clean up or restoration company. For more information regarding mold, visit the U.S. Environmental Protection Agency mold web site at [www.epa.gov/iaq/pubs/moldresources.html](http://www.epa.gov/iaq/pubs/moldresources.html), or the U.S. Centers for Disease Control and Prevention at [www.cdc.gov](http://www.cdc.gov) and search for the keyword "mold".

### **ELECTRICAL OUTLETS IN GARAGE**

The Uniform Building Code adopted in California requires that electrical outlets in garages be provided with ground fault interrupter circuits. These circuits are not intended for use with any appliances, especially refrigerators, freezers and aquariums or on any service that an interruption of electrical power would cause a problem. **KB HOME STRONGLY RECOMMENDS THAT PURCHASER NOT USE GARAGE CIRCUITS FOR APPLIANCES OR FOR ANY SERVICE (SUCH AS FREEZERS) THAT WOULD BE HARMED BY AN INTERRUPTION OF ELECTRICAL POWER.** KB HOME cannot be held responsible for the contents of appliances which are damaged because of the ground fault interrupter switches shutting off power, nor can we be held responsible for damage to the appliance units themselves. **PLEASE CHECK WITH AN ELECTRICIAN FOR FURTHER INFORMATION.**

### **ELECTRONIC SECURITY SYSTEM**

An electronic home security system may be installed in Purchaser's new home as an "option". The security system is marketed by Digital Interiors. KB HOME disclaims any knowledge of the design, manufacture, installation or operation of the electronic home security system and disclaims all warranties, either expressed or implied, with respect to the home security system, including all implied warranties of merchantability and fitness for a particular purpose; KB HOME shall in no event be liable to Purchaser for any damages resulting from claims arising out of or in connection with the use or performance of the system; and KB HOME shall not be liable for any special, incidental or consequential damages even if KB HOME has been advised of the possibility of such damages. Employees of KB HOME are not authorized agents of the manufacturer of the electronic home security system and therefore any representations by such employees should be disregarded.

It is the responsibility of Purchaser to carefully review the specifications of any electronic security system to be installed in Purchaser's home, including basic coverage areas, features and system use. Purchasers are urged to carefully review the operation procedures and the limited warranty for the security system provided by the manufacturer. Special attention should be directed to those paragraphs which limit the liability of manufacturer. Moreover, all arrangements for system activation, links (if any) to security services or public safety



organizations are solely the responsibility of Purchaser. Any and all questions regarding the design, manufacture, installation, service or limitations on liability of the system should be directed to Mr. Gary Morikawa of Digital Interiors at 7132 Santa Teresa, San Jose, CA 95139, telephone number (408) 226-6297.

## **VIII. THE PROPERTY**

### **NATURAL HAZARD ZONES**

Purchasers will be provided a Property Disclosure Report ("PDR") as part of the escrow package. The PDR provides information regarding whether or not a particular lot is located within one of the six designated natural hazard zones.

### **SOILS REPORT AND FOUNDATIONS**

The suitability of the soil of the lots contained within the Community was tested by Lowney Associates. Their findings are reported in the "Geotechnical Investigation, Weyerhaeuser/Chipman Parcels, Alameda, California," dated December 11, 1998, "(insert title of report)", dated April 26, 2001. In addition, engineering design was provided by Hayward Baker, Inc. Their recommendations are reported in "Engineering Design, Lateral Spread and Sheetpile Mitigation", dated September 4, 2001 (together, the "Soils Report"). Purchasers are welcome to and encouraged to contact Mr. John Dye, Project Engineer, Lowney Associates, 2258 Camino Ramon, San Ramon, CA 94583, (925) 275-2550 for information regarding these tests. Purchasers are encouraged to review a copy of the Soils Report which is available for review in the Sales Office.

According to the Soils Report, the subsurface soil materials at the Community consisted of a surface layer of approximately 4 to 10.5 inches of asphalt and concrete. The pavement was underlain by approximately 6 to 16 inches of granular base material. Below these materials, fill was encountered at depths ranging from 2 to 5.5 feet consisting of loose to dense, silty and clayey sand and medium dense to dense clayey gravel. Portions of the loose sandy fills and loose to medium dense clayey sands were saturated. According to the Soils Report, below the fills the soils encountered were native alluvial soils consisting of interbedded loose to medium dense clayey sands and stiff to very stiff sandy clays to a depth of approximately 20 to 26 feet. Dense to very dense sand was encountered beneath the interbedded clayey sands and sandy clays and extended to the maximum depth explored of 28.5 feet. In addition, according to the Soils Report, at the northern end of the Community, 1.5 to 3 feet of soft to medium stiff silty clay ("Bay Mud") was encountered, which was relatively weak and potentially compressible.

The Soils Report determined the primary areas of geotechnical concern for the Community consisted of the potential for liquefaction induced total and differential settlement, liquefaction induced lateral spreading, the presence of shallow ground water, and long-term settlement of highly compressible Bay Mud on the northern portion of the Community. According to the Soils Report, in order to address seismic lateral spread or sheetpile instability, a "buttress (block) mixed in place" will be constructed in the area of the water front on the northern side of the park site area. Purchasers may contact the soils engineer at the above referenced company or the City of Alameda Planning Department at the number

and address below for additional information concerning construction methods used to mitigate liquefaction induced settlement or lateral spreading within the Community.

Due to the presence of these geotechnical concerns, Purchasers are hereby advised of the necessity of maintaining drainage, at all times, to prevent water from seeping under the structure. Purchaser should avoid locating flower beds and planters adjacent to building foundations, and sprinkler heads should not be allowed to water closer than three (3) feet to the perimeter footings. In addition certain soil types may require special soil supplements, fertilizers or enhancements to sustain landscaping. Purchasers are encouraged, at their discretion, to contact a local landscape architect or contractor to determine the types of soil amendments needed prior to landscaping their yard.

According to the Soils Report, ground water was encountered during the field borings at depths ranging from 2 to 4 feet below the existing grades. Purchaser should note that fluctuations in the groundwater level could occur at the Community in the future because of variations in seasonal rainfall, tidal actions, and other factors at or in the vicinity of the Community. Purchasers who add or change landscaping, or who grade their lots in any way, including for the purpose of constructing decks, pools, flatwork or other improvements, are cautioned that they may encounter ground water.

