

**DISCLOSURE REGARDING
REAL ESTATE AGENCY RELATIONSHIP**
(Listing Firm to Seller)
(As required by the Civil Code)
(C.A.R. Form AD, Revised 4/06)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller:

A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer:

A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer Seller Landlord Tenant _____ Date August 6, 2009

Buyer Seller Landlord Tenant _____ Date August 6, 2009

Agent Altera Real Estate DRE Lic. # 01313337
Real Estate Broker (Firm)

By Tuan D. Tran DRE Lic. # 01374890 Date August 6, 2009
(Salesperson or Broker-Associate)

Tuan D. Tran

THIS FORM SHALL BE PROVIDED AND ACKNOWLEDGED AS FOLLOWS (Civil Code § 2079.14):

- When the listing brokerage company also represents Buyer, the Listing Agent shall have one AD form signed by Seller and one signed by Buyer.
- When Buyer and Seller are represented by different brokerage companies, the Listing Agent shall have one AD form signed by Seller and the Buyer's Agent shall have one AD form signed by Buyer and one AD form signed by Seller.

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AD REVISED 4/06 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125

CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (f) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (n) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (o) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE, SAMPLE ONLY)

Is the agent of (check one): the seller exclusively; or both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE, SAMPLE ONLY)

Is the agent of (check one): the buyer exclusively; or the seller exclusively; or both the buyer and seller.

(Name of Selling Agent If not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Seller's/Landlord Initials (X Y O) (X P O)
 Buyer's/Tenant's Initials (_____) (_____)





CALIFORNIA
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**DISCLOSURE AND CONSENT FOR
REPRESENTATION OF MORE THAN ONE
BUYER OR SELLER**
(C.A.R. Form DA, 11/06)

A real estate broker, whether a corporation, partnership or sole proprietorship, ("Broker") may represent more than one buyer or seller provided the Broker has made a disclosure and the principals have given their consent. This multiple representation can occur through an individual licensed as a broker or through different associate licensees acting for the Broker. The associates licensees may be working out of the same or different office locations.

Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Buyer and Seller understand that Broker may represent more than one buyer or seller and even both buyer and seller on the same transaction

If Seller is represented by Broker, Seller acknowledges that Broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both Seller and Buyer in that transaction.

If Buyer is represented by Broker, Buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both Buyer and Seller with regard to that property.

In the event of dual agency, Seller and Buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to Seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the Seller, will not disclose to the Buyer that Seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a Dual Agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

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

Seller and/or Buyer acknowledges reading and understanding this Disclosure and Consent for Representation of More than One Buyer or Seller and agree to the dual agency possibility disclosed.

Seller Buyer Younghing Ou Date August 6, 2009

Seller Buyer Phillip Ou Date August 6, 2009

Real Estate Broker (Firm) Altera Real Estate Date August 6, 2009

By Tuan D. Tran

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DA 11/06 (PAGE 1 OF 1)

REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (DA PAGE 1 OF 1)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125



CALIFORNIA
ASSOCIATION
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**LEAD-BASED PAINT AND LEAD-BASED PAINT
HAZARDS DISCLOSURE,
ACKNOWLEDGMENT AND ADDENDUM**
For Pre-1978 Housing Sales, Leases, or Rentals
(C.A.R. Form FLD, Revised 1/03)

The following terms and conditions are hereby incorporated in and made a part of the: California Residential Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, or other: _____

dated _____, on property known as:
1472 Four Oaks Circle, San Jose CA ("Property") in
which _____ is referred to as Buyer or
Tenant and Younthing Ou, Phillip Ou is referred to as Seller or
Landlord.

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

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

1. SELLER'S OR LANDLORD'S DISCLOSURE

I (we) have no knowledge of lead-based paint and/or lead-based paint hazards in the housing other than the following:

I (we) have no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing other than the following, which, previously or as an attachment to this addendum have been provided to Buyer or Tenant:

I (we), previously or as an attachment to this addendum, have provided Buyer or Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

For Sales Transactions Only: Buyer has 10 days, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

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

X [Signature] August 6, 2009
Seller or Landlord Younthing Ou Date
X [Signature] August 6, 2009
Seller or Landlord Phillip Ou Date

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FLD REVISED 1/03 (PAGE 1 OF 2)

Buyer's Initials (_____) (_____)

Reviewed by _____ Date _____



LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (FLD PAGE 1 OF 2)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125

2. LISTING AGENT'S ACKNOWLEDGMENT

Agent has informed Seller or Landlord of Seller's or Landlord's obligations under §42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

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

Altera Real Estate
Agent (Broker representing Seller) Please Print

By  08/06/2009
Associate-Licensee or Broker Signature Date
Tuan D. Tran

3. BUYER'S OR TENANT'S ACKNOWLEDGMENT

I (we) have received copies of all information listed, if any, in 1 above and the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety." If delivery of any of the disclosures or pamphlet referenced in paragraph 1 above occurs after Acceptance of an offer to purchase, Buyer has a right to cancel pursuant to the purchase contract. If you wish to cancel, you must act within the prescribed period.

For Sales Transactions Only: Buyer acknowledges the right for 10 days, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; OR, (if checked) Buyer waives the right to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

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

Buyer or Tenant _____ Date _____ Buyer or Tenant _____ Date _____

4. COOPERATING AGENT'S ACKNOWLEDGMENT


Agent has informed Seller or Landlord, through the Listing Agent if the property is listed, of Seller's or Landlord's obligations under §42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

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

Agent (Broker obtaining the Offer) _____ By _____
Associate-Licensee or Broker Signature Date

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



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

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

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

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

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

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

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

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

Date: _____ Date: 08/05/09
 Buyer: _____ Seller: [Signature]
 Buyer: _____ Seller: [Signature]



www.siliconvalley-realtors.org
650-949-9115

PRDS® MOLD / ALLERGEN ADVISORY



Property: 1472 Four Oaks Cir, San Jose

Buyer is advised of the possible presence within residential and other properties of toxic (or otherwise illness-causing) molds, fungi, spores, pollens and/or other botanical substances and/or other allergens (e.g., dust, pet dander, insect material, etc.). These substances may be either visible or invisible, may adhere to walls and other accessible and inaccessible surfaces, may be embedded in carpets or other fabrics, may become airborne, and may be mistaken for other household substances and conditions. Exposure carries the potential of possibly serious health consequences (contact the California Department of Health Services [(510) 540-2469] for further information on this topic).

