

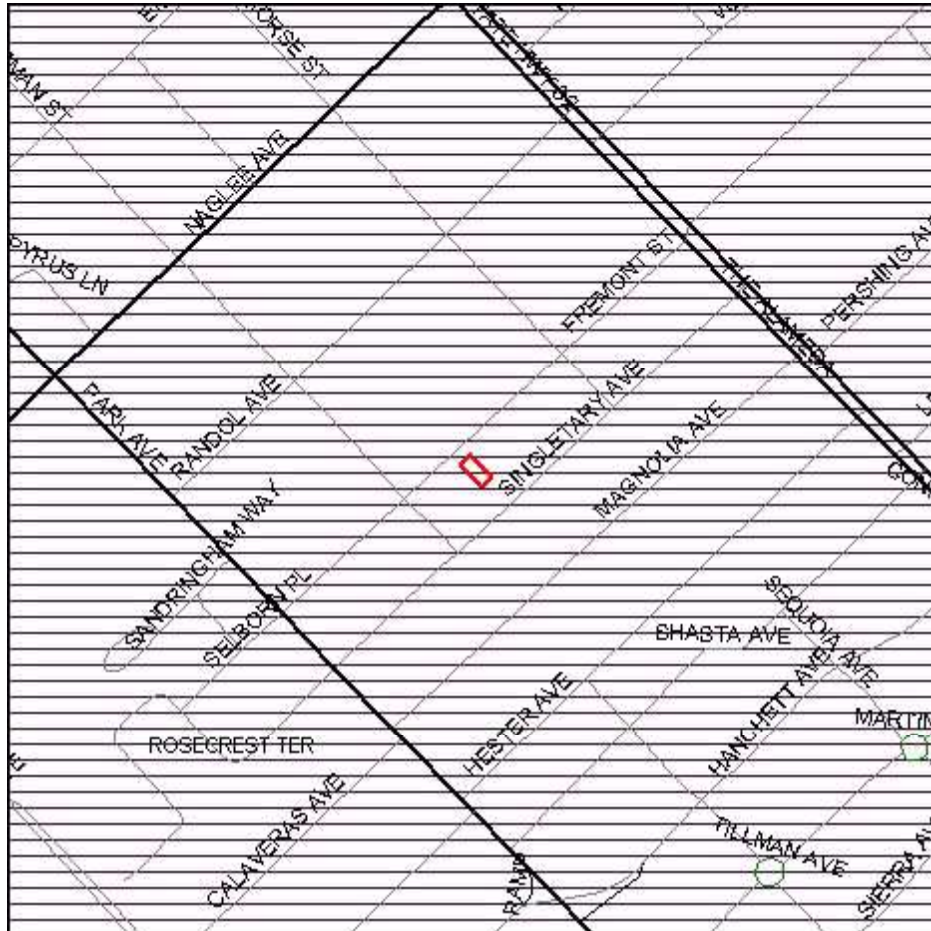
JCP-LGS Property Disclosure Reports | MAP COVER PAGE

Natural Hazard Disclosure Report



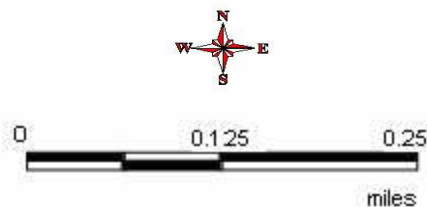
Property Address: 1264 FREMONT ST ,
SAN JOSE, SANTA CLARA County, CA

APN: 261-19-034
Report Date: 02/25/2008
Report Number: 235835



Subject Property

	Special Flood Hazard Area
	Area of Potential Flooding, Dam Failure
	Very High Fire Hazard Severity Zone
	Wildland Area, Substantial Forest Fire Risk
	Earthquake Fault Zone
	Seismic Hazard Zone, Landslide
	Seismic Hazard Zone, Liquefaction



This map is provided for convenience only to show the approximate location of the Property and is not based on a field survey.

This COMPREHENSIVE REPORT contains the Natural Hazard Disclosure Report and the California Property Tax Report. If you would like to also order an environmental report (EnviroCheck™ Report), please contact Customer Service at (800)748-5233

THIS REPORT PROVIDES THE STATUTORY DISCLOSURES MANDATED BY CALIFORNIA CIVIL CODE SECTION 1103.2 AND DELIVERY OF THIS REPORT AND THE EXECUTED STATUTORY FORM IS SUFFICIENT TO MEET THE SAFE HARBOR FOR THE SELLER AND SELLER'S AGENT. THIS REPORT ALSO CONTAINS OTHER IMPORTANT DISCLOSURES AND INFORMATION. SELLER AND SELLER'S AGENT MAY HAVE ADDITIONAL RESPONSIBILITIES FOR CERTAIN DISCLOSURES WITHIN THEIR ACTUAL KNOWLEDGE.



JCP-LGS Disclosure Reports

The JCP-LGS Natural Hazard Disclosure Report FOR SANTA CLARA COUNTY

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Statutory Natural Hazard Disclosure Statement

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

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

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

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

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

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

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

Yes _____ No ☒

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

Yes _____ No ☒

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

Yes _____ No ☒

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

Yes (Landslide Zone) _____ Yes (Liquefaction Zone) ☒

No _____ Map not yet released by state _____

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

Signature of Transferor (Seller) _____ Date _____

Signature of Transferor (Seller) _____ Date _____

Signature of Agent _____ Date _____

Signature of Agent _____ Date _____

Check only one of the following:

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

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

Third-Party Disclosure Provider(s)


Scott Roecklein, Executive Vice President
JCP-LGS Disclosure Reports

Date 02/25/2008

Rept. No. 235835

Transferee represents that he/she has read and understands this document. I (We) also have read and understand the added local hazard, airport, military ordnance, commercial zoning, BCDC disclosure, energy efficiency disclosure, Megan's Law disclosures, as well as the mold, radon, meth lab, and endangered species advisories and the map cover page contained in this Report. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the transferor's or agent's disclosure obligations in this transaction.

Signature of Transferee(s) _____ Date _____

Signature of Transferee(s) _____ Date _____

ADDITIONAL SIGNATURES REQUIRED – Tax Disclosure Report

Statutory Form



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Summary Declaration of Liability Provisions

JCP-LGS Reports Natural Hazard Disclosures ("JCP-LGS" or "The Company"), a division of First American Natural Hazard Disclosures LLC and a member of The First American Family of Companies, hereby declares that Recipients of a natural hazard disclosure report issued by a Member Company ("Report") pursuant to California Civil Code §1103 *et seq.* for a transaction are provided the following assurances and protections.

Recipients

- Buyers, Sellers and their respective real estate agents and brokers involved in the sale of the Property for which the Report was issued.

Member Companies

- First American Natural Hazard Disclosures, LLC.
- JCP-LGS Property Disclosure Reports

Protections

All Recipients of a Report shall enjoy the following assurances and protections if their Report contains an error which results in damages as defined in the Report ("Error") upon proper tender of the claim:

- (1) JCP-LGS will resolve the claim promptly and in good faith.
- (2) JCP-LGS will defend a Recipient against legal action brought against that Recipient as a result of the Error or otherwise resolve the Error without economic loss to the Recipient.
- (3) Recipients will enjoy the benefits of amounts received by JCP-LGS from its errors and omissions ("E&O") insurance carrier as a result of the Error.
- (4) To the extent that economic loss resulting from the Error is not paid by the E&O insurance proceeds, JCP-LGS shall be liable for any remaining loss.

Recipients are entitled to rely on the provisions of the Report as of the close of escrow for the transaction for which said Report was issued.

By: JCP-LGS Disclosure Reports Scott Roecklein, Executive Vice President **Date:** 02/25/2008



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The JCP-LGS Report™

Map Cover Page
Statutory Form
Confirmation of Coverage

Parties: The parties for whom this Report was prepared are the owner(s) of the Property on the Report Date ("Seller"), the buyer of the Property under contract of sale as of the Report Date ("Buyer") and their respective licensed real estate agents ("Agents"). Seller, Buyer and the Agents are sometimes referred to herein as "Party" or "Parties."

CONTENTS

This Report includes (i) a Statutory Form, (ii) a Determination Summary and Index (following page) showing the disclosure determinations specific to the Property provided in detail in Sections 1 through 3, inclusive, and (ii) the Methods and Limitations (Section 4). This Report is not complete if any one of these components is missing. Additional information may also be included after Section 4 in the form of addendums which are provided as an accommodation and are not an official part of this Report.

SECTION	TITLE	PURPOSE
	Statutory Form SIGNATURES REQUIRED	The Statutory Form as required by California Civil Code § 1103 (the "Law")
	Determination Summary	Summary of all determinations for the Property.
1.	Statutory Determinations and Discussion Summary	The statutory disclosures applicable to the Property as required by California Civil Code § 1103 (the "Law").
2.	County & City Determinations and Discussion Summary	County and city level disclosures.
3.	Other Disclosures and Advisories	Additional disclosures specific to the Property and important advisories and notices dealing with potential general concerns related to home ownership in California but not specific to the Property.
4.	Methods and Limitations (IMPORTANT)	A summary explanation of the methods used to make the disclosure determinations and limitations on liability.

THIS IS A PUBLIC RECORD REPORT ONLY: This Report only provides information concerning the Property derived from the Public Records identified in this Report. While JCP-LGS has made good faith efforts to report from the Public Records as accurately as possible, the quality, accuracy, and currency of the information contained in these Public Records can vary greatly. For more information regarding a specific disclosure and the related Public Record, please read Sections 1 through 3, inclusive, of this Report.

NOT AN INSPECTION REPORT: This Report is not the same thing as a physical inspection report nor a full environmental or geological assessment report. JCP-LGS has not physically inspected the Property. This Report only summarizes the information from the specified Public Records.

LIABILITY PROTECTIONS: Upon consummation of the sale of the Property to Buyer ("Sale Date"), the Parties involved in that sale are protected against loss caused by any error in this Report as specified in the section below entitled "Methods and Limitations."

NOT AN INSURANCE POLICY: This Report is a binding contract but is not an insurance policy. The price charged for the Report does not cover the costs that would be necessary to provide all of the protections of an insurance policy.



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DETERMINATION SUMMARY

This Report discloses the results of a review of specified officially adopted maps and other government records ("Public Records") containing the information applicable to the Property. For a detailed explanation as to the meaning of each of the disclosures and the reporting standards used to make the determinations, please refer to the Disclosure Explanations in the specific Section and Page as indicated.

SUMMARY AND INDEX OF DISCLOSURES AND ADVISORIES

*For a complete explanation of the disclosures summarized below,
please refer to the sections and pages indicated.*

SECTION 1 SUMMARY

State Level Statutory Zone Disclosures

Determination

Flood	A SPECIAL FLOOD HAZARD AREA	NOT IN	See Section 1 Page 1
	AN AREA OF POTENTIAL FLOODING	NOT IN	See Section 1 Page 1
Fire	A VERY HIGH FIRE HAZARD SEVERITY ZONE	NOT IN	See Section 1 Page 2
	A WILDLAND FIRE AREA (SRA)	NOT IN	See Section 1 Page 2
Seismic	AN EARTHQUAKE FAULT ZONE	NOT WITHIN	See Section 1 Page 2
	A SEISMIC HAZARD LANDSLIDE ZONE	NOT IN	See Section 1 Page 3
	A SEISMIC HAZARD LIQUEFACTION ZONE	IN	See Section 1 Page 3

* N/A = The map is not yet released by the State.