According to the Soils Report, the Hayward Fault is the closest active fault to the Community, situated approximately 4 miles northeast of the Community. Other potentially active faults include the Calaveras Fault, and the San Andreas Fault, which lie approximately 13 miles east, and 15 miles southwest of the Community. According to the Lowney Associates, the Community is not located within an Alquist-Priolo Earthquake Fault Zone, but is located within a Seismic Hazard Zone.

Some lots contain filled ground, which varies from lot to lot. These soils have been properly compacted, under the supervision of a state licensed engineer and a representative of the City of Alameda building inspection department, for the use intended. For further information concerning filled ground, geotechnical concerns, including mitigation for liquefaction potential, and soil conditions, including specific soil information for your lot, Purchaser may contact the soils engineer at the above referenced company or the City of Alameda Planning Department, Alameda, 2263 Santa Clara Avenue, Room 120, (510) 748-4554.

**Post-Tensioned Slab:** KB HOME, in consultation with Lowney Associates, has elected to utilize a single foundation system that meets the requirements for the types of soils conditions encountered. That system is known as a post-tensioned slab and has been designed and will be constructed in accordance with applicable building codes. After the concrete slab has cured, steel cables within the slab are mechanically stretched or tensioned to reinforce the slab. BECAUSE THESE CABLES ARE UNDER TENSION WITHIN THE SLAB, HOMEOWNERS SHOULD NOT ATTEMPT TO CUT THROUGH THE SLAB FOR ANY REASON. WORK INVOLVING THE FOUNDATION OR SLAB SYSTEM SHOULD ONLY BE PERFORMED BY LICENSED CONTRACTORS WHO HAVE BEEN INFORMED THAT THE SLAB IS POST-TENSIONED AND WHO HAVE IDENTIFIED THE LOCATION OF THE CABLES RUNNING WITHIN THE SLABS. FOR FURTHER INFORMATION, PURCHASERS SHOULD CONTACT LOWNEY ASSOCIATES, 2258 CAMINO RAMON, SAN RAMON, CA 94583, (925) 275-2550.

## **HEAVY FURNISHINGS OR EQUIPMENT IN THE HOME**

Prior to installation or transportation of any heavy furnishings or equipment into the home, Purchaser should consult with a structural engineer or other qualified professional to confirm that the heavy furnishings or equipment will not exceed the structural design of the home and that the flooring system, whether on second story floors or first story floors, will not be overloaded, damaged or otherwise adversely affected by such heavy furnishings or equipment. Heavy furnishings or equipment include, without limitation, water beds, safes, weight benches, heavy exercise equipment, large fish tanks and pool tables. KB Home will not be responsible for any damage, loss or injury arising out of or in connection with Purchaser's heavy furnishings or equipment.

## **RADON**

The U.S. Environmental Protection Agency, the U.S. Department of Health and Human Services, and the U.S. Public Health Service have expressed concern over the presence of radon gas in homes. Prolonged exposure to high levels of indoor radon or its progeny may affect the health of residents. Although such conditions may exist at the Community, KB HOME has made no investigation to determine whether radon gas is or will be present in the home or affecting the premises, and the Community makes no representation or warranty as to (a) the presence or lack of radon or hazardous environmental conditions nor (b) the effect of radon or any such condition on the Community.

KB HOME recommends that the Purchaser, at its sole expense, conduct its own investigation and consult with such experts as the Purchaser deems appropriate in order to determine the level of radon gas in the home. By signing below Purchaser acknowledges that he or she has read the foregoing Disclosure Statement, and hereby releases KB HOME from any and all liability with respect to the above matters.

For further information on radon at the Community, please contact California Department of Health Services, Environmental Management Branch, Radon Program, 601 N. 7th Street, P.O. Box 942732, Sacramento, CA 94234-7320, (800) 745-7236.

## **EASEMENTS AND LOT RESTRICTIONS**

Purchaser acknowledges that the Property is subject to all easements of public record, including, but not limited to, those shown on the recorded map of the Property and those of an apparent nature, including, but not limited to, easements for telephone, electricity, natural gas, cable television, water, sanitary sewer, storm sewer, drainage and aircraft aviation. Purchaser acknowledges that the cost of maintaining these easements may be the responsibility of Purchaser. The Community contains easements which have been granted to the City of Alameda or other interested parties. Easements for open space, landscaping, street lights, drainage, utilities, odor, aviation, future streets, etc., if any, may have some restricting effect on the use of the Property. Purchaser should ask the title insurance company or the appropriate governmental entity for a map showing easements that may affect the Property. The location of utility structures, vaults, transformers, street lights, pull boxes, fire hydrants, etc., in the Community is controlled by the utility agencies and may be subject to change without prior notice to Purchaser. Easements for the placement and

maintenance of utilities, streets, drainage, open space and other purposes are shown on the title report which will be provided to Purchaser during the escrow period and on the Subdivision Map recorded in the County of Alameda County Recorder's Office as Map No. 7170. Additional easements are created within the CC&Rs.

Although the following list identifies certain significant easements which effect the Community, and the lots affected by such easements, the list of easements and/or the descriptions of a particular easement may not be exhaustive and Purchasers are urged to carefully review the title report and/or copies of the easement documentation for fuller understanding.

- All of the lots within the Community have an approximately 5 foot Public Utility Easement along the street frontage of their lot for purposes of allowing public utility companies to maintain utilities and other related appurtenances including the construction, access and maintenance of the improvements.
- The Plan 5 lots which include lots 2, 6, 10, 13, 17, 20, 23, 43, 53, 57, 70, and 75 have detached garages which are setback 0.5 feet from (i.e., inside) the adjacent side and rear lot lines. As a result of this configuration, the owners of the Plan 5 lots will have a non-exclusive easement and right to use a five (5) foot wide strip of the lot immediately contiguous and adjacent to the common boundary (which lots are identified below) for purposes of performing maintenance and repair of improvements as specified in Section 3.3.4 of the CC&R's. The easements described above are located on and over Lots 1, 5, 9, 12, 16, 19, 22, 28, 31, 34, 35, 39, 42, 43, 49, 50, 54, 56, 58, 65, 69, and 76. Purchasers of the lots described above are urged to become familiar with the easement and maintenance restrictions which may affect their lot.
- The Plan 3 lots which include lots 4, 8, 14, 18, 21, 26, 28, 31, 38, 56, 60, 68, 71 and 73 have an approximately 3 foot Private Access Easement and Landscape Easement which allows the owner of the Plan 4 lots, to use their lots for the purposes of access and landscaping. The Plan 4 lots include Lots 3, 7, 15, 19, 22, 27, 29, 32, 39, 55, 59, 69, 72 and 78.
- Lots 33, 34, 35 and 36 have a right to use a Private Access Easement located along the common boundary of lots 34 and 35 for the purpose of sharing a private street.
- Lots 41 through 46, 47 through 52, 62 through 67, and 77 through 83 are located on private streets. Each of these lots has an approximately 20 foot Private Access and Utility Easement and Emergency Vehicle Access Easement and Public Utility Easement located along the private streets for purposes of sharing a private street, for utility services, emergency vehicles and incidental purposes. In addition, each of these lots will have a document recorded against it entitled "Grants of Easement and Declaration of Shared Road Access and Maintenance" which describes certain maintenance obligations and parking restrictions affecting the lots. Purchasers of lots 41 through 46, 47 through 52, 62 through 67, and 77 through 83, are required to sign an attached acknowledgment that they have read the "Grants of Easement and Declaration of Shared Road Access and Maintenance" document. By executing this Disclosure Statement and signing the Acknowledgement, Purchasers of these lots, hereby agree that they have read, understand