Accordingly, Buyer is advised to consider engaging the services of an environmental or industrial hygienist (or similar, qualified professional) to:

- Inspect and test for the presence of harmful botanical and other allergens and substances as part of Buyer's physical condition inspection of the Property and
- Advise Buyer regarding level of health-related risk involved and the advisability and feasibility of eradication and abatement.

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

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

Date: _____

Date: 08/05/09

Buyer: _____

Seller: _____

Buyer: _____

Seller: Philip C



CALIFORNIA
ASSOCIATION
OF REALTORS®

REAL ESTATE TRANSFER DISCLOSURE STATEMENT
(CALIFORNIA CIVIL CODE §1102, ET SEQ)
(C.A.R. Form TDS, Revised 10/03)

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF San Jose, COUNTY OF Santa Clara, STATE OF CALIFORNIA, DESCRIBED AS 1472 Four Oaks Circle, San Jose CA

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF (date) August 6, 2009. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

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

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

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

II. SELLER'S INFORMATION

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

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

Seller is is not occupying the property.

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

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Range | <input checked="" type="checkbox"/> Oven | <input checked="" type="checkbox"/> Microwave |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input checked="" type="checkbox"/> Garbage Disposal |
| <input checked="" type="checkbox"/> Washer/Dryer Hookups | | <input type="checkbox"/> Rain Gutters |
| <input type="checkbox"/> Burglar Alarms | <input checked="" type="checkbox"/> Smoke Detector(s) | <input type="checkbox"/> Fire Alarm |
| <input type="checkbox"/> T.V. Antenna | <input type="checkbox"/> Satellite Dish | <input type="checkbox"/> Intercom |
| <input type="checkbox"/> Central Heating | <input type="checkbox"/> Central Air Conditioning | <input type="checkbox"/> Evaporator Cooler(s) |
| <input checked="" type="checkbox"/> Wall/Window Air Conditioning | <input type="checkbox"/> Sprinklers | <input checked="" type="checkbox"/> Public Sewer System |
| <input type="checkbox"/> Septic Tank | <input type="checkbox"/> Sump Pump | <input type="checkbox"/> Water Softener |
| <input checked="" type="checkbox"/> Patio/Decking | <input type="checkbox"/> Built-in Barbecue | <input type="checkbox"/> Gazebo |
| <input type="checkbox"/> Sauna | | |
| <input type="checkbox"/> Hot Tub <input type="checkbox"/> Locking Safety Cover* | <input type="checkbox"/> Pool <input type="checkbox"/> Child Resistant Barrier* | <input type="checkbox"/> Spa <input type="checkbox"/> Locking Safety Cover* |
| <input type="checkbox"/> Security Gate(s) | <input type="checkbox"/> Automatic Garage Door Opener(s)* | <input type="checkbox"/> Number Remote Controls _____ |
| Garage: <input type="checkbox"/> Attached | <input type="checkbox"/> Not Attached | <input checked="" type="checkbox"/> Carport |
| Pool/Spa Heater: <input type="checkbox"/> Gas | <input type="checkbox"/> Solar | <input type="checkbox"/> Electric |
| Water Heater: <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Water Heater Anchored, Braced, or Strapped* | |
| Water Supply: <input checked="" type="checkbox"/> City | <input type="checkbox"/> Well | <input type="checkbox"/> Private Utility or |
| Gas Supply: <input checked="" type="checkbox"/> Utility | <input type="checkbox"/> Bottled | Other _____ |
| <input checked="" type="checkbox"/> Window Screens | <input type="checkbox"/> Window Security Bars <input type="checkbox"/> Quick Release Mechanism on Bedroom Windows* | |
| Exhaust Fan(s) in <u>Bathroom & Kitchen</u> | 220 Volt Wiring In _____ | Fireplace(s) in <u>living room</u> |
| <input type="checkbox"/> Gas Starter _____ | <input type="checkbox"/> Roof(s): Type: _____ | Age: _____ (approx.) |
| <input type="checkbox"/> Other: _____ | | |

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

(*see footnote on page 2)

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TDS REVISED 10/03 (PAGE 1 OF 3)

Buyer's Initials (_____) (_____)
Seller's Initials (X Y) (X P)

Reviewed by _____ Date _____



REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 1 OF 3)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125

Property Address: 1472 Four Oaks Circle, San Jose, CA

Date: August 6, 2009

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

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

(Describe: laminated Floor is buckling)

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

*This garage door opener or child resistant pool barrier may not be in compliance with the safety standards relating to automatic reversing devices as set forth in Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or with the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. The water heater may not be anchored, braced, or strapped in accordance with Section 19211 of the Health and Safety Code. Window security bars may not have quick release mechanisms in compliance with the 1995 Edition of the California Building Standards Code.

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

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

If the answer to any of these is yes, explain. (Attach additional sheets if necessary): (11) outside you can hear the Freeway and occasionally hear children upstairs running

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

Seller X [Signature] Date 08/06/2009
Younching Ou

Seller X [Signature] Date 08/06/2009
Phillip Ou

Buyer's Initials (_____) (_____)
Reviewed by _____ Date _____



III. AGENT'S INSPECTION DISCLOSURE

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

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

- Agent notes no items for disclosure.
- Agent notes the following items: please see attached addendum.

Agent (Broker Representing Seller) Altera Real Estate By *Tuan D. Tran* Date 08/06/2009
 (Please Print) (Associate Licensee or Broker Signature)
 Tuan D. Tran

IV. AGENT'S INSPECTION DISCLOSURE

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

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

- Agent notes no items for disclosure.
- Agent notes the following items: _____

Agent (Broker Obtaining the Offer) _____ By _____ Date _____
 (Please Print) (Associate Licensee or Broker Signature)

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

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

Seller *Younghing Ou* Date 08/06/2009 Buyer _____ Date _____
 Younghing Ou
 Seller *Phillip Ou* Date 08/06/2009 Buyer _____ Date _____
 Phillip Ou

Agent (Broker Representing Seller) Altera Real Estate By *Tuan D. Tran* Date 08/06/2009
 (Please Print) (Associate Licensee or Broker Signature)
 Tuan D. Tran

Agent (Broker Obtaining the Offer) _____ By _____ Date _____
 (Please Print) (Associate Licensee or Broker Signature)

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

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

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published by the California Association of REALTORS®

Reviewed by _____ Date _____



**Receipt for Environmental Hazards and Earthquake Safety
(with gas shut-off valve update) which includes
the Federal Lead booklet and Toxic Mold Update**

----SELLER(S)----

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

Property Address: 1472 Four Oaks Cir, San Jose

Date 08/05/09 Time _____
(signature) [Signature] (printed name) Younthing Ou

Date 08/05/09 Time _____
(signature) Phillip Ou (printed name) phillip Ou

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

----BUYER(S)----

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

Property Address: 1472 Four Oaks Cir, San Jose

Date _____ Time _____
(signature) _____ (printed name) _____

Date _____ Time _____
(signature) _____ (printed name) _____

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



SELLER PROPERTY QUESTIONNAIRE

(C.A.R. Form SPQ, Revised 11/07)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed or when no TDS is required.