SECTION 2 SUMMARY

County Level Zone Disclosures

FAULT	NOT WITHIN	See Section 2 Page 1
LANDSLIDE	NOT IN	See Section 2 Page 1
LIQUEFACTION	IN	See Section 2 Page 1
COMPRESSIBLE SOILS	NOT IN	See Section 2 Page 1
DIKE FAILURE	NOT IN	See Section 2 Page 1



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City Level Zone Disclosures

FAULT	NOT IN	See Section 2 Page 3
LANDSLIDE	LEAST TO MODERATE	See Section 2 Page 3
SAN JOSE REDEVELOPMENT AREA	NOT IN	See Section 2 Page 3
SPECIAL GHSA	NOT IN	See Section 2 Page 3

SECTION 3 SUMMARY

OTHER DISCLOSURES, ADVISORIES AND TERMS AND SERVICES

Other Zone Disclosures

	<u>Determination</u>	
Commercial/ Industrial LOCATED WITHIN 1 MILE OF A COMMERCIAL OR INDUSTRIAL SITE	IN	See Section 3 Page 1
Military Ordnance FORMER MILITARY ORDNANCE SITE DISCLOSURE	NOT WITHIN	See Section 3 Page 1
Airports AIRPORT INFLUENCE AREA	NOT IN	See Section 3 Page 3
AIRPORT NOISE DISCLOSURE	NOT WITHIN	See Section 3 Page 4
Megan's Law		See Section 3 Page 5
San Francisco Bay Conservation and Development Commission Disclosure	NOT IN	See Section 3 Page 6
California Energy Commission Duct Sealing & Testing	NOT IN	See Section 3 Page 7

Advisories

Methamphetamine Contaminated Property Disclosure Advisory	See Section 3 Page 8
Mold Advisory	See Section 3 Page 8
Radon Advisory	See Section 3 Page 9
Endangered Species Advisory	See Section 3 Page 10
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Abandoned Mines Advisory

See Section 3 Page 11

Additional Addenda

City of San Jose Street Tree Disclosure Form*
****Signatures Required***

See Addendums



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SECTION 1

JCP-LGS STATUTORY MAP READING DETERMINATIONS AND DISCUSSIONS SUMMARY

The statutory Natural Hazard Disclosure Statement attached to this Report is completed in accordance with California law which mandates that if any portion of the Property is located within the zone that the form indicate that the Property is "IN" the zone. Below more detailed information is provided to better inform and educate the Parties.

• • • SPECIAL FLOOD HAZARD AREA • • •

DETERMINATION:

The Property is **NOT IN** a Special Flood Hazard Area. The Property is **IN** a FEMA-designated Flood Zone D. If the property is located in or partially in any Zone A or V, in certain circumstances some lenders may be required by federal law to have homeowners purchase and maintain flood insurance.

DISCUSSION: Property in a Special Flood Hazard Area (any type of Zone "A" or "V" as designated by the Federal Emergency Management Agency ("FEMA")) is subject to flooding in a "100-year rainstorm." Federally connected lenders are required to have homeowners maintain flood insurance in these zones. A 100-year flood occurs on average once every 100 years, but may not occur in 1,000 years or may occur in successive years. According to FEMA, a home located within a SFHA has a 26% chance of suffering flood damage during the term of a 30-year mortgage. Other types of flooding, such as dam failure, are not considered in developing these zones. In some cases, the insurance requirement may be waived or modified by obtaining a Letter of Map Revision ("LOMR") or Letter of Map Amendment ("LOMA") from the FEMA. This might be possible where flooding is shallow and fill was placed on the site, appropriate flood control measures were taken, or only the lot and no part of the structure is in the zone. Contact FEMA directly for more information. Flood insurance for properties in Zones B, C, X or D is available but is not required.

Zones C, D: NOT IN an area of "100-year" flooding. Area of minimal (Zone C) or undetermined (Zone D) flood hazard.

For more information about flood zones, visit <http://www.floodsmart.gov/floodsmart/pages/riskassessment/floodzonesdefined.jsp>

PUBLIC RECORD: Official Flood Insurance Rate Maps ("FIRM") compiled and issued by the Federal Emergency Management Agency ("FEMA") pursuant to 42 United States Code §4001, et seq.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within a Special Flood Hazard Area ("SFHA," defined as any type of Zone "A" or "V" flood zone) as designated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within a SFHA as delineated in the Public Record. **Note:** If the Property is subject to a Letter of Map Amendment ("LOMA") or a Letter of Map Revision ("LOMR") issued by FEMA, a copy of the LOMA or LOMR must be attached to the Natural Hazard Disclosure Statement ("NHDS") or appropriate disclosure statement. The Company is not always able to determine if the Property is subject to a LOMA or a LOMR. Even if such information is available to the Company, the Company is unable to attach a copy of the LOMA or LOMR to the NHDS. If Seller is aware that the Property is subject to a LOMR or a LOMA, the Seller shall attach a copy to the NHDS and notify the Company.

• • • AREA OF POTENTIAL FLOODING (DAM FAILURE) • • •

DETERMINATION:

The Property is **Not in** an area of potential dam inundation.

DISCUSSION: Local governmental agencies, utilities, and owners of certain dams are required to prepare and submit inundation maps for review and approval by the California Office of Emergency Services ("OES"). A property within an Area of

Section 1 Page 1



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Potential Flooding Caused by Dam Failure is subject to potential flooding in the event of a sudden and total dam failure with a full reservoir. Such a failure could result in property damage and/or personal injury. However, dams rarely fail instantaneously and reservoirs are not always filled to capacity. Please note that not all dams (such as federally controlled dams) located within the state have been included within these dam inundation zones. Also these maps do not identify areas of potential flooding resulting from storms or other causes.

PUBLIC RECORD: Official dam inundation maps or digital data thereof made publicly available by the State of California Office of Emergency Services ("OES") pursuant to California Government Code §8589.5.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within an area of potential inundation as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within a mapped area of potential inundation as delineated in the Public Record.

• • • VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHSZ) • • •

DETERMINATION:

The Property is Not in a very high fire hazard severity zone.

DISCUSSION: VHFHSZs can be defined by the California Department of Forestry and Fire Protection ("CDF") as well as local fire authorities within "Local Responsibility Areas" where fire suppression is the responsibility of a local fire department. Properties located within VHFHS Zones may have a higher risk for fire damage and, therefore, may be subject to (i) additional construction requirements such as a "Class A" roof for new construction or replacement of existing roofs; and (ii) additional maintenance responsibilities such as adequate vegetation clearance near the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety. Contact the local fire department for a complete list of requirements and exceptions.

PUBLIC RECORD: Official maps issued by the California Department of Forestry and Fire Protection ("CDF") pursuant to California Public Resources Code § 51178.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within an area of potential inundation as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within a mapped area of potential inundation as delineated in the Public Record.

• • • WILDLAND FIRE AREA (STATE RESPONSIBILITY AREA) • • •

DETERMINATION:

The Property is Not in a wildland-state responsibility area.

DISCUSSION: The State Board of Forestry classifies all lands within the State of California based on various factors such as ground cover, beneficial use of water from watersheds, probable damage from erosion, and fire risks. Fire prevention and suppression in all areas which are not within a Wildland - State Responsibility Area ("WSRA") is primarily the responsibility of the local or federal agencies, as applicable.

For property located within a WSRA, please note that (1) there may be substantial forest fire risks and hazards; (2) except for property located within a county which has assumed responsibility for prevention and suppression of all fires, it is NOT the state's responsibility to provide fire protection services to any building or structure located within a WSRA unless the Department has entered into a cooperative agreement with a local agency; and (3) the property owner may be subject to (i) additional construction requirements such as a "Class A" roof for new construction or replacement of existing roofs; and (ii)



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additional maintenance responsibilities such as adequate vegetation clearance near the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety practices.

The existence of local agreements for fire service is not available in the Public Record and, therefore, is not included in this disclosure. For very isolated properties with no local fire services there may be significant fire risk or only seasonal fire services. If the Property is located within a WSRA, please contact the local fire department for more detailed information.

PUBLIC RECORD: Official maps issued by the California Department of Forestry and Fire Protection ("CDF") pursuant to California Public Resources Code § 4125.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within a Wildland – State Responsibility Area ("WSRA") as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within a mapped WSRA as delineated in the Public Record.

• • • EARTHQUAKE FAULT ZONE • • •

DETERMINATION:

The Property is Not in an earthquake fault zone designated pursuant to the Alquist-Priolo Act.

DISCUSSION: Earthquake Fault Zones are delineated and adopted by California as part of the Alquist-Priolo Earthquake Fault Zone Act of 1972. Property in an Earthquake Fault Zone ("EF Zone") does not necessarily have a fault trace existing on the site. EF Zones are areas or bands delineated on both sides of known active earthquake faults. EF Zones vary in width but average one-quarter (1/4) mile in width with the "typical" zone boundaries set back approximately 660 feet on either side of the fault trace. The potential for "fault rupture" damage (ground cracking along the fault trace) is relatively high only if a structure is located directly on a fault trace. If a structure is not on a fault trace, shaking will be the primary effect of an earthquake. During a major earthquake, shaking will be strong in the vicinity of the fault and may be strong at some distance from the fault depending on soil and bedrock conditions. It is generally accepted that properly constructed wood-frame houses are resistant to shaking damage.

PUBLIC RECORD: Official earthquake fault zone or special study zone maps approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2622.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within an Earthquake Fault Zone ("EF Zone") as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within an EF Zone as delineated in the Public Record.

• • • SEISMIC HAZARD MAPPING ACT ZONE • • •

DETERMINATION:

IN an area of potential liquefaction designated pursuant to the Seismic Hazard Mapping Act. Not in an area of earthquake-induced landsliding designated pursuant to the Seismic Hazard Mapping Act.

DISCUSSION: Official Seismic Hazard Zone ("SH Zone") maps delineate Areas of Potential Liquefaction and Areas of Earthquake-Induced Landsliding. A property that lies partially or entirely within a designated SH Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place.

Liquefaction Hazard Zones are areas where there is a potential for, or an historic occurrence of liquefaction. Liquefaction is a soil phenomenon that can occur when loose, water saturated granular sediment within 40 feet of the ground surface, are



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shaken in a significant earthquake. The soil temporarily becomes liquid-like and structures may settle unevenly. The Public Record is intended to identify areas with a relatively high potential for liquefaction but not to predict the amount or direction of liquefaction-related ground displacement, nor the amount of damage caused by liquefaction. The many factors that control ground failure resulting from liquefaction must be evaluated on a site specific basis.

Earthquake-Induced Landslide Hazard Zones are areas where the potential for earthquake-induced landslides is relatively high. Areas most susceptible to these landslides are steep slopes in poorly cemented or highly fractured rocks, areas underlain by loose, weak soils, and areas on or adjacent to existing landslide deposits. The CGS cautions these maps do not capture *all* potential earthquake-induced landslide hazards and that earthquake-induced ground failures are not addressed by these maps. Furthermore, no effort has been made to map potential run-out areas of triggered landslides. It is possible that such run-out areas may extend beyond the zone boundaries. An earthquake capable of causing liquefaction or triggering a landslide may not uniformly affect all areas within a SH Zone.

PUBLIC RECORD: Official seismic hazard maps or digital data thereof approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2696.

REPORTING STANDARD: "IN" shall be reported for Seismic Hazard Zone - Area of Potential Liquefaction if any portion of the Property is located within said Area as delineated in Public Record. "NOT IN" shall be reported for if no portion of the Property is within an Area of Potential Liquefaction as delineated in the Public Record. Likewise, "IN" shall be reported for Seismic Hazard Zone - Area of Earthquake-Induced Landsliding if any portion of the Property is located within said Area as delineated in Public Record. "NOT IN" shall be reported for if no portion of the Property is within an Area of Earthquake-Induced Landsliding as delineated in the Public Record. "Map Not Available" shall be reported in areas not yet evaluated by the governing agency according to the Public Record. Please note that "Map Not Available" will be applicable to most portions of the state Official Seismic Hazard Zone ("SH Zone") maps delineate Areas of Potential Liquefaction and Areas of Earthquake-Induced Landsliding. A property that lies partially or entirely within a designated SH Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place.



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SECTION 2

COUNTY AND CITY NATURAL HAZARD DISCLOSURE STATEMENT

The following natural hazard disclosures are provided to give local-level seismic safety information for the Property. This information may be used by the local jurisdiction relative to making decisions regarding new development or additional construction. The agencies and jurisdictions who develop the official maps do not necessarily define or delineate hazards in the same way. A site can be *in* a hazard zone from one source and *not in* a hazard zone from another source.

SANTA CLARA COUNTY GEOLOGIC AND SEISMIC ZONE

DETERMINATION:

Based on the officially adopted county-level Seismic Safety Element natural hazard maps, the Property is:

This Property is:

- in a county-designated liquefaction hazard zone
- not in a county-designated compressible soils hazard zone
- not in a county-designated dike failure flooding hazard zone
- not in a county-designated landslide hazard zone
- not within a county-designated fault rupture hazard zone

NOTE: If the Property is in a locally mapped hazard zone or if information of concern exists in another source, the Property may require a geologic study prior to any new or additional construction. The disclosures may be material facts that should be disclosed to Buyer in addition to the Statutory Natural Hazard Disclosures. Additional sources of information which are not officially adopted, may be available at the local jurisdiction that are not included in this Report.