and approve of the restrictions and limitations contained within the "Grants of Easement and Declaration of Shared Road Access and Maintenance" document.

- The duet buildings within the Community, which include lots 33 & 34, 35 & 36, 78 & 79, 80 & 81, and 82 & 83 share certain common improvements. Each of these lots will have a document recorded against it entitled "Declaration of Shared Improvements, which describes ownership, easements, and maintenance obligations affecting the lots. Purchasers of lots 33 & 34, 35 & 36, 78 & 79, 80 & 81, and 82 & 83, are required to sign an attached acknowledgment that they have read the "Declaration of Shared Improvements" document. By executing this Disclosure Statement and signing the Acknowledgment, Purchasers of these lots, hereby agree that they have read, understand and approve of the restrictions and limitations contained within the "Declaration of Shared Improvements" document.
- Lots 11, 12, 40 through 43, and 76 have relinquished rights of private access along that portion of their lot along Buena Vista Avenue.
- Lots 77 through 83 have relinquished rights of private access along that portion of their lot along Eagle Avenue.

Purchaser is urged to request copies of all underlying documents described in the preliminary title report for a better description of applicable easements which may affect the use of Purchaser's property. A copy of these documents may be obtained from First American Title Company Customer Service Department, 6681 Owens Drive, Pleasanton, CA 94588. The telephone number is (925) 225-2600.

## **DRAINAGE**

Purchaser understands that he or she **has been advised by KB HOME that he or she may not alter or interfere with the established drainage pattern(s) and facilities on the lot without the prior approval as specified in the CC&R's and any and all necessary governmental approvals and permits.** The drainage pattern(s) have been developed to facilitate proper drainage from slopes and yard drainage to the street; **ANY INTERFERENCE** with the drainage pattern(s), as initially constructed, can cause water to become entrapped within the yard area and could cause structural failure.

**Please note:** The construction of retaining walls, pools, spas, patios, gazebos, curbs, decks, walks or any other landscape amenities can block, alter or modify drainage patterns, thereby requiring corrective measures to be taken to insure proper water flow. This applies even to the addition of what may appear to be the simplest improvements, such as small rear yard patios. Particularly in areas of more sensitive soils, disturbance of constructed drainage courses could materially impact soil moisture content and negatively affect the structural integrity of Purchaser's home. Pooled water, incorrect drainage, leaky irrigation systems, over-watering or other conditions be caused by homeowner installed improvements and these situations can also lead to groundwater infiltration. Purchasers are hereby strongly advised to consult landscape architects and/or qualified civil engineers or contractors for advice prior to the installation of patios, hardscape, yard landscaping or any other alteration to the drainage pattern.

The Limited Warranty provided to Purchaser and described in this Disclosure Statement does not cover damage to Purchaser's home, soil, drainage or other improvements resulting in any way from changes made by Purchaser to the grading or drainage systems of the property after the close of escrow. Purchaser's landscaping or other improvement plans are required to conform with the original drainage plan of the property and the KB HOME Limited Warranty or other obligations for proper drainage at the property may be voided if homeowners alter the original drainage plans. Purchasers are hereby advised that changes to grading may also require obtaining a permit from a city, county or other municipal agency.

## **SITE PLAN**

A site plan showing all lots in the Community is available in the Sales Office for Purchaser's review. It is an artist's conception and is not drawn to scale. This map is meant to give Purchaser a general overview of the development. Grading plans, available at the Sales Office, describe the actual grading and lot information. The site plan may not reflect all easements with accuracy. Actual lot lines are described on the grading plan and recorded tract map which are available at the Sales Office. The site plan does not constitute a guarantee that the Community will be built out or developed as shown therein.

In addition, at most communities, homeowners will be given (or can be given upon request) an individualized plot plan for their lot showing approximate lot boundaries and easement locations.

## **LANDSCAPING**

All lots in the Community come with standard pre-designed front yard landscaping. The front yard area up to the front fence is landscaped with a combination of sod, bark, shrubs and trees and irrigated with an automatic sprinkler system. KB HOME will determine if underground drainage is necessary depending on individual lot conditions. Landscaping is installed after the final grading is complete and weather permits. Typical landscape plans are available for Purchaser's review in the Community Sales Office. IF LANDSCAPING HAS BEEN INSTALLED AT THE WALK-THROUGH, KB HOME DOES NOT ACCEPT RESPONSIBILITY FOR THE CARE, MAINTENANCE, OR CONDITION OF THE LANDSCAPING AFTER THE WALK-THROUGH EXCEPT FOR PROBLEMS NOTED AT WALK-THROUGH. IF LANDSCAPING IS INSTALLED AFTER THE WALK-THROUGH, KB HOME WILL WARRANT THE LANDSCAPING, WHEN PROPERLY MAINTAINED (I.E., PROPER WATERING AND CUTTING) BY THE PURCHASER, FOR 30 DAYS, AT WHICH POINT THE LANDSCAPING BECOMES PURCHASER'S SOLE RESPONSIBILITY. ANY PROBLEMS ASSOCIATED WITH LANDSCAPING WHICH ARE NOT COMMUNICATED IN WRITING TO KB HOME DURING THIS 30 DAY PERIOD ARE NOT COVERED BY THE LIMITED WARRANTY. THE LIMITED WARRANTY DOES NOT COVER ANY DAMAGE TO THE CONDITION OF THE LOT OR HOME RESULTING FROM CHANGES MADE BY A HOMEOWNER TO THE GRADING OR DRAINAGE SYSTEMS OF THE PROPERTY AFTER THE CLOSE OF ESCROW.