- I. Seller makes the following disclosures with regard to the real property or manufactured home described as 1472 Four Oaks Circle, Assessor's Parcel No. 245-13-113, situated in San Jose, County of Santa Clara, California, ("Property").
- II. The following are representations made by the Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker has not verified information provided by Seller. A real estate broker is qualified to advise on real estate transactions. If Seller or Buyer desire legal advice, they should consult an attorney.
- III. Note to Seller: PURPOSE: To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
- Answer based on actual knowledge and recollection at this time.
 - Something that you do not consider material or significant may be perceived differently by a Buyer.
 - Think about what you would want to know if you were buying the Property today.
 - Read the questions carefully and take your time.
- IV. Note to Buyer: PURPOSE: To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
- Something that may be material or significant to you, may not be perceived the same way by the Seller.
 - If something is important to you, be sure to put your concerns and questions in writing (C.A.R. form BMI).
 - Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
 - Seller's disclosures are not a substitute for your own investigations, personal judgments or common sense.
- V. SELLER AWARENESS: For each statement below, answer the question "Are you (Seller) aware of..." by checking either "Yes" or "No." Provide explanations to answers in the space provided or attach additional comments and check section VI.

REPAIRS AND ALTERATIONS:

ARE YOU (SELLER) AWARE OF...

1. Any alterations, modifications, remodeling, replacements or material repairs on the Property (including those resulting from Home Warranty claims) Yes No
2. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service) Yes No
3. Any part of the Property being painted within the past 12 months. Yes No

Explanation: _____

STRUCTURAL, SYSTEMS AND APPLIANCES:

ARE YOU (SELLER) AWARE OF...

4. Defects in any of the following, (including past defects that have been repaired) heating, air conditioning, electrical, plumbing (including the presence of polybutelene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors or appliances Yes No

Explanation: _____

DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT:

ARE YOU (SELLER) AWARE OF...

5. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs Yes No

Explanation: _____

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SPQ REVISED 11/07 (PAGE 1 OF 4)

Buyer's initials () ()
Seller's initials (X) (X)

Reviewed by _____ Date _____



SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 1 OF 4)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125

Property Address: 1472 Four Oaks Circle
San Jose, CA

Date: August 6, 2009

WATER-RELATED AND MOLD ISSUES:

ARE YOU (SELLER) AWARE OF...

- 6. Water intrusion into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property Yes No
- 7. Any problem with or infestation of mold, mildew, fungus or spores, past or present, on or affecting the Property Yes No
- 8. Rivers, streams, flood channels, underground springs, high water table, floods, or tides, on or affecting the Property or neighborhood Yes No

Explanation: _____

PETS, ANIMALS AND PESTS:

ARE YOU (SELLER) AWARE OF...

- 9. Pets on or in the Property Yes No
- 10. Problems with livestock, wildlife, insects or pests on or in the Property Yes No
- 11. Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above Yes No
- 12. Past or present treatment or eradication of pests or odors, or repair of damage due to any of the above Yes No

Explanation: _____

BOUNDARIES, ACCESS AND PROPERTY USE BY OTHERS:

ARE YOU (SELLER) AWARE OF...

- 13. Surveys, easements, encroachments or boundary disputes Yes No
- 14. Use or access to the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways or other forms of ingress or egress or other travel or drainage Yes No
- 15. Use of any neighboring property by you Yes No

Explanation: _____

LANDSCAPING, POOL AND SPA:

ARE YOU (SELLER) AWARE OF...

- 16. Diseases or infestations affecting trees, plants or vegetation on or near the Property Yes No
- 17. Operational sprinklers on the Property Yes No
 - (a) If yes, are they automatic or manually operated.
 - (b) If yes, are there any areas with trees, plants or vegetation not covered by the sprinkler system Yes No
- 18. An operational pool heater on the Property Yes No
- 19. An operational spa heater on the Property Yes No
- 20. Past or present defects, leaks, cracks, repairs or other problems with the sprinklers, pool, spa, waterfall, pond, stream, drainage or other water-related decor including any ancillary equipment, including pumps, filters, heaters and cleaning systems, even if repaired Yes No

Explanation: (1A) Hot control sprinkler system

COMMON INTEREST CONDOMINIUMS AND DEVELOPMENTS:

ARE YOU (SELLER) AWARE OF...

- 21. Any pending or proposed dues increases, special assessments, rules changes, insurance availability issues or litigation by or against the Homeowner Association affecting the Property Yes No

Explanation: _____



Buyer's Initials () ()
Seller's Initials (X Y) (X O)
Reviewed by _____ Date _____

1472 Four Oaks Circle
Property Address: San Jose, CA

Date: August 6, 2009

TITLE, OWNERSHIP AND LEGAL CLAIMS:

ARE YOU (SELLER) AWARE OF...

- 22. Any other person or entity on title other than Seller(s) signing this form Yes No
- 23. Leases, options or claims affecting or relating to title or use of the Property Yes No
- 24. Past, present, pending or threatened lawsuits, mediations, arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, Homeowner Association or neighborhood Yes No
- 25. Any private transfer fees, triggered by a sale of the Property, in favor of private parties, charitable organizations, interest based groups or any other person or entity Yes No

Explanation: _____

NEIGHBORHOOD:

ARE YOU (SELLER) AWARE OF...

- 26. Neighborhood noise, nuisance or other problems from sources such as, but not limited to, the following: neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, or wildlife Yes No

Explanation: can hear the children run upstairs at times

GOVERNMENTAL:

ARE YOU (SELLER) AWARE OF...