SANTA CLARA COUNTY GEOLOGIC ZONES DISCUSSION

The County of Santa Clara, separately from the State and Federal governments, has officially produced or adopted maps to delineate potential geologic and seismic hazards that are recognized at the local level. Those hazard maps are incorporated by reference into the Santa Clara County Code, adopted by the County Board of Supervisors in 2002. The local-level disclosure in this report was based on the following official County map(s) available in digital vector format: "County Geologic Hazard Zones Map," prepared by Santa Clara County Department of Planning (disclosure required by County Ordinance Sec C12-624).

The hazard zones delineated on the above map source, in addition to the statutorily-required State and Federal hazard maps, are typically considered by the County when approving land use and development permit applications under County jurisdiction. Additional maps exist in the General Plan and other maps, including updated versions of the above-referenced map(s), may exist in the files of specific County departments. Those additional map sources were not consulted for this disclosure because parcel-level details cannot be resolved at the scale and quality of the available official map, or the map is inappropriate for application to this report, or the map has not yet been officially adopted and incorporated into the County's Safety Element. As mapping technology advances, this company later may determine that some additional map sources become usable for parcel-level disclosure. The mapped County hazard zones represent evaluations of generalized hazard information. Any specific site within a mapped zone could be at less or more relative risk than is indicated by the zone designation. If a site-specific evaluation is desired, this company recommends that a geotechnical consultant be retained to study the site and issue a report.

The official County-level information addresses the potential geologic and seismic hazards itemized below:

FAULT

The County identifies Fault Rupture Hazard Zones as both "active" and "potentially active" fault zones as well as other faulting-related geologic features. Active faults are known to have experienced fault rupture in the last 11,000 years and are usually seismically active (produce earthquakes periodically). Potentially active faults are not seismically active, and it cannot be definitely proven that these faults have moved in the last 11,000 years. Potentially active faults far outnumber active faults in Santa Clara County. Because potentially active faults are included in the zone description, all Fault Rupture Hazard Zone are not necessarily equal to an Alquist-Priolo Earthquake Fault Zone which only includes active faults.

LANDSLIDE



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Landslide Hazard Zones include areas with a high potential for earthquake-induced landslides. It does not necessarily mean that landslides exist on the property or that landsliding is imminent or probable in the area. It does mean that the designated area has a greater chance of landsliding than properties in flat-lying areas. The County has also included a United States Geological Survey Report and State of California Geologic Survey Earthquake-Induced Landslide Hazard Zones into the zone description. These include areas where there has been a recent landslide, or where local slope, geological, geotechnical, and ground moisture conditions indicate a potential for landslides as a result of earthquake shaking.

LIQUEFACTION

Liquefaction Hazard Zones include areas the State of California Geological Survey has defined as areas where there is a potential for, or an historical occurrence of liquefaction. Liquefaction is a rare soil phenomenon that can occur when loose, water saturated, fine-grained sands and silty sands that lie within 50 feet of the ground surface are shaken in a significant earthquake. The soil temporarily becomes liquid-like and structures may settle unevenly. The County has also included zones of liquefaction susceptibility from a United States Geological Survey Report of soil deposits that may be prone to liquefaction.

COMPRESSIBLE SOILS

Compressible Soils Zones include areas where there is a chance that the ground will settle locally during severe shaking due to the peaty-type soils in these area compressing. Risk of injury is relatively low in these areas as a result of settlement alone.

DIKE FAILURE

Dike Failure Flooding Zones include areas where there is a significant chance of flooding following a large earthquake if the perimeter dike systems of the bay fail.



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CITY OF SAN JOSE GEOLOGIC AND SEISMIC ZONES

DETERMINATION:

Based on the officially adopted city-level Seismic Safety Element natural hazard maps, the Property is:

This Property is:

- in a mapped area of least, low, or low to moderate landslide susceptibility
- in not in for city fault
- in not in for city redevelopment
- in not in for city special geologic study hazard area

CITY OF SAN JOSE REGULATORY ZONES DISCUSSION

The City of San Jose, separately from the County, State and Federal governments, has officially produced or adopted maps to delineate potential hazards such as fault and landslide zones within "Standard" and "Special" Geologic Hazard Study Areas that are recognized at the local level. Those hazard maps are incorporated into "The San Jose 2020 General Plan" (which includes natural hazard issues as an integrated whole rather than in a separate "Seismic Safety Element"). The General Plan was adopted by the San Jose City Council in 1994. The local-level disclosure in this report was based on the following official local map(s): "City of San Jose Fault Hazard Maps" (a part of the General Plan).

In addition, the City of San Jose has officially designated, by ordinance or other Council action, zones and policies including "Strong Neighborhood Initiative Areas," redevelopment areas, and a residential "Street Tree" maintenance requirement. By local ordinance, the City of San Jose requires disclosure of these geologic hazard zones, neighborhood and redevelopment areas, and street tree requirements to potential buyers of real property.

The hazard zones delineated on the above map source, in addition to the statutorily-required State and Federal hazard maps, are typically considered by the City when approving land use and development permit applications under City jurisdiction. Additional maps exist in the General Plan and other maps, including updated versions of the above-referenced map(s), may exist in the files of specific municipal departments. Those additional map sources were not consulted for this disclosure because parcel-level details cannot be resolved at the scale and quality of the available official map, or the map is inappropriate for application to this report, or the map has not yet been officially adopted and incorporated into the City's Safety Element. As mapping technology advances, this company later may determine that some additional map sources become usable for parcel-level disclosure. The mapped City hazard zones may have been compiled from multiple sources of differing quality and, in some instances, have been generalized and simplified. No special field studies were conducted to verify the information for this subject property. Any specific site within a mapped zone could be at less or more relative risk than is indicated by the zone designation. If a site-specific evaluation is desired, this company recommends that a geotechnical consultant be retained to study the site and issue a report. The risk of exposure can be reduced through appropriate land-use planning, development engineering, and building construction practices.

City vs. County Information: County and city-level information sources are developed independently of each other and do not necessarily define or delineate hazards in the same way. A site can be *in* a geologic hazard zone according to the city and *not in* the corresponding zone according to the county and vice versa. Cities and counties may use other information in addition to their General Plan sources to determine if hazards exist at a site or which sites may require geologic studies prior to new or additional construction. Such information could be a material fact to be disclosed in addition to General Plan information. Such potential sources are not reviewed in this report. To investigate other sources of natural hazard information that may be available and used at the local level, contact the Engineering, Planning or Building Departments in the subject City and County.

The official City-level information addresses the potential natural hazards itemized below:

FAULT

San Jose Fault Hazard Zones: These are areas identified by the State of California and the City of San Jose Department of Public Works that include Alquist-Priolo Earthquake Fault Zones as designated by the California Geological Survey, as well as City Special Studies Zones and City Potential Hazard Zones. These three zones are disclosed in this Report as "City Fault Zones." The City has also identified "Reported Faults" which have been buffered on all sides by one-eighth of one mile and are disclosed in this Report as "Reported Faults." If any portion of the Property is situated within the resulting Reported Fault Zone, or if any portion of the Property is located in one or more City Fault Zones, then "Yes" shall be reported.

LANDSLIDE & SPECIAL GEOLOGIC HAZARD STUDY AREA



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Standard Geologic Hazard Study Area: These are areas identified by the City of San Jose as having a very high, high, or moderate to high landslide susceptibility and are disclosed in this Report as "Moderate to Very High." In most places, these "Standard" areas are equivalent to and replace the old definition of a "Special Geologic Hazard Area" that was used by the City of San Jose prior to the August 23, 1994 updating of their maps. Areas identified by the City as Least, Low, and Low to Moderate are also disclosed in this Report as "Least to Moderate."

Special Geologic Hazard Study Area: A limited zone defined by the City of San Jose that is undergoing a special phased geologic study to define areas that are underlain by active landsliding. New development, grading or building permits for property improvements in this area will take into consideration information from the first phase of the Final Report, Phase 1A Regional Geologic Special Study that has been completed, this report is titled Study of the Special Geologic Hazard Area, this first phase has delineated the following landslide zones within the City of San Jose. Special Geologic Hazard Area:

Zone X - Not within a landslide area. However, the possibility exists of unrecognized landslides in this area.

Zone Y - Not enough information to determine if the area is within or not within a landslide area. These areas could encompass all types of possible landslides, but it could not be determined with the information available in the Phase 1A Study if this was the case.

Zone Z - Within a landslide area, this area encompasses active, recent, and old landslides.

NOTE: Zones X, Y, and Z were determined using air photo analysis and field studies. No distinctions were made as to the size, age, depth or activity of any landslide. If the subject property is located in a "Standard" or a "Special" Geologic Hazard Study Area, or if other geologic information of concern exists in the City's files, a "Certificate of Geologic Clearance" from the Department of Public Works is required prior to any discretionary approval for development or any grading or building permit for improvements to a site. In order to obtain a Clearance for sites within a "Special Geologic Hazard Study Area," the property owner is required to perform a Geologic Evaluation according to City ordinance (Chapter 17.10, Part 6). An "on" or "off-site" geologic study may have been prepared for the site. Such reports are normally available for review in the office of the City's engineering geologist. The preceding information must be disclosed to the buyer by the agent for the seller of the subject property in accordance with Section 10176(a) of the California Business and Professions Code and "Disclosure to Prospective Purchasers," Title 17, Chapter 17.10, Part 9, Section of the City of San Jose Municipal Code.

SAN JOSE REDEVELOPMENT AREAS (Strong Neighborhood Initiative Areas)

The Strong Neighborhoods Initiative (SNI) is a commitment made by the Mayor and the Council to unite with San Jose communities to strengthen City neighborhoods. Strong Neighborhoods is about cleaner, safer neighborhoods and connecting those neighborhoods to resources and to each other. It is listening to San Jose neighborhoods and responding to citywide priorities.

By focusing resources from the City of San Jose, San Jose Redevelopment Agency, private investment, and public-private partnerships, the Strong Neighborhoods Initiative will improve conditions, enhance community safety, and strengthen neighborhood associations.

The Agency, under this Plan, is authorized to develop or otherwise participate in certain publicly owned projects in various neighborhoods as may be determined and approved in accordance with California Redevelopment Law, such as community centers, fire stations, libraries, joint school projects, community gardens, open space and cultural facilities. The Agency also sponsors programs to develop affordable housing and to provide funds to rehabilitate residential and commercial properties, like grants for exterior renovations and roofing.

Industrial Redevelopment Areas were created to encourage the expansion and location of research and development, office, manufacturing, warehouse and commercial uses, attract local jobs, and increase various revenue sources to the city.

Downtown Redevelopment Area is modeled after the San Jose of 1900-1950, a 24-hour city where people lived, worked, and shopped.

Neighborhood Business Districts were created to revitalize, and encourage private investment in, San Jose's older commercial neighborhoods. Enhanced by community involvement, the NBD program tackles parking problems, improves building facades, extends street improvements, modernizes underground utilities, and offers marketing advice to small businesses.

Neighborhood Business Clusters were created to revitalize and increase commercial and residential development to better serve the needs of the neighborhood.

For more information please visit the City web site at <http://www.strongneighborhoods.org/>

• • • **END OF LOCAL AREA DISCLOSURES AND DISCUSSIONS SECTION** • • •



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SECTION 3

OTHER DISCLOSURES AND ADVISORIES

FORMER MILITARY ORDNANCE SITE DISCLOSURE

DETERMINATION:

The Property is **NOT WITHIN** one (1) mile of a Formerly Used Defense (FUD) site containing military ordnance.

DISCUSSION: California Civil Code §1102.15 requires the seller of residential real property who has actual knowledge of any "Former Ordnance Locations" (former state or federal ordnance locations which have been identified by an agency or instrumentality of the federal or state government as an area once used for military training purposes which may contain potentially explosive munitions) within the "neighborhood area" (defined as within one (1) mile of the residential real property) to give written notice of that knowledge to buyer as soon as practicable before transfer of title.