Purchasers are required by the CC&R's to install permanent landscaping in the unenclosed portions of their lot within six months of the close of escrow for the sale of the Lot or the

issuance of occupancy for the residence, whichever occurs later. All landscaping within the lot shall be maintained in a neat and orderly condition, in a manner consistent with the standards of other well maintained residential areas in the vicinity of the Community. Maintenance obligations include, but are not limited to, pruning, mowing, weeding, cleaning of debris and trash, fertilizing and regular watering. Diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced and all irrigation systems shall be fully maintained in sound operating condition. Purchasers are encouraged to review the CC&Rs.

When Purchaser installs the mandatory landscaping or alters any existing landscaping, Purchaser should be conscious of and sensitive to the changes made to the contour of the land as a result of individual front and rear yard landscaping plans to be sure they conform with the original drainage plan of the project. Purchaser will be responsible for changes in the contour of the land which result in drainage problems or any hazards. (Please also see the section elsewhere in this Disclosure entitled DRAINAGE for certain issues Purchasers should consider regarding drainage on their property.) Questions regarding grading should be referred to Mr. Dave Brown, Civil Engineer, Bellecci & Associates, Civil Engineers, 2290 Diamond Boulevard, Suite 100, Concord, CA 94520, (925) 685-4569.

#### **TREES AND OTHER VEGETATION**

KB HOME does not guarantee the preservation of any trees, shrubs, ground cover or other foliage located on Purchaser's lot, in the Community or anywhere within the vicinity of the Community. KB HOME is not responsible for any immediate or long-term damage to vegetation caused by construction activity. Lot premiums are based on location and size and not pre-existing vegetation. The construction of homes, lots, street and/or utilities may alter the environment of any trees, shrubs or other landscaping.

If a model is purchased, KB HOME does not guarantee the preservation of any trees, shrubs, ground cover or other foliage located on the lot. All care and maintenance of any such foliage is solely the responsibility of the homeowner. This includes all obligations to water, trim or otherwise maintain foliage.

#### **VIEWS**

Specific lot prices and/or lot premiums are assigned by KB HOME and are based on lot location and size and not for any pre-existent view. A view may be negatively impacted by a variety of occurrences, including, but not limited to, the construction of roof tops, buildings, decks, tree and plant growth, landscaping or other future development. No statements or assurances are made by KB HOME with respect to the construction and future improvements and landscaping that may have an impact upon the view of the Property. Any view from the Property or surrounding areas, whether developed or undeveloped, is not part of the value of the Property and is not guaranteed. Since KB HOME cannot control future development adjacent to or surrounding the Community, KB HOME cannot guarantee to preserve any potential view now or in the future. KB HOME is not responsible for or bound by any representation regarding views made by a sales representative or agent under any circumstances.

It is Purchaser's responsibility to evaluate the location of the home site and lot within the

subdivision and determine the acceptability of the assigned lot premium. KB HOME makes no representation as to the preservation of existing or future views from the project.

### **TRACT BOUNDARY FENCE OR WALL**

In some instances, walls or fences will be constructed or may be already in existence along all or a portion of the perimeter of a tract in compliance with local regulations and requirements. Many times, these tract boundary fences or walls are set back onto homeowners lots (inside lot lines) at certain distances or intervals to create a more aesthetic community. As a result, lots which are bordered by this type of fence or wall may be subject to an easement and extend to the other side of the boundary structure. Purchasers of homes along the perimeter of the tract, should refer to the subdivision map or plot plan to determine the precise location of any tract boundary fence or wall, and the actual lot lines of Purchaser's lot. An individualized plot plan will be provided to Purchaser upon purchasing a home in the Community and is also available in the Sales Office for inspection.

### **RETAINING WALLS**

Some lots in the Community may require retaining walls, generally built of wood, block, or concrete as recommended by a civil engineer and approved by the applicable local governmental department. The specifications for building these walls and their placement is determined by a civil engineer, the applicable local governmental department, and existing lot conditions. Retaining walls may be located on or adjacent to the property line. If the retaining wall is along a street or public right-of-way, the retaining wall is inside the property line and consequently the homeowner's responsibility to maintain. If the retaining wall is located between adjacent property owners, the responsibility to repair and maintain the retaining wall is the joint responsibility of the adjacent homeowners. As site conditions vary, walls shown on current grading plans may be added or deleted. Presence or absence of a retaining wall does not affect the purchase price of the home.

Purchasers of lots with retaining walls should note that vehicles should be kept at least six feet (6') from the retaining wall. Dirt behind the wall may settle or erode and create indentures in the ground at the top of the wall and should be maintained by the homeowner as eroded areas are the sole responsibility of the homeowner and are not covered by any warranty.

### **FENCING**

The lots in the Community have standard rear yard fencing. If Purchaser's lot is adjacent to a lot which has an existing rear or side yard fence, KB HOME will not install a new fence on Purchaser's lot. If the standard fencing is adjacent to street or public right-of-way, the homeowner shall be responsible to maintain the fence. If the fence is located between lots belonging to adjacent private property owners, then the property owners shall be jointly responsible to repair and maintain the fence. Such fences cannot be removed or modified without agreement between such owners. Fences may not be located on the lot lines and Purchaser should refer to grading plan or the plot map provided to Purchaser at point of sale or available in the Sales Office for actual lot lines. The rear and side yard fencing of lots along Buena Vista Avenue and Clement Avenue extension are designed to provide limited



sound attenuation features and Purchasers of these lots are notified that these fences must be maintained without gaps to retain the sound attenuating features as designed. Purchasers are advised that although the installation of these fences may reduce noise produced by traffic on Buena Vista and Clement Avenue and other sources, they will not, and are not intended to, completely block out all noise. Purchasers of these lots are also directed to the NOISE section of this Disclosure Statement for additional information regarding sound mitigation features within the Community.

### **FENCING SUITABILITY**

Any fences, walls, and/or gates surrounding the lots or each individual lot in the Community may not satisfy applicable fencing safety or other requirements for swimming pools, spas or other improvements that Purchasers may wish to construct after the close of escrow. Purchasers are advised to consult with the City of Alameda Planning Department and other appropriate public agencies, as well as a licensed landscape architect and/or civil engineer, if Purchasers intend to install a swimming pool, spa or other improvements. Seller has not made, nor has Seller authorized any sales agent, employee or other person to make, any written or oral representations or warranty concerning the suitability of the fencing for such improvements. Any such representations shall not be binding upon Seller unless made a part of the Purchase Agreement and Escrow Instructions signed by Seller.