- 27. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that apply to or could affect the Property Yes No
- 28. Existence or pendency of any rent control, occupancy restrictions or retrofit requirements that apply to or could affect the Property Yes No
- 29. Existing or contemplated building or use moratoria that apply to or could affect the Property Yes No
- 30. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property Yes No
- 31. Proposed construction, reconfiguration, or closure of nearby government facilities or amenities such as schools, parks, roadways and traffic signals Yes No
- 32. Existing or proposed Government requirements affecting the Property (i) that tall grass, brush or other vegetation be cleared; (ii) that restrict tree (or other landscaping) planting, removal or cutting or (iii) that flammable materials be removed Yes No
- 33. Any protected habitat for plants, trees, animals or insects that apply to or could affect the Property Yes No
- 34. Whether the Property is historically designated or falls within an existing or proposed Historic District Yes No

Explanation: _____

STATUTORILY REQUIRED OR RELATED:

ARE YOU (SELLER) AWARE OF...

- 35. Within the last 3 years, the death of an occupant of the Property upon the Property Yes No
- 36. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) Yes No
- 37. Whether the Property is located in or adjacent to an "industrial use" zone. (In general, a zone or district allowing manufacturing, commercial or airport uses.) Yes No
- 38. Whether the Property is affected by a nuisance created by an "industrial use" zone Yes No
- 39. Whether the Property is located within 1 mile of a former federal or state ordnance location. (In general, an area once used for military training purposes that may contain potentially explosive munitions.) Yes No

Explanation: _____

Buyer's Initials () ()
 Seller's Initials (X V D) (X P D)
 Reviewed by _____ Date _____



SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 3 OF 4)

1472 Four Oaks Circle

Property Address: San Jose, CA

Date: August 6, 2009

CONTRACTUALLY REQUIRED OR RELATED:

ARE YOU (SELLER) AWARE OF...

- 40. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision Yes No
- 41. Insurance claims affecting the Property within the past 5 years Yes No
- 42. Matters affecting title to the Property Yes No

Explanation: (40) Condo

(41) made claim on car broken into, property insurance covered

(42) Have not paid HOA fee over 1 year

OTHER:

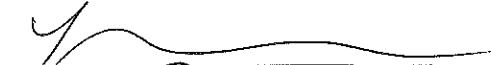
ARE YOU (SELLER) AWARE OF...

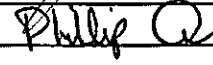
- 43. Reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys or other documents, pertaining to (I) the condition or repair of the Property or any improvement on this Property in the past, now or proposed; or (II) easements, encroachments or boundary disputes affecting the Property Yes No
(If yes, provide any such documents in your possession to Buyer.)
- 44. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer Yes No

Explanation: _____

VI. (IF CHECKED) **ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (I) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (II) nothing that any such real estate licensee does or says to Seller relieves Seller from his/her own duty of disclosure.

Seller X  Younthing Ou Date 08/06/2009

Seller X  Phillip Ou Date 08/06/2009

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer _____ Date _____

Buyer _____ Date _____

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Reviewed by _____ Date _____



SPQ REVISED 11/07 (PAGE 4 OF 4)

SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 4 OF 4)



CALIFORNIA
ASSOCIATION
OF REALTORS®

**SELLER'S AFFIDAVIT OF NONFOREIGN STATUS
AND/OR CALIFORNIA WITHHOLDING EXEMPTION**
FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)
AND CALIFORNIA WITHHOLDING LAW
(Use a separate form for each Transferor)
(C.A.R. Form AS, Revised 11/06)

Internal Revenue Code ("IRC") Section 1445 provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a "foreign person." California Revenue and Taxation Code Section 18662 provides that a transferee of a California real property interest must withhold tax unless an exemption applies.

I understand that this affidavit may be disclosed to the Internal Revenue Service and to the California Franchise Tax Board by the transferee, and that any false statement I have made herein may result in a fine, imprisonment or both.

1472 Four Oaks Circle

1. **PROPERTY ADDRESS** (property being transferred): San Jose, CA ("Property")

2. **TRANSFEROR'S INFORMATION:**

Full Name Phillip Ou ("Transferor")

Telephone Number _____

Address _____

(Use HOME address for individual transferors. Use OFFICE address for an "Entity" i.e.: corporations, partnerships, limited liability companies, trusts and estates.)

Social Security No., Federal Employer Identification No. or California Corporation No. _____

Note: In order to avoid withholding, IRC Section 1445 (b) requires that the Seller (a) provides this affidavit to the Buyer with the Seller's taxpayer identification number ("TIN"), or (b) provides this affidavit, including Seller's TIN, to a "qualified substitute" who furnishes a statement to the Buyer under penalty of perjury that the qualified substitute has such affidavit in their possession. A qualified substitute may be (i) an attorney, title company, or escrow company (but not the Seller's agent) responsible for closing the transaction, or (ii) the Buyer's agent.

3. **AUTHORITY TO SIGN:** If this document is signed on behalf of an Entity Transferor, THE UNDERSIGNED INDIVIDUAL DECLARES THAT HE/SHE HAS AUTHORITY TO SIGN THIS DOCUMENT ON BEHALF OF THE TRANSFEROR.

4. **FEDERAL LAW:** I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the federal withholding law (FIRPTA):

(For individual Transferors) I am not a nonresident alien for purposes of U.S. income taxation.

(For corporation, partnership, limited liability company, trust and estate Transferors) The Transferor is not a foreign corporation, foreign partnership, foreign limited liability company, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and Income Tax Regulations.

5. **CALIFORNIA LAW:** I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the California withholding law.

Certifications which fully exempt the sale from withholding:

The total sales price for the Property is \$100,000 or less.

The Property qualifies as my principal residence (or the decedent's, if being sold by the decedent's estate) within the meaning of IRC Section 121 (owned and occupied as such for two of the last five years).

The Property was last used as my principal residence (or the decedent's, if being sold by the decedent's estate) within the meaning of IRC Section 121 without regard to the two-year time period.

The transaction will result in a loss or zero gain for California income tax purposes. (Complete FTB Form 593-E.)

The Property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and Transferor intends to acquire property similar or related in service or use to be eligible for non-recognition of gain for California income tax purposes under IRC Section 1033.

Transferor is a corporation (or an LLC classified as a corporation) that is either qualified through the California Secretary of State or has a permanent place of business in California.