Besides former military sites which may have contained ordnance, other sites can include sites with industrial waste (such as fuels), ordnance or other warfare materiel, unsafe structures to be demolished, or debris for removal. California Civil Code §1102 only requires disclosure of those sites containing unexploded ordnance. "Military ordnance" is any kind of munitions, explosive device/material or chemical agent used in military weapons. Unexploded ordnance are munitions that did not detonate. Only those FUD sites that the USACE has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this Report.

NOTE: Active military bases are NOT eligible FUD Sites; however, portions of currently active facilities that were previously operated or owned by DOD may be reported. In some rare cases the Public Record may not effectively differentiate those divested Sites and may as a result include the currently operated facility within the study area for that Site.

PUBLIC RECORD: Data contained in Inventory Project Reports, Archives Search Reports, and related materials produced for, and made publicly available in conjunction with, the Defense Environmental Restoration Program for Formerly Used Defense Sites by the U.S. Army Corps of Engineers. Sites for which no map has been made publicly available shall not be disclosed.

REPORTING STANDARD: "IN" shall be reported if one or more facility identified in the Public Record is situated within a one (1) mile radius of the Property. The name of that facility shall also be reported. "NOT IN" shall be reported if no facility identified in the Public Record is situated within a one (1) mile radius of the Property.

COMMERCIAL OR INDUSTRIAL ZONING DISCLOSURE

DETERMINATION:

The Property **IS** within one (1)-mile of a parcel of real property that is zoned for industrial or commercial use.

DISCUSSION: Pursuant to California Civil Code §1102.17, the seller of residential real property who has actual knowledge that his/her property is affected by or zoned to allow commercial or industrial use (as defined in California Code of Civil Procedure § 731a) shall give written notice of that knowledge to the buyer as soon as practicable before transfer of title. The Code of Civil Procedure § 731a defines industrial use as areas in which a city and/or county "has established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted."



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The "Commercial/Industrial Zoning Disclosure" made in this Report DOES NOT purport to determine whether the Property is or is not "**affected by**" a commercial or industrial zone. As stated above, that determination is based solely upon ACTUAL KNOWLEDGE of the Seller of the Property.

The disclosure in this Report only identifies if a parcel of real property exists within one (1) mile of the Property that is zoned to allow for commercial or industrial use. It is very common that the vicinity around a home will have one or more properties that are zoned for commercial or industrial use such as restaurants, gasoline stations, convenience stores, golf courses, country club etc.

PUBLIC RECORD: Based on publicly-available hardcopy and/or digital zoning and land use records for California cities and counties.

REPORTING STANDARD: "IN" shall be reported if one or more property identified in the Public Record as "commercial," "industrial," or "mixed use" is situated within a one (1) mile radius of the Property. Please note that an airports facility that may be classified as public use facility in the Public Record will be reported as "commercial/industrial" in this disclosure. "NOT IN" shall be reported if no property classified by Public Record as "commercial," "industrial," or "mixed use" is situated within a one (1) mile radius of the Property.



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AIRPORT INFLUENCE AREA DISCLOSURE

DETERMINATION:

The Property is **NOT IN** an officially-designated Airport Influence Area (AIA) and is **NOT WITHIN** two (2) statute miles of an airport for which no AIA has been officially designated.

DISCUSSION:

Certain airports are not disclosed in this Report. JCP-LGS has made a good faith effort to identify the airports covered under California Civil Code §1102.6a(d). Most facilities for which an Airport Influence Area (also referred to as an "Airport Referral Area") has been designated are included on the "California Aeronautical Facilities, Airports & Heliports, (FAA) 5010 Airport Master Records" maintained by the California Department of Transportation's Division of Aeronautics. Not disclosed in this Report are public use airports that are not in the Master Records List", - airports that are physically located outside California, heliports and seaplane bases that do not have regularly scheduled commercial service, and private airports or military air facilities unless included in materials provided by the ALUC or other designated government body. **If Seller has actual knowledge of an airport in the vicinity of the Property that is not disclosed in this Report, and that information is material to the Property, Seller should disclose such information in writing to Buyer.**

NOTE: Proximity to an airport does not necessarily mean that a property is exposed to significant aviation noise levels. Alternatively, there may be properties exposed to aviation noise that are more than two (2) miles from an airport. Factors that affect the level of aviation noise can include weather, aircraft type and size, frequency of aircraft operations, airport layout, flight patterns or nighttime operations. Aviation noise levels can vary seasonally or change if airport usage changes.

PUBLIC RECORD: Based on officially adopted land use maps and/or digital data made publicly available by the governing ALUC or other designated government body. If the ALUC or other designated government body has not made publicly available a current officially adopted airport influence area map, then California law states that "a written disclosure of an airport within two (2) statute miles shall be deemed to satisfy any city or county requirements for the disclosure of airports in connection with transfers of real property."

REPORTING STANDARD: "IN" shall be reported along with the facility name(s) and the "Notice of Airport in Vicinity" if any portion of the Property is situated within either (a) an Airport Influence Area as designated on officially adopted maps or digital data or (b) a two (2) mile radius of a qualifying facility for which an official Airport Influence Area map or digital data has not been made publicly available by the ALUC or other designated governing body. "NOT IN" shall be reported if no portion of the Property is within either area.



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AIRPORT NOISE DISCLOSURE

DETERMINATION:

The Property IS NOT within a delineated 65 dB CNEL or greater aviation noise zone.

DISCUSSION: California Civil Code §1102.17 requires the seller(s) of residential real property who has/have actual knowledge that the property in the transaction is affected by airport use must give written notice of that knowledge, as soon as practicable, before transfer of title.

Not all airports have produced noise exposure maps. A property may be near or at some distance from an airport and not be within a delineated noise exposure area, but still experience aviation noise. Unless 65dB CNEL contour maps are published, helipads and military sites are not included in this section of the Report.

The *Airport Noise Compatibility Planning Program* is voluntary and not all airports have elected to participate. Furthermore, not all property in the vicinity of an airport is exposed to 65dB CNEL or greater average aviation noise levels. Conversely a property may be at some distance from an airport and still experience aviation noise. Buyer should be aware that aviation noise levels can vary seasonally or change if airport usage changes after a map is published or after JCP-LGS receives the updated maps within the schedule set by JCP-LGS. JCP-LGS uses the most seasonally conservative noise exposures provided.

Federal funding may be available to help airports implement noise reduction programs. Such programs vary and may include purchasing properties, rezoning, and insulating homes for sound within 65dB areas delineated on CNEL maps. Airport owners have also cooperated by imposing airport use restrictions that include curfews, modifying flight paths, and aircraft limitations.

PUBLIC RECORD: Certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps produced under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is situated within a 65 decibel Community Noise Equivalent Level contour identified in the Public Record. "NOT IN" shall be reported if no portion of the Property is situated within a 65 decibel Community Noise Equivalent Level contour identified in the Public Record.



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REGISTERED SEX OFFENDER DATABASE DISCLOSURE ("MEGAN'S LAW")

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

California law (AB 488), signed by the Governor on September 24, 2004, provides the public with Internet access to detailed information on registered sex offenders. The Sex Offender Tracking Program of the California Department of Justice (DOJ) maintains the database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.46 of the Penal Code. The online database is updated with data provided by local sheriff and police agencies on an ongoing basis. It presents offender information in 13 languages; may be searched by a sex offender's specific name, zip code, or city/county; provides access to detailed personal profile information on each registrant; and includes a map of your neighborhood.

California Department of Justice Information Sources:

Megan's Law Sex Offender Locator Web Site: <http://www.meganslaw.ca.gov>

California Department of Justice Megan's Law Email Address: meganslaw@doj.ca.gov

Local Information Locations For The Property:

All sheriffs' departments and every police department in jurisdictions with a population of 200,000 or more are required to make a CD-ROM available free to the public for viewing. Although not required, many other law enforcement departments in smaller jurisdictions make the CD-ROM available as well. Please call the local law enforcement department to investigate availability.

According to current records the local law enforcement department phone number is (408) 277-8900.

San Jose "High Risk" Sex Offender Disclosure

Additional data on persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code can be found on the website of the San Jose Police Department at www.sjpd.org.

*The following are the law enforcement departments in the county where the Property is located
which are REQUIRED to make information available:*

Santa Clara County Sheriff's Department	(408) 299-2211
San Jose Police Department	(408) 277-8900

Explanation and How to Obtain Information

For over 50 years, California has required certain sex offenders to register with their local law enforcement agencies. However, information on the whereabouts of the sex offenders was not available to the public until implementation of the Child Molester Identification Line in July 1995. The available information was expanded by California's "Megan's Law" in 1996 (Chapter 908, Stats. of 1996). Megan's Law provides certain information on the whereabouts of "serious" and "high-risk" sex offenders. The law specifically prohibits using the information to harass or commit any crime against the offender. The information on a registered sex offender includes: name and known aliases; age and sex; physical description, including scars, marks and tattoos; photograph, if available; crimes resulting in registration; county of residence; and zip code (from last registration). Accessing the online database requires agreement to the DOJ's terms of use on the web page.



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SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION DISCLOSURE

*(Applicable Only in Alameda, Contra Costa, Marin, Napa,
San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties)*

DETERMINATION:

Based on certain mapped coastal zones determined by the San Francisco Bay Conservation and Development Commission (BCDC), the following determination can be made:

The Property is NOT IN the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined in Section 66620 of the Government Code.

NOTE: The official BCDC jurisdictional maps issued by the BCDC are electronic documents generally of low resolution and poor quality. As defined by the BCDC, its jurisdiction spans a complexity of ever-changing geographic and topographic environments including: (1) tidal areas of San Francisco Bay; (2) a 100-foot-wide shoreline band that extends inland from the upper edge of the BCDC's San Francisco Bay jurisdiction; (3) certain named waterways that empty into San Francisco Bay; (4) salt ponds adjacent to the Bay; and (5) certain managed wetlands as well as the Suisun Marsh. The BCDC-issued maps are not adequate for determining confidently the proximity of the BCDC-defined jurisdictional boundaries to nearby parcels. Therefore, all parties in the transaction are advised that there is some uncertainty inherent in the "NOT IN" determination made above.

DISCUSSION: As of July 1, 2005, Civil Code §103.4 mandates disclosure to buyers of certain real estate if that property is located within the jurisdictional boundaries of the BCDC. Notice is required to prevent unknowing violations of the law by new owners who were unaware that certain activities on the real property are subject to the BCDC's permit requirements.

The BCDC has issued maps for some parts of its jurisdiction, including the San Francisco Bay Plan maps (California Code of Regulations, Title 14, Section 10121) and the Suisun Marsh Plan maps (Nejedly-Bagley-Z'berg Suisun Marsh Preservation Act of 1974). Official maps have not been issued for other parts of the BCDC jurisdiction (McAteer-Petris Act areas) because the Bay is a highly dynamic environment and the shoreline changes over time (in part because the sea level also changes over time). In those areas where official BCDC maps are not available or along the edges of the BCDC's mapped jurisdiction, to meet the disclosure requirements, this report will indicate that the property "could be within" the BCDC's jurisdiction and that a location-specific jurisdictional determination should be made by consulting the BCDC. This determination of "could be within" the BCDC's jurisdiction was recommended by the BCDC in that certain Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568" issued in February 2005 and posted on the BCDC website.

PUBLIC RECORDS: San Francisco Bay Plan maps (California Code of Regulations, Title 14, Section 10121) and the Suisun Marsh Plan maps (Nejedly-Bagley-Z'berg Suisun Marsh Preservation Act of 1974) made publicly available by BCDC and that certain Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568" issued by BCDC in February 2005 and posted on the BCDC website ("BCDC Memo").

REPORTING STANDARD: "WITHIN" shall be reported if any portion of the Property is situated within an area mapped by BCDC or is within the 100-foot shoreline band. "COULD BE WITHIN" shall be reported if any portion of the Property is situated within one-quarter (1/4) mile of either an area mapped by BCDC or the 100-foot shoreline band. "NOT WITHIN" shall be reported if no portion of the Property is situated within an area that would otherwise be reported as either "WITHIN" or "COULD BE WITHIN."



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CALIFORNIA ENERGY COMMISSION DUCT SEALING & TESTING REQUIREMENT

Based on certain climate zone maps issued by the California Energy Commission, the following determination is made:

DETERMINATION: The Property is **NOT IN** a designated climate zone in which properties are usually subject to duct sealing and testing requirements set forth by the California Energy Commission.