### **UTILITIES**

New gas, electric, sewer, water, garbage, telephone and cable hook-up fees are paid by Purchaser. For information please contact:

Pacific Gas and Electric Company (provides gas)  
(no local business office)  
(800) 743-5000

Alameda Power & Telecom (provides electricity)  
2000 Grand Street  
Alameda, CA 94501  
(510) 748-3900

East Bay Municipal Utility District (provides water)  
Oakland Administration Center and Business Office  
Customer Service Department  
375 11th Street  
Oakland, CA 94607  
(510) 287-1380

City of Alameda (provides sewer service)  
(510) 749-5840

Waste Management of Alameda County (provides garbage service)  
172 98th Avenue  
Oakland, CA 94603

(510) 430-8509

Pacific Bell (provides telephone)  
(no local business office)  
(800) 310-2355

AT&T Cable (provides cable television)  
(no local business office)  
(800) 945-2288

OR

Alameda Power & Telecom (provides cable television)  
2000 Grand Street  
Alameda, CA 94501  
(510) 748-3900

The information above regarding utilities is current as of the date of this Disclosure Statement, but is subject to change. KB HOME neither guarantees the establishment or the continued provision of such utilities, nor the quality of service delivered of providers of such utilities. Arrangements for service installation and repairs are the sole responsibility of Purchaser.

#### **ELECTRICITY SHORTAGE, INCREASED COSTS AND DELAYS**

Purchaser understands and accepts that California is facing a serious statewide electricity shortage which has already resulted in, and which may continue to cause, significant increases in the costs for energy and utilities, as well as rolling black-outs, service interruptions, service and maintenance problems from the utilities providers, and other related inconveniences such as delays in the establishment of electricity and utility services, bankruptcy filings by utilities providers and delays in the issuance of certificates of occupancy. Purchaser understands and accepts that these shortages and delays may, in turn, cause delays in the close of escrow. Furthermore, Purchaser recognizes and accepts that the electricity shortage, increased costs and delays are not isolated to California and may, directly or indirectly, affect other states in which KB Home builds, including, but not limited to Nevada, Arizona, Colorado, New Mexico and Texas, as well as the United States as a whole.

KB Home has no control or influence over the electricity shortage, increased costs, delays or any related problems and Purchaser understands and accepts that KB Home shall have no responsibility or liability for any such problems or delays, including, but not limited to, any delays in the close of escrow. Purchasers should contact their local, state and federal governmental agencies for further information.

## **WIRING FOR DSL, INTERNET AND/OR SIMILAR COMMUNICATION SERVICES**

If wiring for a Digital Subscriber Line ("DSL"), high speed internet access and/or similar communication services is offered as an option for homes in the Community, Purchaser understands and accepts that selection of this option only equips the home with the capacity to receive such services. KB Home does not provide DSL or other similar services; such services will be provided, if at all, by an unrelated third party service provider over which KB Home has no control. Accordingly, the availability of DSL, high speed internet and/or communication services to Purchaser upon move-in or at anytime in the future is not guaranteed. Further, if and when such services are provided, KB Home cannot guarantee the continuity, speed or quality of services delivered. If Purchaser is interested in selecting the wiring option, Purchaser is strongly urged to directly contact the phone company, cable company and/or other communications service providers that serve area in which the Community is located to ascertain the availability and quality of any such services.

## **MINERAL/WATER RIGHTS**

The reservation of the mineral and water rights is shown on the legal description of the Community in the overall preliminary title report which is available for review in the Sales Office.

Your title report and underlying title exceptions will provide a fuller description of the limitations, if any, on your mineral, oil and/or water rights.

## **IX. ADDITIONAL COMMUNITY INFORMATION**

### **STREET AND PARKING AREAS**

Streets within the Community are both public and private. The public streets will become the property of the City of Alameda which will have the responsibility for their repair and maintenance. Questions regarding public streets and/or parking should be directed to the City of Alameda Department of Public Works, Maintenance Services, 1616 Fortmann Way, Alameda, CA 94501, (510) 749-4520. The private streets (Costanoan Court, El Capitan Court, Washoe Court and Ellen Craig Avenue) which serve lots 41 through 52, lots 62 through 67, and lots 77 through 83, inclusive will be subject to private road access and maintenance agreements. Purchasers of these lots are encouraged to become familiar with the maintenance obligations and any parking restrictions contained within these agreements. The deeds conveying these lots will contain language informing Purchaser, and subsequent owner of the lot, of the road access and maintenance agreements. Purchasers of these lots are directed to the EASEMENTS section of this Disclosure Statement for additional information concerning the road access and maintenance agreements. All streets and parking areas are subject to the rules, regulations and policies of all applicable city, county, state and Federal governments.

## **CLUSTER MAILBOXES**

The U.S. Postmaster may require the use of cluster mailboxes for efficiency of mail service. If installed, the location and grouping of these mailboxes and the commencement of mail delivery service is determined by the Postmaster. Delivery of mail is subject to the rules, regulations and policies of the U.S. Postal Service. Mail delivery to the Community typically begins after a certain number of residences are occupied. **PURCHASERS SHOULD BE AWARE THAT, DUE TO U.S. POSTAL SERVICE POLICIES OVER WHICH KB HOME HAS NO CONTROL, MAIL SERVICE MAY NOT BE AVAILABLE AT THE TIME OF THEIR OCCUPANCY OF THEIR HOME.** Among other requirements, the U.S. Postal Service may require unobstructed vehicular access to mailboxes at the time of delivery. If Purchaser has any questions, please call the United States Postal Service at (800) 275-8777.

## **X. FINANCING**

### **LENDER-OF-CHOICE**

One of the services provided for KB HOME customers is assistance in arranging a loan to purchase through Kaufman and Broad Mortgage Company, subject to necessary qualifications by Purchaser. There is no obligation on Purchaser's part whatsoever to use the lending services of Kaufman and Broad Mortgage Company. Purchaser may select any lending institution of his or her choice for the purpose of securing mortgage financing and is not limited to Kaufman and Broad Mortgage Company.