Transferor is a partnership (or an LLC that is not a disregarded single member LLC, classified as a partnership) and recorded title to the Property is in the name of the partnership or LLC. If so, the partnership or LLC must withhold from nonresident partners or members as required.

Transferor is exempt from tax under California or federal law.

Transferor is an insurance company, qualified pension/profit sharing plan, IRA or charitable remainder trust.

Certifications which may partially or fully exempt the sale from withholding:

The Property is being, or will be, exchanged for property of like kind within the meaning of IRC Section 1031.

Payments for the Property are being made in installments, the transferor is a non-resident seller and withholding will be applied to each principal payment.

As a result of the sale of the Property, Seller's tax liability, calculated at the maximum tax rate regardless of Seller's actual rate, will be less than the 3 1/3% withholding otherwise required. Seller will be required to sign a certification, under penalty of perjury, specifying the amount to be withheld. (Not to be used for sales closing prior to January 1, 2007)

By Phillip Ou

Date August 6, 2009

(Transferor's Signature) (Indicate if you are signing as the grantor of a revocable/grantor trust.)

Phillip Ou

Title (If signed on behalf of Entity Transferor)

Typed or printed name

Buyer's unauthorized use or disclosure of Seller's TIN could result in civil or criminal liability.

Buyer _____ Date _____
(Buyer acknowledges receipt of a Copy of this Seller's Affidavit)

Buyer _____ Date _____
(Buyer acknowledges receipt of a Copy of this Seller's Affidavit)

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AS 11/06 (PAGE 1 OF 2)

SELLER'S AFFIDAVIT OF NONFOREIGN STATUS AND/OR CALIFORNIA WITHHOLDING EXEMPTION (AS PAGE 1 OF 2)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altara Real Estate 1124 Meridian Avenue, San Jose, CA 95125

IMPORTANT NOTICE: An Affidavit should be signed by each individual or entity Transferor to whom or to which it applies. Before you sign, any questions relating to the legal sufficiency of this form, or to whether it applies to you or to a particular transaction, or about the definition of any of the terms used, should be referred to an attorney, certified public accountant, or other professional tax advisor, the Internal Revenue Service, or the California Franchise Tax Board. For further information on federal guidelines, see C.A.R. Legal Q & A "Federal Withholding: The Foreign Investment in Real Property Tax Act," and/or IRS Publication 515 or 519. For further information on state guidelines, see C.A.R. Legal Q & A "California Nonresident Withholding," and/or California FTB Pub. 1016.

FEDERAL GUIDELINES

FOREIGN PERSONS DEFINED. The following general information is provided to assist sellers in determining whether they are "foreign persons" for purposes of the Foreign Investment in Real Property Tax Act (FIRPTA), IRC §1445. FIRPTA requires a buyer to withhold and send to the Internal Revenue Service 10% of the gross sales price of a United States (U.S.) real property interest if the seller is a foreign person. No withholding is required for a seller who is a U.S. person (that is, not a foreign person). In order for an individual to be a U.S. person, he/she must be either a U.S. citizen or a U.S. resident alien. The test must be applied separately to each seller in transactions involving more than one seller. Even if the seller is a foreign person, withholding will not be required in every circumstance.

NONRESIDENT ALIEN INDIVIDUAL. An individual whose residence is not within the U.S. and who is not a U.S. citizen is a nonresident alien. The term includes a nonresident alien fiduciary. An alien actually present in the U.S. who is not just staying temporarily (i.e., not a mere transient or sojourner), is a U.S. resident for income tax purposes. An alien is considered a U.S. resident and not subject to withholding under FIRPTA if the alien meets either the **green card test** or the **substantial presence test** for the calendar year.

GREEN CARD TEST. An alien is a U.S. resident if the individual was a lawful permanent resident of the U.S. at any time during the calendar year. This is known as the "green card test."

SUBSTANTIAL PRESENCE TEST. An alien is considered a U.S. resident if the individual meets the substantial presence test for the calendar year. Under this test, the individual must be physically present in the U.S. on at least: (1) 31 days during the current calendar year; and (2) 183 days during the current year and the two preceding years, counting all the days of physical presence in the current year but only 1/3 the number of days present in the first preceding year, and 1/6 the number of days present in the second preceding year.

DAYS OF PRESENCE IN THE U.S. TEST. Generally, a person is treated as physically present in the country at any time during the day. However, if a person regularly commutes to work in the U.S. from a residence in Canada or Mexico, or is in transit between two points outside the U.S. and is physically present in the country for less than 24 hours, he/she is not treated as present in the U.S. on any day during the transit or commute. In addition, the individual is not treated as present in the U.S. on any day during which he/she is unable to leave the U.S. because of a medical condition which arose while in the U.S.

EXEMPT INDIVIDUAL. For the substantial presence test, do not count days for which a person is an exempt individual. An exempt individual is anyone in the following categories:

- (1) An individual temporarily present in the U.S. because of (a) full-time diplomatic or consular status, (b) full-time employment with an international organization or (c) an immediate family member of a person described in (a) or (b).
- (2) A teacher or trainee temporarily present in the U.S. under a "J" visa (other than as a student) who substantially complies with the requirements of the visa. An individual will not be exempt under this category for a calendar year if he/she was exempt as a teacher or trainee or as a student for any two calendar years during the preceding six calendar years.
- (3) A student temporarily present in the U.S. under an "F" or "J" visa who substantially complies with the requirements of the visa. Generally, a person will not be exempt as a student for any calendar year after the fifth calendar year for which he/she was exempt as a student, teacher or trainee. However, the individual may continue to be exempt as a student beyond the fifth year if he/she is in compliance with the terms of the student visa and does not intend to permanently reside in the U.S.

CLOSER CONNECTION TO A FOREIGN COUNTRY. Even if an individual would otherwise meet the substantial presence test, that person is not treated as meeting the test for the current calendar year if he/she:

- (1) Is present in the U.S. on fewer than 183 days during the current year, and
- (2) Has a tax home in a foreign country and has a closer connection to that country than to the U.S.

SPECIAL RULES. It is possible to be both a nonresident alien and a resident alien during the same tax year. Usually this occurs for the year a person arrives in or departs from the U.S. Other special provisions apply to individuals who were U.S. residents for at least three years, cease to be U.S. residents, and then become U.S. residents again.