DISCUSSION: According to the California Energy Commission ("CEC") most California homes have improperly sealed central air conditioning and heating system ducts such that approximately 30 percent of the conditioned air actually leaks outside the home.

Effective October 1, 2005, in order to combat this waste of energy and money, the CEC set forth new duct sealing and testing requirements in Title 24 of the Building Energy Efficiency Standards. Title 24 requires that, in specific climate zones as designated by the CEC, **when a central air conditioner or furnace is installed or replaced**, homeowners must have ducts tested for leaks. Ducts found to leak more than 15 percent or more must be repaired. Once a contractor tests and fixes these ducts, you must have an approved third-party verifier determine that the ducts have been properly sealed. The CEC cautions homeowners that a contractor who fails to obtain a required building permit and fails to test and repair your ducts "is violating the law and exposing you to additional costs and liability." If you do not obtain a permit, you may be required to bring your home into compliance with code requirements for that work and may incur additional penalties and fines that have to be paid prior to selling your home. Remember that you have a duty to disclose whether you obtained required permits for work performed to prospective buyers and appraisers.

Local governments may mandate more stringent requirements; however, please be advised that duct sealing and associated testing is generally not required:

- if homes are located in specific coastal climates;
- when systems have less than 40 feet of ductwork in unconditioned spaces such as attics, garages, crawlspaces, basements, or outside the building; or
- when ducts are constructed, insulated, or sealed with asbestos.

Please note there are specific alternatives that allow high efficiency equipment and added duct insulation to be installed instead of fixing duct leaks. Please also be advised that there are separate regulations which govern duct insulation levels required by climate zone and HVAC system.

For more information on these requirements, please contact the California Energy Commission or visit the official CEC "2005 HVAC Change-Out Information" portal at <http://www.energy.ca.gov/title24/changeout/>

PUBLIC RECORD: Vector digital rendition of the official "California Building Climate Zone Map" made publicly available by the California Energy Commission ("CEC").

REPORTING STANDARD: "WITHIN" shall be reported if the Property is situated within climate zone 2 or any climate zone 9 through 16 as designated in the Public Record. These are areas wherein duct sealing is "prescriptively required when an air conditioner or furnace is replaced and when new ducts are added or ducts are altered in an existing home." "NOT WITHIN" shall be reported if the Property is situated in climate zone 1 or any climate zones 3 through 8 as designated in the Public Record.



JCP-LGS Disclosure Reports The JCP-LGS Natural Hazard Disclosure Report FOR SANTA CLARA COUNTY

Property Address: 1264 FREMONT ST ,
SAN JOSE, SANTA CLARA County, CA
("Property")

APN: 261-19-034
Report Date: 02/25/2008
Report Number: 235835

ADVISORIES

METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE ADVISORY

According to the "Methamphetamine Contaminated Property Cleanup Act of 2005" a property owner must disclose in writing to a prospective buyer if local health officials have issued an order prohibiting the use or occupancy of a property contaminated by meth lab activity. The owner must also give a copy of the pending order to the buyer to acknowledge receipt in writing. Failure to comply with these requirements may subject an owner to, among other things, a civil penalty up to \$5,000. Aside from disclosure requirements, this new law also sets forth procedures for local authorities to deal with meth-contaminated properties, including the filing of a lien against a property until the owner cleans up the contamination or pays for the cleanup costs.

MOLD ADVISORY

The Buyer is hereby advised that naturally occurring molds may exist both inside and outside of any home and may not be visible to casual inspection. Persons exposed to extensive mold levels can become sensitized and develop allergies to the mold or other health problems. Extensive mold growth can damage a structure and its contents. All prospective purchasers of residential and commercial property are advised to thoroughly inspect the Property for mold. Be sure to inspect the Property inside and out for sources of excess moisture, current water leaks and evidence of past water damage.

As part of a buyer's physical inspection of the condition of a property, the buyer should consider engaging an appropriate and qualified professional to inspect and test for the presence of harmful molds and to advise the buyer of any potential risk and options available. This advisory is not a disclosure of whether harmful mold conditions exist at a property or not. No testing or inspections of any kind have been performed by The Company. Any use of this form is acknowledgement and acceptance that The Company does not disclose, warrant or indemnify mold conditions at a property in any way and is not responsible in any way for mold conditions that may exist. Information is available from the California Department of Health Services Indoor Air Quality Section fact sheet entitled, "Mold in My Home: What Do I Do?" The fact sheet is available at www.cal-iaq.org or by calling (510) 540-2476.

The Toxic Mold Protection Act of 2001 requires that information be developed regarding the potential issues surrounding naturally occurring molds within a home. Information was written by environmental authorities for inclusion in the *Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants* booklet developed by the California Environmental Protection Agency and the Department of Health Services. It is found in Chapter VI of that booklet, and includes references to sources for additional information.

For local assistance, contact your county or city Department of Health, Housing, or Environmental Health.



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RADON ADVISORY

For its Radon Advisory, JCP-LGS uses the updated assessment of radon exposure published in 1999 by the Lawrence Berkeley National Laboratory (LBNL) and Columbia University, under support from the U.S. Environmental Protection Agency (EPA), the National Science Foundation, and the US Department of Energy (published online at <http://eetd.lbl.gov/IEP/high-radon/USgm.htm>). Based on this recent assessment, JCP-LGS's radon advisory is as follows:

All of California's 58 counties have a predicted median annual-average living-area concentration of radon below 2.0 pCi/L (picocuries per liter of indoor air) -- which is well below the EPA's guideline level of 4 pCi/L and equivalent to the lowest hazard zone (Zone 3) on the 1993 EPA Map of Radon Zones

The "median concentration" means that half of the homes in a county are expected to be below this value and half to be above it. All houses contain some radon, and a few houses will contain much more than the median concentration. The only way to accurately assess long-term exposure to radon in a specific house is through long-term testing (sampling the indoor air for a year or more). The EPA recommends that all homes be tested for radon. Columbia University's "Radon Project" website offers help to homeowners in assessing the cost vs. benefit of testing a specific house for radon or modifying it for radon reduction (see <http://www.stat.columbia.edu/radon/>).

NOTE: JCP-LGS does not use the EPA's 1993 map for advisory purposes because that map shows "short-term" radon exposure averaged by county. It was based on "screening measurements" that were intentionally designed to sample the worst-case conditions for indoor air in US homes--using spot checks (sampling for just a few days), in the poorest air quality (with sealed doors and windows), at the worst time of the year (winter), in the worst part of the house (the basement, if one was available). These short-term, winter, basement measurements are both biased and variable compared to long-term radon concentrations (averaged over a year) in the living area of a house. Long-term concentrations are a more accurate way to judge the long-term health risk from radon. For the above reasons, the EPA expressly disclaims the use of its 1993 map for determining whether any house should be tested for radon, and authorizes no other use of its map for property-specific purposes. For additional information about EPA guidelines and radon testing, see "Chapter VII--Radon", in the California Department of Real Estate's *Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants*.



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ENDANGERED SPECIES ACT ADVISORY

The Federal Endangered Species Act of 1973 ("ESA"), as amended, requires that plant and animal species identified and classified ("listed") by the Federal government as "threatened" or "endangered" be protected under U.S. law. Areas of habitat considered essential to the conservation of a listed species may be designated as "critical habitat" and may require special management considerations or protection. All threatened and endangered species -- even if critical habitat is not designated for them -- are equally afforded the full range of protections available under the ESA.

In California alone, over 300 species of plants and animals have been designated under the ESA as threatened or endangered, and over 80 species have critical habitats designated for them. Most California counties are host to a dozen or more protected species and, in many cases, 10 or more species have designated critical habitats within a county.

ADVISORY: An awareness of threatened and endangered species and/or critical habitats is not reasonably expected to be within the actual knowledge of a seller.

No federal or state law or regulation requires a seller or seller's agent to disclose threatened or endangered species or critical habitats, or to otherwise investigate their possible existence on real property. Therefore, Buyer is advised that, prior to purchasing a vacant land parcel or other real property, Buyer should consider investigating the existence of threatened or endangered species, or designated critical habitats, on or in the vicinity of the Property which could affect the use of the Property or the success of any proposed (re)development.

For more information:

Complete and current information about the threatened and endangered species in California that are Federally listed in each county -- including all critical habitats designated there -- is available on the website of the U.S. Fish & Wildlife Service, the Federal authority which has enforcement responsibility for the ESA.

For Northern California visit:

http://www.fws.gov/sacramento/es/spp_lists/auto_list_form.cfm

For Southern California visit:

http://www.fws.gov/carlsbad/CFWO_Species_List.htm



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ABANDONED MINES ADVISORY

According to the California Department of Conservation, Office of Mine Reclamation, since the Gold Rush of 1849, tens of thousands of mines have been dug in California. Many were abandoned when they became unproductive or unprofitable. The result is that California's landscape contains many thousands of abandoned mines, which can pose health, safety, or environmental hazards on and around the mine property. Mines can present serious physical safety hazards, such as open shafts or adits (mine tunnel), and they may create the potential to contaminate surface water, groundwater, or air quality. Some abandoned mines are such massive problems as to earn a spot on the Federal Superfund environmental hazard list.

No California law requires the disclosure of abandoned mines in a real estate transaction, unless the existence of an abandoned mine is within the actual knowledge of the Seller and is deemed to be a fact material to the transaction.

The Office of Mine Reclamation (OMR) and the U.S. Geological Survey maintain a database of abandoned mines -- however, it is known to be incomplete and based on maps that are often decades out of date. Many mines are not mapped because they are on private land. The OMR warns that **the State's abandoned mines database "should NOT be relied upon for...the obligations of sellers of real property and their disclosure obligations under California law."** (See reference below.)

This Report does not contain an abandoned mines disclosure from any government database or map or any other source.

Parties concerned about the possible existence or impact of abandoned mines in the vicinity of the Property are advised to retain a State-licensed geotechnical consultant to study the site and issue a report. Other sources of information include, but are not limited to, the State Office of Mine Reclamation at (916) 323-9198 (website: <http://www.conservation.ca.gov/OMR>), and the Engineering, Planning or Building Departments in the subject City and County.

Reference:

http://www.conservation.ca.gov/omr/abandoned_mine_lands/california_abandoned_mines/Pages/overview.aspx



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SECTION 4

METHODS AND LIMITATIONS

This section will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the determination and the Public Record, and (c) the responsibilities and liabilities of JCP-LGS under this Report. Please read this section to fully understand the limitations of this Report and JCP-LGS's responsibilities.

A. LIMITATIONS ON PUBLIC RECORD INFORMATION AND THIS REPORT

JCP-LGS has accurately reported the information in the Public Records with respect to the Property as of the Report Date. With respect to the Public Records, it is important to understand that:

- The Public Records may not be accurate, current, fully detailed, or complete.
- A parcel of real property may be affected by hazards that have not been identified in the Public Records.
- There may be other governmental Public Records with relevant information which are not included in this Report.
- JCP-LGS does not make any representations as to:
 - The significance or extent of any hazard disclosed.
 - Any related health or risk of the hazard to humans or animals or how they may affect the Property.
 - The drinking water sources for the Property.
 - Any information regarding the Property after the Report Date.

B. REPORTING STANDARDS

The Reporting Standards utilized by JCP-LGS in making each determination are specified in the Disclosure Explanations (Sections 1 through 3, inclusive) of this Report. If the Property is near the state border, hazards which may be in the adjoining state or nation are not disclosed in this Report. Where appropriate, JCP-LGS may use the assessor's rolls, cadastral-type maps, photographic enlargements of maps and various cartographic techniques to locate the site on the appropriate map. The respective determination is made as accurately as reasonably possible using these maps. For purposes of defining property lines, the assessor's parcel number and parcel maps are used. Any errors in the assessor's rolls may affect the determination procedures. If the Public Record is not of sufficient accuracy or scale that a reasonable person can determine if the Property is within a delineated hazard area or zone, "IN" or "YES" will be reported for the corresponding disclosure.

If the Property is situated within a condominium project or planned unit development, and if the Property has an undivided fee interest in the common area of said project or development, "IN" or "YES" will be reported for the corresponding disclosure if any portion of that common area is situated within the specified hazard area or zone, *even if the primary lot comprising the Property is not directly affected by that hazard area or zone.* If "IN" or "YES" is reported, the association or owner of such a project or development should be contacted to determine if adequate liability insurance is in place for such hazard(s). Likewise, "IN" or "YES" will be reported if the Property is situated within a mobile home park and if any portion of that park is situated within a specified hazard area or zone, even if the primary lot comprising the Property is not directly affected by that hazard area or zone.