Although Purchaser is not required to use the services of Kaufman and Broad Mortgage Company, prior to entering into a contract to purchase a home from KB HOME, Purchaser may be required to provide the basic information as required on the form of the Kaufman and Broad Mortgage Company loan application and permit a credit report to be obtained by KB HOME in order to pre-qualify Purchaser as a legitimate prospective purchaser. In the event that Purchaser elects to use another lender or to purchase the home for cash, Purchaser will be reimbursed for the cost of the credit report so obtained through the close of escrow. The credit report fee is not refundable if Purchaser does not close escrow, for any reason, after entering into a Purchase Agreement with KB HOME.

### **INSURANCE REQUIREMENTS INCLUDING FLOOD INSURANCE**

For loans made through Kaufman and Broad Mortgage Company (and indeed nearly all residential property lenders), it is required that hazard insurance and other property coverage benefiting the Purchaser and/or the lender be in effect at the time of closing. If Purchaser has not made independent arrangements within a reasonable time before title is to be transferred and provided evidence of hazard insurance to Kaufman and Broad Mortgage Company, Purchaser hereby authorizes Kaufman and Broad Mortgage Company to place the required insurance on the property through an authorized agent of Kaufman and Broad Insurance Agency, Inc. Further information can be obtained by contacting Marka Mandernacht, Sales Administrator of Kaufman and Broad Insurance Agency, Inc., 21650 Oxnard Street, 3<sup>rd</sup> Floor, Woodland Hills, CA 91367, (800) 446-3371.

In addition, if the home is located in an area designated by the Federal Emergency Management Agency ("FEMA") as a "Special Flood Hazard Area", then a flood insurance policy will also be required to be in effect at the close of escrow. If a lot is so designated, Purchaser will be informed of its Special Flood Hazard Area status by KB HOME. Title reports should be reviewed carefully for these references as well.

## **XI. WARRANTY**

### **LIMITED WARRANTY**

As a new homebuyer, Purchaser will be protected by the KB HOME New Home Limited Warranty Agreement (including the detailed Warranty Performance Standards) (collectively, the "Limited Warranty").

Purchaser may obtain a copy of the Limited Warranty from the sales representative at any time. Purchaser will also be asked to review, sign and accept the Limited Warranty at the time he or she enters into a Purchase Agreement.

Please read the Limited Warranty carefully. It is the only warranty given by KB HOME in connection with Purchaser's new home. The Limited Warranty describes KB HOME's repair and warranty obligations, the performance standards to be applied and the procedures for making warranty claims and settling disputes.

Although Purchaser should refer to the Limited Warranty for specific details of coverage, some of the basic terms are as follows:

- The structural integrity of the new home is warranted for ten years.
- The "Major Components" of the home are covered for two years and "Equipment" is covered for one year.
- Certain types of damage are not covered by the Limited Warranty and these exclusions should be reviewed carefully in Section D of the Limited Warranty. Purchaser should also carefully review the Warranty Performance Standards to better understand the details of the coverage.
- Procedures for making claims are covered in detail in Sections C and E of the Limited Warranty.
- The resolving of Limited Warranty disputes is covered in Section E of the Limited Warranty. Please review the Negotiation and Arbitration sections carefully.

## **XII. FEES AND FORFEITURES**

### **LOT TRANSFER FEE**

Purchaser is advised that a \$1,000 transfer fee will be charged in the event that Purchaser transfers from one subdivision to another subdivision or from one lot to another lot within the same subdivision.

### **NOTIFICATION OF DEPOSIT FORFEITURE**

When Purchaser enters into a Purchase Agreement to purchase a home from KB HOME, Purchaser must deposit a specific amount of earnest money. That deposit holds the home for purchase until all of the necessary paperwork can be processed and the transaction is recorded.

There are circumstances where cancellation of the Purchase Agreement results in the forfeiture of the earnest money deposit. Purchaser should review the Purchase Agreement and discuss this issue with the salesperson at the time of purchase. **The terms of the Purchase Agreement will control Deposit Forfeiture and/or Liquidated Damages issues.** The purpose of this **Notification of Deposit Forfeiture** is limited to give Purchaser notice of the narrower issue of the impact of a cancellation after installation of flooring and certain other finish items.

The above-referenced items will be chosen by the Purchaser in KB HOME's KB HOME Studio after the loan interview. Upon KB HOME's receipt of written notification of loan approval from Purchaser's mortgage lender, these items will be released for installation. If Purchaser should cancel the contract to purchase the home after any such items have been installed, the costs of these items will be deducted from the deposit and retained by KB HOME. The balance of Purchaser's deposit will be treated as governed by the terms of the Purchase Agreement. Purchaser's signature on this Disclosure Statement under "Purchaser's Acknowledgment of Receipt of Disclosure" signifies that the Purchaser understands, agrees, and consents to these terms.

### **FEE REIMBURSEMENT**

As a condition of developing the Community, KB HOME or its predecessor was required to make certain advance payments to, or to fund public improvements for, the City of Alameda and/or other jurisdictions. At some future date, one or more of these jurisdictions may determine that it has a surplus of such payments on hand and, if so, may be required to reimburse such surplus or to reimburse funds spent on certain public improvements. Similarly, reimbursements could occur because of challenges to the amount of the fees collected. When reimbursements are made, such reimbursements may be distributed directly to then owner of applicable property which, at the time of the reimbursement, will be Purchaser or a subsequent homeowner. By Purchaser's signature on this disclosure statement, however, Purchaser acknowledges and agrees that because KB HOME paid the initial fee: (i) KB HOME shall have all rights to the reimbursement, if any, of such advance payments as may be allocated to Purchaser's lot and, by signing this disclosure statement, Purchaser hereby assigns such rights to KB HOME; (ii) the purchase price of the Purchaser's

home was arrived at through arms-length negotiations with KB HOME, reflected the then-current market price of the home and, therefore, any such fee reimbursement shall have no effect on the purchase price; (iii) Purchaser shall cooperate with KB HOME generally and shall specifically cooperate in arranging to have any such reimbursements paid directly to KB HOME, including, if necessary, executing an assignment of Purchaser's right to any such reimbursement in favor of KB HOME, an acknowledgement of KB HOME's rights to such amounts or similar documentation; and, (iv) if such payment is made to Purchaser, Purchaser agrees to forward such payment to KB HOME.

### **XIII. ACKNOWLEDGMENTS**

#### **HEADINGS DISCLAIMER**

Headings in this Disclosure Statement are included for reference purposes only and shall not affect the meaning of any provisions of this disclosure.