NONRESIDENT ALIEN INDIVIDUALS MARRIED TO U.S. CITIZENS OR RESIDENT ALIENS may choose to be treated as resident aliens for most income tax purposes. However, these individuals are considered nonresidents for purposes of withholding taxes.

A FOREIGN PERSON OR PARTNERSHIP is one that does not fit the definition of a domestic corporation or partnership. A domestic corporation or partnership is one that was created or organized in the U.S., or under the laws of the U.S., or of any U.S. state or territory.

GUAM AND U.S. VIRGIN ISLANDS CORPORATIONS. A corporation created or organized in or under the laws of Guam or the U.S. Virgin Islands is not considered a foreign corporation for the purpose of withholding tax for the tax year if:

- (1) at all times during the tax year, less than 25% in value of the corporation's stock is owned, directly or indirectly, by foreign persons, and
- (2) at least 20% of the corporation's gross income is derived from sources within Guam or at least 65% of the corporation's income is effectively connected with the conduct of a trade or business in the U.S. Virgin Islands or the U.S. for the 3-year period ending with the close of the preceding tax year of the corporation, or the period the corporation has been in existence if less.

A NONRESIDENT ALIEN TRUSTEE, ADMINISTRATOR OR EXECUTOR of a trust or an estate is treated as a nonresident alien, even though all the beneficiaries of the trust or estate are citizens or residents of the U.S.

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

Reviewed by _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS*

**SELLER'S AFFIDAVIT OF NONFOREIGN STATUS
AND/OR CALIFORNIA WITHHOLDING EXEMPTION**
FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT (FIRPTA)
AND CALIFORNIA WITHHOLDING LAW
(Use a separate form for each Transferor)
(C.A.R. Form AS, Revised 11/06)

Internal Revenue Code ("IRC") Section 1445 provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a "foreign person." California Revenue and Taxation Code Section 18662 provides that a transferee of a California real property interest must withhold tax unless an exemption applies.

I understand that this affidavit may be disclosed to the Internal Revenue Service and to the California Franchise Tax Board by the transferee, and that any false statement I have made herein may result in a fine, imprisonment or both.

1472 Four Oaks Circle

1. PROPERTY ADDRESS (property being transferred): San Jose, CA ("Property")

2. TRANSFEROR'S INFORMATION:

Full Name Younghing Ou ("Transferor")

Telephone Number _____

Address _____

(Use HOME address for individual transferors. Use OFFICE address for an "Entity" i.e.: corporations, partnerships, limited liability companies, trusts and estates.)

Social Security No., Federal Employer Identification No. or California Corporation No. _____

Note: In order to avoid withholding, IRC Section 1445 (b) requires that the Seller (a) provides this affidavit to the Buyer with the Seller's taxpayer identification number ("TIN"), or (b) provides this affidavit, including Seller's TIN, to a "qualified substitute" who furnishes a statement to the Buyer under penalty of perjury that the qualified substitute has such affidavit in their possession. A qualified substitute may be (i) an attorney, title company, or escrow company (but not the Seller's agent) responsible for closing the transaction, or (ii) the Buyer's agent.

3. AUTHORITY TO SIGN: If this document is signed on behalf of an Entity Transferor, THE UNDERSIGNED INDIVIDUAL DECLARES THAT HE/SHE HAS AUTHORITY TO SIGN THIS DOCUMENT ON BEHALF OF THE TRANSFEROR.

4. FEDERAL LAW: I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the federal withholding law (FIRPTA):

(For individual Transferors) I am not a nonresident alien for purposes of U.S. Income taxation.

(For corporation, partnership, limited liability company, trust and estate Transferors) The Transferor is not a foreign corporation, foreign partnership, foreign limited liability company, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and Income Tax Regulations.

5. CALIFORNIA LAW: I, the undersigned, declare under penalty of perjury that, for the reason checked below, if any, I am exempt (or if signed on behalf of an Entity Transferor, the Entity is exempt) from the California withholding law.

Certifications which fully exempt the sale from withholding:

The total sales price for the Property is \$100,000 or less.

The Property qualifies as my principal residence (or the decedent's, if being sold by the decedent's estate) within the meaning of IRC Section 121 (owned and occupied as such for two of the last five years).

The Property was last used as my principal residence (or the decedent's, if being sold by the decedent's estate) within the meaning of IRC Section 121 without regard to the two-year time period.

The transaction will result in a loss or zero gain for California Income tax purposes. (Complete FTB Form 593-E.)

The Property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and Transferor intends to acquire property similar or related in service or use to be eligible for non-recognition of gain for California Income tax purposes under IRC Section 1033.

Transferor is a corporation (or an LLC classified as a corporation) that is either qualified through the California Secretary of State or has a permanent place of business in California.

Transferor is a partnership (or an LLC that is not a disregarded single member LLC, classified as a partnership) and recorded title to the Property is in the name of the partnership or LLC. If so, the partnership or LLC must withhold from nonresident partners or members as required.

Transferor is exempt from tax under California or federal law.

Transferor is an insurance company, qualified pension/profit sharing plan, IRA or charitable remainder trust.

Certifications which may partially or fully exempt the sale from withholding:

The Property is being, or will be, exchanged for property of like kind within the meaning of IRC Section 1031.

Payments for the Property are being made in installments, the transferor is a non-resident seller and withholding will be applied to each principal payment.

As a result of the sale of the Property, Seller's tax liability, calculated at the maximum tax rate regardless of Seller's actual rate, will be less than the 3 1/3% withholding otherwise required. Seller will be required to sign a certification, under penalty of perjury, specifying the amount to be withheld. (Not to be used for sales closing prior to January 1, 2007)

By _____ Date August 6, 2009

(Transferor's Signature) (Indicate if you are signing as the grantor of a revocable/grantor trust.)

Younghing Ou

Typed or printed name

Title (If signed on behalf of Entity Transferor)

Buyer's unauthorized use or disclosure of Seller's TIN could result in civil or criminal liability.