C. NOT AN INSPECTION REPORT

JCP-LGS does not perform a physical examination or any testing of the Property. This Report only provides information electronically derived from the specific Public Record identified for each disclosure in the Disclosure Explanation (Sections 1 through 3, inclusive) of this Report. This Report should not be considered a substitute for an on-site environmental and/or geological or engineering assessment. If additional information is desired, the Parties are encouraged to investigate other sources and to consult an environmental expert, a geologist, an engineer or other expert.

D. CHANGES TO PUBLIC RECORD AFTER REPORT DATE

The Parties are advised that the Public Records may change after the Report Date and JCP-LGS is not responsible for advising the Parties of any changes to the determinations that may occur after the Report Date. As a courtesy, JCP-LGS will update this Report at no cost during the transaction process for which this Report was issued, if requested.



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E. ONLY THE PARTIES MAY RELY ON THIS REPORT

This Report is valid, the Parties may rely on the Report, and a contract is formed with JCP-LGS, **only** upon receipt by JCP-LGS of payment of the full price of the Report. This Report may be relied upon only by the Parties to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than the Seller, the Buyer and their Agents, (b) for any other real property, (c) for any future transactions involving the Property, or (d) for any real property which is not 1-4 family residential property. The price paid for the Report does not include any amounts for protection of such other parties.

F. ERRORS AND OMISSIONS INSURANCE

JCP-LGS maintains errors and omissions insurance. As of the Report Date, JCP-LGS has \$20M aggregate in errors and omissions insurance.

G. LIMITATIONS ON JCP-LGS'S LIABILITY

JCP-LGS is not responsible for:

- Any inaccuracies or incompleteness of the information in the Public Records.
- Inaccurate address information provided for the Property.
- Any other information not contained in the specified Public Records as of the Report Date.
- Any information which would be disclosed by a physical inspection of the Property.
- Any information known by one of the Parties.
- The health or risk to humans or animals that may be associated with any of the disclosed hazards.
- The costs of investigating or remediating any of the disclosed hazards.

This Report is not an insurance policy and does not provide the same protections as an insurance policy. The price of this Report has been established with the understandings of the responsibilities of JCP-LGS as set forth in this Section. The premium for an insurance policy would be significantly greater than the cost of this Report. The Parties acknowledge that claims for damages beyond actual losses can significantly increase the costs of Reports and make prompt resolution of claims more difficult. In order to induce JCP-LGS to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and JCP-LGS, the Buyer, Seller and Agents agree that if there is a material error or omission in this Report:

- **The Party who suffers damages as a result of such error or omission shall be entitled at most to recover from JCP-LGS the actual proved damages measured by the difference in the fair market value of the Property as of the Report Date, caused by the error or omission but not in excess of sale price of the Property to the Buyer. The Party making such claim must notify JCP-LGS promptly of such claim, take no action which will adversely affect JCP-LGS's liability or defenses to such claim and the Party must fully cooperate with JCP-LGS in the defense of such claim. The Party shall cooperate with providing reasonable evidence of the claim as requested by JCP-LGS.**
- **JCP-LGS shall not be liable for indirect, consequential, personal injury, physical damage or punitive damages (including, but not limited to, emotional distress or pain and suffering).**
- **JCP-LGS will defend the Parties regarding a claim made in accordance with the foregoing provisions. JCP-LGS shall have the right to choose the legal counsel and control the defense of such claim as it reasonably determines.**
- **JCP-LGS shall be subrogated to all rights of the claiming Party against anyone including, but not limited to, another Party who had actual knowledge of a matter and failed to disclose it to the other Parties in writing prior to the Sale Date.**

H. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE

Sellers of real property and their agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of hazards potentially affecting the Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.



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I. OTHER AGREEMENTS

This Report sets forth the complete, integrated agreement between JCP-LGS and the Parties. Evidence of prior or contemporaneous statements, representations, promises or agreements shall not be admissible to vary the terms of this written agreement. This agreement may not be changed or amended except by a written document signed by an authorized representative of JCP-LGS and the Parties. In the event that any dispute arises between JCP-LGS and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of JCP-LGS, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.



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CITY OF SAN JOSE STREET TREE DISCLOSURE FORM

The City of San Jose ("City") requires the seller or transferor of residential real property ("Property") in the City to disclose to the acquirer of the Property whether the Property fully complies with the City's requirements to have, maintain and if necessary, replace street trees pursuant to the San Jose Municipal Code ("SJMC").

13.28.195 Disclosure Obligations Upon Sale or Transfer of a Residential Real Property

- A. Not less than seven (7) business days before the sale or other transfer of residential real property concludes a selling or transferring property owner must disclose to the acquiring property owner, on a disclosure form provided by the City, whether the residential real property to be sold or transferred fully complies with the City's street tree maintenance and replacement requirements of Sections 13.28.130.B and 13.28.190.
- B. If the selling or transferring property owner cannot determine whether street trees located on the residential property are substantially in compliance with the approved development permits for the property, or the property's approved development permits are inconclusive as to the requirements for the presence and location of street trees on the property, then the following requirements for the planting and presence of street trees shall apply:
 1. The property must have one (1) street tree for any adjacent street if it is an interior lot and at least three (3) street trees if it is a corner lot, unless otherwise modified by the Director in the interest of public safety.
 2. If the current General Plan requirements for street trees on the property differ from the requirements specified in Subsection B.1, then the current General Plan requirements shall govern the number and location of street trees required on the property at the time of sale or transfer. If the property meets the General Plan requirement, then the selling property owner must indicate such compliance with the General Plan on the disclosure to the acquiring property owner.
 3. All street trees shall be planted in accordance with the requirements of Section 13.28.070.
- C. Upon a written request, the Director may grant the selling or transferring property owner an exemption in writing from the requirements of this Section if the Director determines in the interest of public safety that planting and maintaining street trees on the residential property at the time of sale or transfer is not appropriate. Such an exemption does not run with the land and shall not allow any deviations from the disclosure requirements upon residential real property sales or transfers for future sellers or transferors.

To the best of my/our knowledge but without any investigation, I/WE, _____ disclose that the street tree(s) on the Property to be sold or transferred and located at _____ San Jose, CA _____ are in the following condition:

- ☐ 1. The property fully complies with the street tree requirements outlined in the SJMC
- ☐ 2. The property does not have the required number of street trees as required by the SJMC.
- ☐ 3. The property has the required number of street trees but the street trees have not been maintained as required by the SJMC.
- ☐ 4. Seller/Transferor is unaware if the requirements to have and maintain street trees on the Property have been met.

Property Address: _____ San Jose, Santa Clara County, CA _____

Seller _____
Signature(s) _____ Print name(s) _____ Date _____

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer _____
Signature(s) _____ Print name(s) _____ Date _____



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About the City of San José Street Tree Ordinance

Two changes to San José's Street Tree Ordinance took effect in August 2003 that affect all San José property owners. Street trees are along the street, usually between the curb and sidewalk, and it is the responsibility of property owners to maintain street trees adjacent to their property.

Tree Pruning

The first change allows pruning of street trees without a permit, if the property owner uses a tree service company that has registered with the City of San José Department of Transportation. Companies that have registered with the City agree to abide by the City's tree pruning standards. A list of currently registered tree companies can be obtained by calling the City Arborist Office at (408) 277-2762, or by accessing the link on the City of San José website at: www.ci.san-jose.ca.us/dot/tl_treepermits.htm. A trimming permit is not required when addressing an immediate dangerous public safety condition involving a tree. The City Arborist Office, however, does need to be notified of such emergency pruning work within two business days.

Seller Disclosure Requirement

The second change to the ordinance requires a disclosure when residential property within San José is sold. San José requires street trees in the public right of way. For corner lots, the standard is a minimum of three street trees, while for interior lots between the corners of a block the standard is at least one tree in the right-of-way. Along with other disclosures that are made during the sale, the seller must disclose to the buyer the status of the property's compliance with the street trees requirement.

If the property owner feels that, for reasons of public safety, there are conditions that may prevent the planting of any of these trees, the property owner can contact the City Arborist Office at (408) 277-2762 to have the situation evaluated.

The City of San José's office called "Our City Forest" is a one-stop resource for residents to obtain planting permits, information about the types of street trees, and planting materials, including trees, stakes and root barriers. Our City Forest also provides planting assistance, if needed, as well as information on proper watering and tree care methods. For more information, contact Our City Forest at (408) 998-7337. Street tree planting permits are also available from the City Arborist Office.

Residents having questions about changes to the Street Tree Ordinance should contact the City of San José Department of Transportation Arborist Office at (408) 277-2762.

(Information provided by the City of San José, California)



ACKNOWLEDGEMENT OF RECEIPT

Property: 1264 FREMONT ST , SAN JOSE, SANTA CLARA County, CA

APN: 261-19-034

I hereby acknowledge the receipt of the following Disclosures and Advisories:

Natural Hazard Report Disclosures and Advisories

- | | |
|---|---|
| <input checked="" type="checkbox"/> State Level Natural Hazard Disclosures (Statutory Form) | <input checked="" type="checkbox"/> San Francisco Bay Conservation and Development Commission Disclosure (where applicable) |
| <input checked="" type="checkbox"/> Local City and County Level Natural Hazard Disclosures (where applicable) | <input checked="" type="checkbox"/> California Energy Efficiency Disclosure |
| <input checked="" type="checkbox"/> Commercial/ Industrial Disclosure | <input checked="" type="checkbox"/> Methamphetamine Contaminated Property Disclosure Advisory |
| <input checked="" type="checkbox"/> Military Ordnance Disclosure | <input checked="" type="checkbox"/> Mold Advisory |
| <input checked="" type="checkbox"/> Airport Influence Area / Airport Noise Disclosure | <input checked="" type="checkbox"/> Radon Advisory |
| <input checked="" type="checkbox"/> Database Disclosure (Megan's Law) | <input checked="" type="checkbox"/> Endangered Species Act Advisory |

California Property Tax Report Disclosures and Advisories

- ☒ Notice of Special Tax and Assessment (Mello-Roos and 1915 Bond Act)
- ☒ Notice of Supplemental Property Tax Bill
- ☒ Private Transfer Fee Disclosure Advisory

_____ Transferor (Seller)	_____ Date	_____ Transferor (Seller)	_____ Date
_____ Transferee (Buyer)	_____ Date	_____ Transferee (Buyer)	_____ Date
_____ Seller's Agent	_____ Date	_____ Buyer's Agent	_____ Date

California Property Tax Disclosure Report™

Property Address: 1264 FREMONT ST ,
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California Property Tax Disclosure Report™

The parties for whom this Report was prepared are the owner of the Residential Property on the Report Date ("Seller"), the buyer of the Residential Property under contract of sale as of the Report Date ("Buyer") and their respective licensed real estate agents ("Agents"). Seller, Buyer and the Agents are sometimes referred to herein as "Party" or "Parties."

PART 1. INTRODUCTION AND SUMMARY:

This Report discloses the results of an electronic search of specified government lists ("Databases") containing real property tax information concerning the Residential Property. To understand the information provided, please read this entire Report.

The Residential Property:

- A. IS ☐ IS NOT ☒ Subject to one or more Mello-Roos Community Facilities Districts.
- B. IS ☐ IS NOT ☒ Subject to one or more 1915 Bond Act Assessment Districts.
- C. IS ☒ IS NOT ☐ Subject to other direct assessments.

For more detailed information as to the foregoing determinations, please review Part 2 and Part 3.

THIS IS A DATABASE REPORT ONLY: This Report only provides information from the Databases identified in this Report. While FANHD has made good faith efforts to report from the Databases as accurately as possible, the quality, accuracy, and currency of the information contained in these Databases can vary greatly. For more information regarding a specific Database, please read Part 2 of this Report.

LIABILITY PROTECTIONS: Upon consummation of the sale of the Residential Property to Buyer ("Sale Date"), the Parties involved in that sale are protected against loss caused by an error in this Report as specified in Part 8 entitled "Methods and Limitations." The Parties understand that this is a report product and not an insurance policy.