#### **PURCHASER AND CUSTOMER INFORMATION**

KB HOME will not disclose to third parties any information about its purchasers, potential purchasers or other customers which is prohibited from disclosure by law. From time to time, however, KB HOME may share certain information with affiliates and unaffiliated third-parties for the purpose of offering products, services and other opportunities that may be of interest to KB HOME purchasers, potential purchases and other customers. This policy does not apply to information provided solely through the Company's internet website, [www.kbhome.com](http://www.kbhome.com). Please visit [www.kbhome.com](http://www.kbhome.com) to review the Company's policy regarding information provided through the website.

#### **SHOWROOM – KB HOME STUDIO**

KB HOME would like to take this opportunity to explain the process for completing the selection of colors and optional upgrades that will personalize new homes to Purchaser's individual tastes. Purchaser is invited to visit our KB HOME Studio, within five (5) days after the purchase date. The KB HOME Studio displays a wide variety of colors from which to choose for the standard features included in the home. In addition, the KB HOME Studio includes a wide variety of options that can be included in the home, most of which can be financed through Kaufman and Broad Mortgage Company.

In order to deliver a quality home with the most choices, it is important that all options be thoroughly reviewed and selected in a timely manner. All framing related options must be selected at the Sales Office at the time of purchase. A salesperson will identify these options and assist Purchaser in making selections. Once these items are selected and ordered, no changes will be permitted. All other non-framing, non-electrical and non-plumbing related options that are offered at the Purchaser's Community must be selected at the KB HOME Studio within fourteen (14) days of Purchaser's sale date or before the construction cut-off date established by KB HOME, whichever occurs first. Once these items are selected and ordered, no changes will be permitted. The option selection timeline (cut-off) date is a point in time where certain options are no longer available for ordering based on the stage of construction. Please understand that the option selection timeline has been established by

KB HOME to provide Purchaser with the maximum choice at the optimum price. This timeline has also been established in order to maximize the delivery schedule and to deliver a high quality built home. If a home is purchased that is currently under construction, certain options may not be available and/or will need to be selected in a shorter timeframe – ask a sales agent for more information. KB HOME reserves the right to delay construction of the home until Purchaser obtains formal loan approval.

**KB HOME would like to bring attention to the following information pertaining to the KB HOME Studio and selection process.**

A sales agent will schedule a KB HOME Studio appointment at the time of purchase. If a sales agent does not schedule an appointment, a KB HOME Studio Representative will call to arrange the appointment date and time. This appointment must be scheduled and finalized within fourteen (14) days from the sale date. Prior to the appointment, KB HOME encourages Purchasers to revisit the models with their brochures and option worksheets provided by their sales agent. Purchasers will become familiar with which features are included and/or optional features. Prior to the final appointment, Purchasers are **welcomed and encouraged to visit and browse the KB HOME Studio as many times as desired, to make preliminary decisions.** Please remember that all final appointments must be pre-arranged so that Purchaser have the time and attention deserved.

Once an appointment is scheduled, it is expected that Purchaser arrives on time and prepared to make final decisions. If the appointment is missed, cut-off dates can pass, limiting the ability to order optional items. If an appointment needs to be rescheduled, KB HOME cannot guarantee the next available date will be within certain cut-off dates, which could limit the Purchaser's ability to order optional items. KB HOME strongly recommends that Purchasers make arrangements for childcare, so that they may dedicate their full attention to these important decisions.

**Purchasers please review each section carefully and initial each section.**

**SELECTION POLICY**

\_\_\_\_\_(Initials) Purchaser is aware and understands that:

- 1) All options and/or selections must be made within the terms of the purchase agreement. KB HOME will not be held responsible for options and selections missed due to Purchaser's failure to choose all options and selections within the terms of the purchase agreement.
- 2) If Purchaser fails to choose all options and selections within the terms of the purchase agreement, or fails to obtain loan approval, KB HOME reserves the right to delay the start of construction on the home or to make all selection choices.

**DEPOSIT POLICY**

\_\_\_\_\_(Initials) **Loan From Kaufman and Broad Mortgage Company.** Purchaser acknowledges and understands that by utilizing Kaufman and Broad Mortgage Corporation (KBMC) for the processing of their loan: 1) most options may be financed in the mortgage;



2) a sales agent will inform the Purchaser if an additional deposit will be required for options selected at the Sales Office and at the time of Purchaser's KB HOME Studio appointment; and 3) any required deposits will be included in the total deposit required at close of escrow.

### **RESELECTION POLICY**

\_\_\_\_\_(Initials) Purchaser acknowledges and understands that no changes or additions to selections will be allowed after the final date agreed to on the amended sales contract signed in the KB HOME Studio or the designated cut-off date, whichever is sooner.

### **PRICING OF OPTIONS**

\_\_\_\_\_(Initials) The price of individual options distributed at the time of sales, and or at the KB HOME Studio are subject to change at any time without notice to Purchaser. KB HOME reserves the right to modify option prices unless Purchaser has executed a sales contract for an option price prior to date of change.

### **AVAILABILITY OF OPTIONS**

\_\_\_\_\_(Initials) Options are incorporated into the construction schedule. Due to construction scheduling, cut-off dates are not flexible. Once cut-off dates have passed, certain options are no longer available.

\_\_\_\_\_(Initials) The availability of individual options is subject to change at any time without notice to Purchaser. Options may be added or deleted at the KB HOME Studio. As a result, some items may not be available for Purchaser to select from at the appointment from when Purchaser first purchased. If a new option is added to the KB HOME Studio after Purchaser has finalized selections, it cannot be ordered.

\_\_\_\_\_(Initials) If a home is being purchased that is already under construction, certain options may not be available. If options and/or flooring have been pre-selected, these items cannot be changed or cancelled.

### **MISSED OPTIONS**

\_\_\_\_\_(Initials) Should KB HOME, for any reason, not install optional items requested, then KB HOME shall refund to Purchaser the price paid for those items as final settlement with no further liability or obligation on the part of the KB HOME.

### **PRODUCT DISCONTINUATION**

\_\_\_\_\_(Initials) Purchaser acknowledges and understands that styles and colors of merchandise selected from the KB HOME Studio were available from the manufacturer at the time of order. However, it is understood that between the time of order and time of actual installation, it is possible that the specific style(s) and/or color(s) may become discontinued or back ordered. In this event, the KB HOME Studio will notify Purchaser to make new selections from available materials.