Buyer _____ Date _____

(Buyer acknowledges receipt of a Copy of this Seller's Affidavit)

Buyer _____ Date _____

(Buyer acknowledges receipt of a Copy of this Seller's Affidavit)

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Reviewed by _____ Date _____



AS 11/08 (PAGE 1 OF 2)

SELLER'S AFFIDAVIT OF NONFOREIGN STATUS AND/OR CALIFORNIA WITHHOLDING EXEMPTION (AS PAGE 1 OF 2)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125

IMPORTANT NOTICE: An Affidavit should be signed by each individual or entity Transferor to whom or to which it applies. Before you sign, any questions relating to the legal sufficiency of this form, or to whether it applies to you or to a particular transaction, or about the definition of any of the terms used, should be referred to an attorney, certified public accountant, or other professional tax advisor, the Internal Revenue Service, or the California Franchise Tax Board. For further information on federal guidelines, see C.A.R. Legal Q & A "Federal Withholding: The Foreign Investment in Real Property Tax Act," and/or IRS Publication 515 or 519. For further information on state guidelines, see C.A.R. Legal Q & A "California Nonresident Withholding," and/or California FTB Pub. 1016.

FEDERAL GUIDELINES

FOREIGN PERSONS DEFINED. The following general information is provided to assist sellers in determining whether they are "foreign persons" for purposes of the Foreign Investment in Real Property Tax Act (FIRPTA), IRC §1445. FIRPTA requires a buyer to withhold and send to the Internal Revenue Service 10% of the gross sales price of a United States (U.S.) real property interest if the seller is a foreign person. No withholding is required for a seller who is a U.S. person (that is, not a foreign person). In order for an individual to be a U.S. person, he/she must be either a U.S. citizen or a U.S. resident alien. The test must be applied separately to each seller in transactions involving more than one seller. Even if the seller is a foreign person, withholding will not be required in every circumstance.

NONRESIDENT ALIEN INDIVIDUAL. An individual whose residence is not within the U.S. and who is not a U.S. citizen is a nonresident alien. The term includes a nonresident alien fiduciary. An alien actually present in the U.S. who is not just staying temporarily (i.e., not a mere transient or sojourner), is a U.S. resident for income tax purposes. An alien is considered a U.S. resident and not subject to withholding under FIRPTA if the alien meets either the green card test or the substantial presence test for the calendar year.

GREEN CARD TEST. An alien is a U.S. resident if the individual was a lawful permanent resident of the U.S. at any time during the calendar year. This is known as the "green card test."

SUBSTANTIAL PRESENCE TEST. An alien is considered a U.S. resident if the individual meets the substantial presence test for the calendar year. Under this test, the individual must be physically present in the U.S. on at least: (1) 31 days during the current calendar year; and (2) 183 days during the current year and the two preceding years, counting all the days of physical presence in the current year but only 1/3 the number of days present in the first preceding year, and 1/6 the number of days present in the second preceding year.

DAYS OF PRESENCE IN THE U.S. TEST. Generally, a person is treated as physically present in the country at any time during the day. However, if a person regularly commutes to work in the U.S. from a residence in Canada or Mexico, or is in transit between two points outside the U.S. and is physically present in the country for less than 24 hours, he/she is not treated as present in the U.S. on any day during the transit or commute. In addition, the individual is not treated as present in the U.S. on any day during which he/she is unable to leave the U.S. because of a medical condition which arose while in the U.S.

EXEMPT INDIVIDUAL. For the substantial presence test, do not count days for which a person is an exempt individual. An exempt individual is anyone in the following categories:

- (1) An individual temporarily present in the U.S. because of (a) full-time diplomatic or consular status, (b) full-time employment with an international organization or (c) an immediate family member of a person described in (a) or (b).
- (2) A teacher or trainee temporarily present in the U.S. under a "J" visa (other than as a student) who substantially complies with the requirements of the visa. An individual will not be exempt under this category for a calendar year if he/she was exempt as a teacher or trainee or as a student for any two calendar years during the preceding six calendar years.
- (3) A student temporarily present in the U.S. under an "F" or "J" visa who substantially complies with the requirements of the visa. Generally, a person will not be exempt as a student for any calendar year after the fifth calendar year for which he/she was exempt as a student, teacher or trainee. However, the individual may continue to be exempt as a student beyond the fifth year if he/she is in compliance with the terms of the student visa and does not intend to permanently reside in the U.S.

CLOSER CONNECTION TO A FOREIGN COUNTRY. Even if an individual would otherwise meet the substantial presence test, that person is not treated as meeting the test for the current calendar year if he/she:

- (1) is present in the U.S. on fewer than 183 days during the current year, and
- (2) has a tax home in a foreign country and has a closer connection to that country than to the U.S.

SPECIAL RULES. It is possible to be both a nonresident alien and a resident alien during the same tax year. Usually this occurs for the year a person arrives in or departs from the U.S. Other special provisions apply to individuals who were U.S. residents for at least three years, cease to be U.S. residents, and then become U.S. residents again.

NONRESIDENT ALIEN INDIVIDUALS MARRIED TO U.S. CITIZENS OR RESIDENT ALIENS may choose to be treated as resident aliens for most income tax purposes. However, these individuals are considered nonresidents for purposes of withholding taxes.

A FOREIGN PERSON OR PARTNERSHIP is one that does not fit the definition of a domestic corporation or partnership. A domestic corporation or partnership is one that was created or organized in the U.S., or under the laws of the U.S., or of any U.S. state or territory.

GUAM AND U.S. VIRGIN ISLANDS CORPORATIONS. A corporation created or organized in or under the laws of Guam or the U.S. Virgin Islands is not considered a foreign corporation for the purpose of withholding tax for the tax year if:

- (1) at all times during the tax year, less than 25% in value of the corporation's stock is owned, directly or indirectly, by foreign persons, and
- (2) at least 20% of the corporation's gross income is derived from sources within Guam or at least 65% of the corporation's income is effectively connected with the conduct of a trade or business in the U.S. Virgin Islands or the U.S. for the 3-year period ending with the close of the preceding tax year of the corporation, or the period the corporation has been in existence if less.

A NONRESIDENT ALIEN TRUSTEE, ADMINISTRATOR OR EXECUTOR of a trust or an estate is treated as a nonresident alien, even though all the beneficiaries of the trust or estate are citizens or residents of the U.S.