This Report satisfies Seller's obligations to disclose (a) Mello-Roos and 1915 Act Bond Assessments applicable to the Residential Property as required by California Civil Code Section 1102.6b, and (b) Supplemental Taxes as required by California Civil Code Section 1102.6c.

BUYER'S ACKNOWLEDGEMENT

I (we) acknowledge that I (we) have received and read a complete copy of this California Property Tax Disclosure Report™.

Buyer Signature: _____ Date: _____, 20__

Buyer Signature: _____ Date: _____, 20__

California Property Tax Disclosure Report TM

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PART 2. CURRENT TAX BILL SUMMARY

The following is a summary of information contained in the 2007/2008 year secured property tax bill. It is provided for informational purposes only. Ad valorem tax assessments are calculated annually based on the assessed value of the land and improvements. Upon transfer of ownership, the assessed value will be reset to the sale price which can result in a substantial change in the taxes assessed. Please see Parts 6 and 7 of this Report for more information regarding ad valorem taxes and supplemental taxes.

Total Assessed Value:	\$56,700
Total Parcel Tax Liability	\$ 1,152.16
1 st Installment Due 12/10/2007	\$ 576.08
2 nd Installment Due 04/10/2008	\$ 576.08

GENERAL AD VALOREM TAXES

ASSESSMENT TYPE	AMOUNT	CONTACT PHONE
AD VALOREM ASMT.	\$ 665.88	408-808-7900

OTHER DIRECT ASSESSMENTS

ASSESSMENT TYPE	DESCRIPTION	AMOUNT	CONTACT PHONE
FIXED ASSESSMENT	MOSQUITO ASMT #2	\$ 8.36	408-808-7900
FIXED ASSESSMENT	OPENSOURCE DISTRICTS	\$ 34.06	408-808-7900
FIXED ASSESSMENT	S.J. LIBRARY ASSMT.	\$ 26.26	408-808-7900
FIXED ASSESSMENT	SCCO VECTOR CONTRO	\$ 5.08	408-808-7900
FIXED ASSESSMENT	SCVWD CLN SAFE CRKS	\$ 46.76	408-808-7900
FIXED ASSESSMENT	SJ SEWER SANI/STORM	\$ 337.08	408-808-7900
FLOOD CONT DIST	SCVWD FLOOD CONTR	\$ 28.68	408-808-7900

MELLO-ROOS ASSESSMENTS

This property **is not subject to** Mello-Roos Community Facilities Districts

1915 BOND ACT ASSESSMENTS

This property **is not subject to** 1915 Bond Assessment Districts

California Property Tax Disclosure Report TM

Property Address: 1264 FREMONT ST ,
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PART 3. NOTICE OF SPECIAL TAX/ASSESSMENT

TO THE PROSPECTIVE PURCHASER OF THE RESIDENTIAL PROPERTY KNOWN AS:

Parcel Number: 261-19-034
Property Address: 1264 FREMONT ST , SAN JOSE, SANTA CLARA COUNTY, CA
Report Date: 02/25/2008

THIS IS A NOTIFICATION TO BUYER PRIOR TO PURCHASING THE RESIDENTIAL PROPERTY.

A. Mello-Roos Community Facilities Districts:

If the Residential Property is within the Mello-Roos community facilities district listed below, it is subject to a special tax that will appear on the property tax bill. This special tax is in addition to the ad valorem property taxes and any other charges and benefit assessments that will be itemized on the property tax bill and the proceeds of this tax or assessment are used to provide public facilities or services that are likely to particularly benefit the real property. This special tax may not be imposed on all parcels within the city or county where the property is located.

The current tax rate, maximum tax rate, the maximum tax rate escalator, and the authorized facilities which are being paid for by the special taxes, and any authorized services are indicated below. THE BUYER SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE RESIDENTIAL PROPERTY.

Note: If "yes" is marked under Accelerated Foreclosure, please see Part 4 for more detailed information.

Mello-Roos Assessment Districts Applicable to the Residential Property

This property is **not subject to** Mello-Roos Community Facilities Districts

B. 1915 Bond Act Assessment Districts:

If the Residential Property is within a 1915 Bond assessment district listed below, this assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to all real property within the assessment district. The bonds will be repaid from annual assessment installments against the property within the assessment district.

Annual assessment installments of such an assessment district will appear on the real property tax bills and are in addition to the ad valorem property taxes and any other charges and levies that will be itemized on the property tax bill. If the assessment installments are not paid when due each year, the Residential Property may be foreclosed upon and sold.

The annual assessment installment against the Residential Property and the public facilities that are being financed by the proceeds from the sale of bonds that are being repaid by the assessments are indicated below.

THE BUYER SHOULD TAKE ANY ASSESSMENT(S) AND THE BENEFITS FROM THE PUBLIC FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE RESIDENTIAL PROPERTY.

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This property **is not subject to** 1915 Bond Assessment Districts

A COPY OF THE RESOLUTION CONFIRMING ASSESSMENTS THAT SPECIFIES MORE PRECISELY HOW THE ASSESSMENTS ARE APPORTIONED AMONG PROPERTIES IN THE ASSESSMENT DISTRICT CAN BE OBTAINED BY CALLING THE CONTACT NAME AND NUMBER LISTED ABOVE. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENT

C. Approved Assessment Districts Which Have Been Formed and Authorized But Are Not Yet Funded

Please be advised that certain assessment districts may have been formed and authorized but have not yet been funded. Accordingly no assessment lien will appear in the County Assessor records. However, the information regarding such districts may appear on your preliminary report issued by a title company. If the assessment district has not been formed or funded, the improvements have also not been constructed. If the district is subsequently formed, the assessments may then appear on the property tax bill.

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PART 4. ACCELERATED FORECLOSURE INFORMATION

Certain assessment or bond issues may contain accelerated foreclosure liens which have priority over other real property taxes and are a legal right included as part of the security for the obligation. The issuers of such bonds are often contractually required to monitor and collect delinquent assessments quickly. Accordingly these assessments are not subject to the five (5) year waiting period applicable to ad valorem real property taxes. If the real property is subject to such an assessment and the taxes are not paid promptly, the real property may be foreclosed upon and sold at public auction on an expedited basis. **Therefore, it is extremely important that the real property tax bill be paid on time to prevent the accelerated foreclosure.**

If the Residential Property is subject to an assessment or bond issue with an accelerated foreclosure lien, the detailed information is disclosed below.

A. Mello-Roos Community Facility Districts

This property **is not subject** to a Mello Roos Community Facility District Tax containing an accelerated foreclosure provision.

B. 1915 Bond Act Assessment Districts

This property **is not subject** to a 1915 Bond Act Assessment District Tax containing an accelerated foreclosure provision.

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PART 5. AD VALOREM TAX INFORMATION

A. TAX BILL INFORMATION AS OF REPORT DATE

As of the Report Date, the following is a summary of the current year secured real property tax bill applicable to the Residential Property and is provided **for informational purposes only**. Ad valorem taxes are calculated annually based on the assessed value of the land and improvements. When a parcel of real property is sold, the assessed values are reset to the sales price. Ad valorem taxes *can increase dramatically if the sales price differs from the current assessed value of the real property!* Also certain exemptions and exclusions may be available to the existing owner which may not be available to Buyer.

Ad Valorem Taxes (Historical information only based on Seller's current tax bill)

AGENCY	DESCRIPTION	CONTACT NAME	CONTACT PHONE	AMOUNT
SANTA CLARA COUNTY	AD VALOREM ASMTS.	SANTA CLARA COUNTY TREASURER	408-808-7900	\$ 665.88

Buyer is advised that the foregoing information is of general interest only and will not be applicable to the Buyer. Upon acquisition of the Residential Property, Buyer may be subject to increased ad valorem taxes based on the sales price of the Residential Property. Please see the subsection B below to calculate the estimated ad valorem taxes applicable after the sale.

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B. CALCULATING AD VALOREM TAXES AFTER SALE (ESTIMATE ONLY) PROPERTY TAX ESTIMATOR

The following calculation method is provided to assist Buyer in *estimating* the approximate amount of the ad valorem taxes that the Residential Property will be for the 2007/2008 (tax year) based on the assessed valuation being equal to the sales price. The amount derived is only an estimate and is not a substitute for a tax bill from the County, nor does it anticipate new property tax charges, fees or other changes in the property tax rates for the new tax year. Please see subsection D below for general information about Ad Valorem Taxes.

1	Estimated Sales Price	•	1	\$	_____
2	Estimated Ad Valorem Tax Rate	•	2	<u>0.01174</u>	
3	Multiply line 1 by line 2. This is your Estimated Ad Valorem Tax.....	•	3	\$	_____
4	Non-Ad Valorem Assessments.....	•	4	<u>\$486.28</u>	
5	Add lines 3 and 4. Total Estimated Annual Tax Amount After Sale	•	5	\$	_____

The information in this subparagraph B is an estimate only. The purpose of this "ESTIMATOR" is to assist Buyer in planning for ad valorem taxes which will be applicable after the Sale Date. This "ESTIMATOR" requires the Buyer's projection of the purchase price of the Residential Property. Please note that potential exemptions and exclusions are not reflected in this estimate. FANHD is not responsible or liable for any losses, liabilities or damages resulting from use of this Property Tax Estimator.

C. EXEMPTIONS & EXCLUSIONS TO AD VALOREM TAXES

California law provides certain exemptions from reassessments. The following is a list of common exemptions which may be available:

- Homeowner exemption (California Constitution Art XIII, §3 & R&T Code §218)
- Honorably discharged veterans (California Constitution Art XIII, §3 & R&T Code §205)
- Disabled veterans (California Constitution Art XIII, §4 & R&T Code §205)

California law also provides certain exclusions from reassessment. The following is a list of common exclusions which may be available:

- Persons over 55 years of age (R&T Code § 69.5)
- Severely and permanently disable persons (R&T Code § 69.5(a))
- Transfers between parents and children and grandparents and grandchildren (R&T Code § 63.1)
- Transfers into revocable trusts (R&T Code § 62)
- Interspousal transfers (R&T Code § 63)
- Improvements for seismic retrofitting (R&T Code § 74.5)
- Improvements for disabled access (R&T Code § 74.3)
- Replacement of property damaged or destroyed by disaster (R&T Code § 69)

In order to determine if Buyer may qualify for any exemptions or exclusions or to obtain a comprehensive list of available exemptions and exclusions, please contact the county tax assessor's office (408-808-7900) or visit the

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county website at www.scctax.org. Additional information is also available on the website for the California Board of Equalization at www.boe.ca.gov

D. GENERAL INFORMATION REGARDING AD VALOREM TAXES

County assessors must value property in accordance with the California Constitution and the California Revenue & Taxation Code and related laws and regulations.

Full cash value, also known as "market value" or "fair market value," means the amount of cash or its equivalent which property would bring if exposed for sale in the open market.

A property's "base year value," for real property assessed under Proposition 13, is the property's full cash value as of the date of the latest change in ownership or completion of new construction.

An "adjusted base year value" (sometimes also referred to as the "factored base year value") is the property's base year value adjusted by an annual inflation factor, not to exceed two percent (2%) per year.

Taxable value is the value upon which the base property taxes are calculated. For most real property, this is the adjusted base year value or the property's current market value, whichever is lower.

The assessment roll is the official list of all assessable property in the county.

The lien date is the "moment" of valuation for all property. Annually, the taxable status and value of property is determined as of 12:01 a.m. on January 1. The fiscal tax year runs from July 1 to June 30.

Proposition 13 limits the general property tax rate to one percent (1%) of the assessed value, plus an amount for the debt service on any bonds approved by popular vote. The tax rate will vary depending upon where the property is located.

PART 6. SUPPLEMENTAL TAX INFORMATION

A. SUPPLEMENTAL TAX DISCLOSURE

The following notice is mandated by California Civil Code Section 1102.6c:

NOTICE OF YOUR 'SUPPLEMENTAL' PROPERTY TAX BILL

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

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

If you have any question concerning this matter, please call your local Tax Collector's Office."

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B. CALCULATING SUPPLEMENTAL TAXES AFTER SALE (ESTIMATE ONLY) SUPPLEMENTAL TAX ESTIMATOR

The following schedule is provided to **estimate** the potential amount of the **supplemental taxes** on a given property and does **NOT** include the amount of the regular annual ad valorem property tax. The following calculation provides an estimate of the supplemental property taxes that can be expected during the first year of ownership, and should be used for planning purposes only.