### **PRICEOUTS/SPECIAL PURCHASER INQUIRIES**

\_\_\_\_\_(Initials) Purchaser acknowledges and understands that due to the nature of the construction business of building homes on a production basis, KB HOME will not consider any requests for special changes.

### **MODELS**

\_\_\_\_\_(Initials) Purchaser acknowledges and understands that models frequently are shown with upgraded floor covering, cabinets, countertops and various other options which may or may not be available at the KB HOME Studio. In addition, decorator/designer accessories and discontinued items shown in the models are not available for purchase.

### **COMMUNITY DIFFERENCES**

\_\_\_\_\_(Initials) The optional and upgrade items available may differ by community and floorplan. A KB HOME Studio Consultant will explain the standard features of the home being purchased as well as all optional and upgrade items available for that home. In addition, pricing may be different for the same option from community to community.

### **BROWSING IN THE KB HOME STUDIO**

\_\_\_\_\_(Initials) Purchasers are encouraged to browse in the KB HOME Studio prior to their final appointment time.

KB HOME RESERVES THE RIGHT TO MODIFY OR DEVIATE FROM THESE GENERAL KB HOME STUDIO INSTRUCTIONS AT ANYTIME WITHOUT NOTICE.

PURCHASER UNDERSTANDS AND ACCEPTS THE ABOVE. PURCHASER ACKNOWLEDGES RECEIPT OF DISCLOSURE BY SIGNING THIS DISCLOSURE STATEMENT. KB HOME OR ANY OF ITS SUBSIDIARIES WILL NOT HONOR ANY REPRESENTATIONS MADE OTHER THAN THOSE MADE IN WRITING AND SIGNED.

**STATEMENTS AND AGREEMENTS BY SALESPERSON**

KB HOME is not responsible for, or bound by, any statement or agreement by a salesperson or agent unless such statement or agreement is in writing and is signed by the President or Sales Manager of KB HOME. If any salesperson has made a representation to Purchaser, Purchaser must put it in writing in the space provided below. Inserting the word "none" in the space below or leaving the space below blank means that Purchaser has not relied upon any verbal representation from KB HOME.

Salesperson's representations to Purchaser: (If none, so state and initial)

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Purchaser's Initials: \_\_\_\_\_

Purchaser's Initials: \_\_\_\_\_

IF ENGLISH IS NOT YOUR FIRST LANGUAGE, YOU MAY WISH TO DISCUSS THESE DOCUMENTS WITH AN ATTORNEY OR OTHER TRUSTED PROFESSIONAL WHO CAN ANSWER, IN YOUR NATIVE LANGUAGE, QUESTIONS YOU MAY HAVE REGARDING THESE DOCUMENTS.

SI INGLÉS NO ES SU IDIOMA PRINCIPAL, ES POSIBLE QUE NECESITAS DISCUTIR ESTOS DOCUMENTOS CON SU ABOGADO O OTRA PROFESIONISTA CONFIABLE QUIEN PUEDE DARLE RESPUESTAS A LAS PREGUNTAS QUE TIENEN EN REFERENCIA A ESTOS DOCUMENTOS EN SU IDIOMA PRINCIPAL.

**PURCHASER'S ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT**

I acknowledge that I have received, read and accepted all the contents of this Disclosure Statement. I also realize that it contains important information affecting my rights and obligations and I have familiarized myself with its contents.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2001

Purchaser: \_\_\_\_\_

Purchaser: \_\_\_\_\_

Plan: \_\_\_\_\_

Tract:/Plat: \_\_\_\_\_ Lot Number: \_\_\_\_\_

Community: Marina Cove

Property Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ACKNOWLEDGMENT OF WAIVER OF CLAIMS**

This ACKNOWLEDGMENT OF WAIVER OF CLAIMS is being executed by the undersigned for the benefit of KB HOME South Bay Inc. ("KB HOME") on the following basis:

1. The undersigned has entered into an agreement for the purchase and sale of real property from KB HOME or is considering entering into such an agreement with KB HOME with respect to certain real property and improvements (the "Property") in a community known as "Marina Cove" (the "Community") being developed by KB HOME.

2. The undersigned wishes to visit the Community and the Property and recognizes that the Property is located within a construction site portion of the Community and that such construction site is a potentially dangerous location.

3. KB HOME shall permit the undersigned to enter the Property and the construction areas of the Community provided that the undersigned enters the Property and the Community fully aware of the risks of such entry.

4. The undersigned acknowledges that there are numerous risks associated with the Property and the Community including, without limitation, open trenches, construction traffic, potential falling debris, exposed nails and electrical wiring, incomplete construction and certain other potential hazards. The undersigned agrees to use due care including, without limitation, the wearing of hard hats, in entering onto the Property, the remainder of the Community or any improvements located thereon.

5. The undersigned shall proceed at its own risk and hereby releases and waives any claims against KB HOME South Bay Inc., KB HOME and all of the affiliate, parent and subsidiary companies, officers, directors, employees, attorneys, assistants and any and all other persons or entities that could be potentially liable to the undersigned as a result of any injury which may occur during the undersigned's visit to the Property or to any portion of the Community, including any and all claims for debt, liabilities, demands, obligations, costs, legal fees, medical or other expenses, attorneys' fees, actions, or causes of action, of every nature, character or description.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ .

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

ATTACHMENT A - TO BE ATTACHED BY SOUTH BAY  
DECORATOR ITEMS - [Marina Cove]

ATTACHMENT B  
OPTIONAL ITEMS - [Marina Cove]

ATTACHMENT C  
STANDARD FEATURES- [Marina Cove]

**Acknowledgement of "Grants of Easement and Declaration of Shared Road Access and Maintenance"**

By signing below, Purchasers of lots 41 through 46, 47 through 52, 62 through 67, and 77 through 83, hereby acknowledge that they have read, received, understand and approve of the restrictions and limitations contained within the "Grants of Easement and Declaration of Shared Road Access and Maintenance" document.

Buyer \_\_\_\_\_

Date \_\_\_\_\_

Buyer \_\_\_\_\_

Date \_\_\_\_\_

**Acknowledgement of "Declaration of Shared Improvements"**

By signing below, Purchasers of lots 33 & 34, 35 & 36, 78 & 79, 80 & 81, and 82 & 83, hereby acknowledging that they have read, received, understand and approve of the restrictions and limitations contained within the "Declaration of Shared Improvements" document.

Buyer \_\_\_\_\_

Date \_\_\_\_\_

Buyer \_\_\_\_\_

Date \_\_\_\_\_