- 1 Estimated Sales Price..... • 1 \$ _____
2 Estimated Current Assessed Value • 2 \$56,700
3 Subtract line 2 from line 1.
Estimated Supplemental Assessed Value • 3 \$ _____
4 Multiply line 3 by 0.01174. (The Estimated Ad Valorem Tax Rate
for the Residential Property)
Estimated Full-Year **Supplemental** Tax Obligation • 4 \$ _____

If the **Sale Date** for the Residential Property falls during the months of January through May, Buyer will receive **TWO** supplemental tax bills: (a) one for the current partial tax year; and (b) one for the next full tax year. The supplemental taxes can be estimated by completing lines 5 through 8 below:

- 5 Enter the Month-of-Sale Factor from **TABLE 1** below..... • 5 _____
6 Multiply line 4 by line 5.
Estimated Supplemental Tax Bill # 1 • 6 \$ _____
7 Enter the amount on line 4.
Estimated Supplemental Tax Bill # 2 • 7 \$ _____
8 Add lines 6 and 7. Total estimated Supplemental Tax Bill..... • 8 \$ _____

If the **Sale Date** for the Residential Property falls during the months of June through December, Buyer will receive **ONE** supplemental tax bill. The supplemental tax can be estimated by completing lines 9 and 10 below:

- 9 Enter the Month-of-Sale Factor from **TABLE 2** below..... • 9 _____
10 Multiply line 4 by line 9.
Total Estimated Supplemental Tax Bill • 10 \$ _____

TABLE 1. Month-of-Sale Factor

Jan	0.4170
Feb	0.3333
Mar	0.2500
Apr	0.1667
May	0.0866

TABLE 2. Month-of-Sale Factor

Jun	1.0000
Jul	0.9167
Aug	0.8333
Sep	0.7500
Oct	0.6670
Nov	0.5830
Dec	0.5000

The information in this subparagraph B is an estimate only. The purpose of this "ESTIMATOR" is to assist Buyer in planning for the supplemental taxes. The estimated supplemental tax is not a substitute for the supplemental bill and may not be relied upon as such. This "ESTIMATOR" requires the Buyer's projection of the purchase price of the Residential Property as well as month in which the transaction will be consummated. Please note that potential exemptions and exclusions are not reflected in these estimations. FANHD is not responsible or liable for any losses, liabilities or damages resulting from use of this Supplemental Tax Estimator.

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C. GENERAL INFORMATION REGARDING SUPPLEMENTAL TAXES

California law mandates the county assessor to reappraise real property upon a change in ownership or completion of new construction. The assessor's office issues a supplemental assessment which reflects the difference between the prior assessed value and the new assessment. This value is prorated based on the number of months remaining in the fiscal tax year which ends June 30.

Notices of the supplemental assessment are mailed out to the property owners prior to the issuance of the supplemental tax bill or refund if the value is reduced. The taxes or refund based on the supplemental assessment are in addition to the regular annual tax bill.

The supplemental tax will be due from the current owner in addition to the regular tax assessment. Accordingly for the first year of ownership, Buyer should plan for this additional payment.

PART 7. TRANSFER FEE/TAX ADVISORY: Governmental and Private Assessments Paid at the Close of Escrow

- **Private Transfer Fee.** This is a fee imposed by a private entity such as a property developer, home builder, or homeowner association, when a property within a certain type of subdivision is sold or transferred. (It is commonly known as a "Private Transfer Tax".) It is NOT the same as a city or county Documentary Transfer Tax. A Private Transfer Fee may apply in addition to government Documentary Transfer Taxes that are due upon sale or transfer of the Property.
- **Documentary Transfer Tax.** This is a government tax imposed by a city or county when a property within the jurisdiction is sold or transferred. (It is commonly known as a "Real Estate Transfer Tax".) It is NOT the same as a Private Transfer Fee, which may be imposed by a private entity such as a property developer, home builder, or homeowner association.

A. PRIVATE TRANSFER FEES -- DISCLOSURE REQUIRED EFFECTIVE JAN. 1, 2008

Transfer Fee Defined. California Civil Code Section 1098 defines a "Transfer Fee" as "any fee payment requirement imposed within a covenant, restriction, or condition contained in any deed, contract, security instrument, or other document affecting the transfer or sale of, or any interest in, real property that requires a fee be paid upon transfer of the real property." Certain existing fees such as governmental fees, court ordered fees, mechanic lien fees, common interest development fees, etc. are specifically excluded from the definition of "Transfer Fee."

It is estimated that fewer than 1 in 10 California homes is subject to a Private Transfer Fee. To determine if the Property is subject to a Transfer Fee, OBTAIN COPIES OF ALL OF THE EXCEPTIONS LISTED ON THE PRELIMINARY (TITLE) REPORT FROM THE TITLE COMPANY AND READ THEM TO DETERMINE IF ANY TRANSFER FEES ARE APPLICABLE.

Effective January 1, 2008, if the payment of any Transfer Fee is required in the sale or transfer of the Property, Civil Code Section 1102.6e requires Seller to notify Buyer of the existence of the fee and to disclose certain specific information about the fee.

Content of Disclosure. Civil Code Section 1102.6e requires the Seller to disclose specific information about any Transfer Fee that may affect the Property. If a Private Transfer Fee affects the Property, refer to C.A.R. Form NTF (11/07), provided by the California Association of Realtors®, for a standard format to use in making the Transfer Fee disclosure.

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How to Determine the Existence of a Transfer Fee. If a Transfer Fee does exist affecting the Property, the document creating the fee may be on file with the County Recorder as a notice recorded against the Property and should be disclosed in the preliminary (title) report on the Property. However, the preliminary (title) report will merely disclose the existence of the documents affecting title, not the content of the documents. The title of a document may also not be sufficient to disclose that a Transfer Fee is included in its terms. Accordingly Seller should (a) request the title company which issued the preliminary (title) report to provide copies of the documents shown as "exceptions," and (b) review each document to determine if it contains a Transfer Fee.

Parties are advised that documents regarding any Transfer Fee should be obtained early in the sale process in order to avoid delays in the transaction process and to ensure full disclosure as required by law.

B. DOCUMENTARY TRANSFER TAXES

Transfer Tax Defined. Under California Revenue and Taxation Code Sections 11911-11929, counties and cities are authorized to impose a tax on the transfer of real property located within their jurisdiction. The tax is commonly known by various names, including the Documentary Transfer Tax, or Real Property Transfer Tax, or Real Estate Transfer Tax (hereinafter, the "Transfer Tax").

How Much? The "one-time" payment is made at the close of escrow and routinely documented on the HUD-1 Settlement Statement. The amount of the Transfer Tax is typically based on the value or sales price of the real estate that is transferred. The county rate is one dollar and ten cents (\$1.10) for each one thousand dollars (\$1,000) of value. The rate for non-charter ("general law") cities is one-half of the county rate and is credited against the county tax due. Charter cities may impose a Transfer Tax at a rate higher than the county rate.

For any city or county in California, the Transfer Tax rate ("Tax Rate Table") is available at no charge from many sources, most conveniently on the website of the **California Local Government Finance Almanac** (sponsored by the California League of Cities):

<http://www.californiacityfinance.com/PropTransfTaxRates.pdf>

To estimate the Transfer Taxes for the Property, multiply the Property's estimated sales price (in thousands of dollars) by the amount shown in the Tax Rate Table for the city and county in which the Property is located.

Who Pays? The law states that, "the Transfer Tax must be paid by the person who makes, signs or issues any document subject to the tax, or for whose use or benefit the document is made, signed or issued." In practice, this means that the payment of the Transfer Tax is customarily made by the Seller or the Buyer, or shared by both, depending on the jurisdiction in which the transferred Property is located.

PART 8. METHODS AND LIMITATIONS -- PLEASE READ!

This Part will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the data provided, and (c) the responsibilities and liabilities of FANHD under this Report. Please read this entire Part 8 carefully to understand the limitations of this Report and FANHD's responsibilities.

A. LIMITATIONS ON TAX INFORMATION

FANHD has accurately reported the information in the Databases as of the dates of each Database as specified in Part 2 ("Database Dates"). With respect to the Databases, it is important to understand that:

- The Databases may not be accurate, current, fully detailed, or complete.
- A parcel of real property may be subject to an assessment district that has been approved but not created as of the Report Date.

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- Changes may have occurred in the Databases since the Database Date specified above.
- There may be other governmental databases with relevant information which are not included in this Report.
- Personal property taxes are not included in this Report.
- Supplemental taxes can be assessed based on improvements to the real property after they have been completed and the assessor becomes aware of same. Supplemental taxes are **not** included in the Databases.
- Assessment districts which have been created but not funded are not included.

B. FANHD DOES NOT CONSTANTLY CHECK DATABASES FOR CHANGES

Each Database used in this Report is updated by the applicable governmental agency at various intervals as determined by that agency having responsibility for the database ("Responsible Agency") and may be made at any time and without notice. FANHD maintains an update schedule and makes reasonable efforts to use updated information but it cannot feasibly do so on a constant basis, and the complexities of obtaining and adapting the data into a usable format for preparing this Report necessitates some delay once the updated information is obtained. For these reasons, FANHD reports information as of the date when the Database was last updated by FANHD which specific date is specified as the "Database Date" for each Database in Part 2.

C. LIMITATIONS IN THIS REPORT

FANHD does not make any representations as to:

- The accuracy, validity or completeness of the Databases.
- Any information in a Database after the Database Date for that Database.
- Any information regarding the Residential Property after the Report Date.

This Report only provides information electronically derived from the Databases in accordance with the Methods and Limitations.

D. ONLY THE PARTIES MAY RELY ON THIS REPORT

This Report is valid, the Parties may rely on the Report, and a contract is formed with FANHD, **only** upon receipt by FANHD of payment of the full price of the Report.

This Report may be relied upon only by the Parties to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than Seller, Buyer and their Agents, (b) for any other real property, or (c) for any future transactions involving the Residential Property. The price paid for the Report does not include any amounts for protection of such other parties.

D. LIMITATIONS ON FANHD'S LIABILITY

Given the limited nature of this Report, and the fact that FANHD is reporting, not assuming liability, FANHD is not responsible for:

- Any inaccuracies or incompleteness of the information in the Databases.
- Inaccurate address information provided for the Residential Property.
- Any other information not contained in the specified Databases.
- Any information known by one of the Parties.
- Any changes to the information in the Databases after the Database Date.

This Report is not an insurance policy and does not provide the same protections as an insurance policy. It does not obligate FANHD to defend any Party against any claims, and FANHD shall not have any duty to defend against any claims pursuant to California Civil Code § 2778 or otherwise. The price of this Report has not been based upon any responsibility for defense costs, nor for assumption of all tax liability. The premium for an insurance product would

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be significantly greater than the cost of this Report. The Parties acknowledge that claims for damages beyond actual losses can significantly increase the costs of Reports and make prompt resolution of claims more difficult. In order to induce FANHD to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and FANHD, Buyer, Seller and Agents agree that if there is a material error or omission in this Report:

- **The Party who suffers damages as a result of such error or omission shall be entitled at most to recover from FANHD the actual proved damages measured by the difference in the fair market value of the Residential Property as of the Report Date, caused by the error or omission but not in excess of the present value of the total tax amount under-reported which would payable for a five (5) year period.**
- **FANHD shall not be liable for indirect, consequential, or punitive damages (including, but not limited to, emotional distress or pain and suffering).**

FANHD shall not be liable to a Party for any matters known to that Party or its Agent (including errors in this Report) and not disclosed in writing to both the other Parties and FANHD prior to the date the Residential Property is sold by Seller to Buyer.

E. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE

Sellers of real property and their Agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of tax information potentially affecting the Residential Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.

F. OTHER AGREEMENTS

This Report sets forth the complete, integrated agreement between FANHD and the Parties. Evidence of prior or contemporaneous statements, representations, promises or agreements shall not be admissible to vary the terms of this written agreement. This agreement may not be changed or amended except by a written document signed by an authorized representative of FANHD and the Parties. In the event that any dispute arises between FANHD and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of FANHD, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.

If any provision of this Report, or its application to any circumstance, is held to be invalid, unenforceable, or void, the remainder of this Report shall remain in full force and effect and enforced to the fullest extent possible.

END OF REPORT