Buyer's Initials (_____) (_____)

Seller's Initials (JO) (_____)

Reviewed by _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS®

**WATER HEATER AND SMOKE DETECTOR
STATEMENT OF COMPLIANCE**
(C.A.R. Form WHSD, Revised 11/07)

Property Address: 1472 Four Oaks Circle, San Jose CA

NOTE: A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

WATER HEATER STATEMENT OF COMPLIANCE

- STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code §19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
- TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law.
- CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller X [Signature] Younthing Ou Date 08/06/2009
(Signature) (Print Name)

Seller X [Signature] Phillip Ou Date 08/06/2009
(Signature) (Print Name)

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

Buyer _____ Date _____
(Signature) (Print Name)

Buyer _____ Date _____
(Signature) (Print Name)

SMOKE DETECTOR STATEMENT OF COMPLIANCE

- STATE LAW:** California Law requires that every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations. (Health and Safety Code §13113.8).
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke detector requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke detector requirements for your property.
- TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke detectors.
- EXCEPTIONS:** Generally, a written statement of smoke detector compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
- CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §13113.8 by having operable smoke detector(s) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations and in accordance with applicable local ordinance(s).

Seller X [Signature] Younthing Ou Date 08/06/2009
(Signature) (Print Name)

Seller X [Signature] Phillip Ou Date 08/06/2009
(Signature) (Print Name)

The undersigned hereby acknowledge(s) receipt of a copy of this document.

Buyer _____ Date _____
(Signature) (Print Name)

Buyer _____ Date _____
(Signature) (Print Name)

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Reviewed by _____ Date _____



WHSD REVISED 11/07 (PAGE 1 OF 1)

WATER HEATER AND SMOKE DETECTOR STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Alterra Real Estate 1124 Meridian Avenue, San Jose, CA 95125



CALIFORNIA
ASSOCIATION
OF REALTORS®

STATEWIDE BUYER AND SELLER ADVISORY
(This Form Does Not Replace Local Condition Disclosures.
Additional Addenda May Be Attached to This Advisory. See Paragraph 44)
(C.A.R. Form SBSA, Revised 4/07)

1472 Four Oaks Circle
San Jose, CA

Property Address: _____ ("Property").

BUYER RIGHTS AND DUTIES:

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
 - You should conduct thorough investigations of the Property personally and with appropriate professionals.
 - If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
 - You should retain your own professional even if Seller or Broker has provided you with existing reports.
 - You should read all written reports given to you and discuss those reports with the persons who prepared them.
 - You have the right to request that the Seller make repairs, corrections or take other actions based on inspections or disclosures.
 - If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the agreement. If you cancel outside these periods, you may be in breach of contract.
 - The terms of the purchase agreement and any counter offers and addenda establish your rights and responsibilities.
- YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

SELLER RIGHTS AND DUTIES:

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

BROKER RIGHTS AND DUTIES:

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

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

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SBSA REVISED 4/07 (PAGE 1 OF 10)

Buyer's Initials () ()

Seller's Initials (X Y Z) (X PO)

Reviewed by _____ Date _____



STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 10)

Agent: Tuan Tran	Phone: (408) 934 - 8888	Fax: (408) 934 - 8872	Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125			

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

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

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

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

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

Buyer's Initials () ()
Seller's Initials (X Y O) (X N O)

Reviewed by _____ Date _____



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

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

9. WELL AND WATER SYSTEM(S): Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker recommends that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

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

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

Buyer's Initials () ()

Seller's Initials (X YD) (X PD)

Reviewed by _____ Date _____



1472 Four Oaks Circle

Property Address: San Jose, CA

Date: August 6, 2009

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

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

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

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

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

17. FUTURE REPAIRS, REPLACEMENTS AND REMODELS: Buyer and Seller are advised that replacement or repairs of certain systems or remodels of portions of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

18. ERRANT GOLF BALLS: Buyer and Seller are advised that if the Property is located adjacent to or near a golf course there is a possibility that golf balls may damage the Property or injure persons or pets on it. Additionally, persons playing golf may enter the Property to retrieve errant golf balls or for other purposes. Broker recommends that Buyer investigate this possibility during Buyer's inspection contingency period. Brokers do not have expertise in this area.

Buyer's Initials () ()
Seller's Initials (X N D) (X P D)
Reviewed by _____ Date _____



1472 Four Oaks Circle

Property Address: San Jose, CA

Date: August 6, 2009

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

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

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

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

23. RETROFIT: Buyer and Seller are advised that state and local Law may require the installation of operable smoke detectors, bracing or strapping of water heaters, and completion of a corresponding written statement of compliance that is delivered to Buyer. Some city and county governments may impose additional retrofit standards, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, and tempered glass. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance.

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

25. NEIGHBORHOOD, AREA; PERSONAL FACTORS: Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer's Initials () ()
Seller's Initials (X YD) (X PD)
Reviewed by _____ Date _____



1472 Four Oaks Circle

Property Address: San Jose, CA

Date: August 6, 2009

26. INSURANCE: Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years. Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker recommends that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker recommends that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Brokers do not have expertise in this area.

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

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

29. 1915 BOND AND MELLO-ROOS COMMUNITY AND OTHER FACILITIES DISTRICTS: Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915 and/or a levy of a special tax pursuant to a Mello-Roos community facilities or other district. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. Brokers do not have expertise in this area.

30. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs): Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations of Covenants, Conditions and Restrictions (CC&Rs) and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. See paragraph 26 for further information regarding insurance. Brokers do not have expertise in this area.

31. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES: Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer fees, over and above any stated association fees. Private transfer fees: (A) may last for a fixed period of time or in perpetuity, (B) are typically calculated as a percentage of home's sales price, and (C) may have private parties, charitable organizations or interest-based groups as their recipients. Brokers do not have expertise in this area.

Buyer's Initials () ()
Seller's Initials (X) (V) (X) (D)
Reviewed by _____ Date _____



32. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION: Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed below, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> during Buyer's inspection contingency period. The following are examples of recall/defective products/class action information. The information is not exclusive. If Buyer wants further information, Broker recommends that Buyer contact the sources below. Brokers do not have expertise in this area and will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. (NOTE: While the information below is believed to be current as of the revision date of this form, phone numbers and web addresses may change or be discontinued.)

A. FURNACES: Buyer is advised that the CPSC has issued a warning regarding certain gas-fired horizontal forced-air furnaces that present a substantial risk of fire. The furnaces in question were manufactured from 1983 to 1994 by Consolidated Industries and were marketed under many different brand names. Homes built before 1983 or after 1994 could still have the furnaces in question due to replacements or remodeling. If Buyer wants further information, Broker recommends that Buyer contact CPSC's hotline at (800) 638-2772.

B. WHIRLPOOL MICROWAVE-HOOD COMBINATION: Buyer is advised that Whirlpool Corporation has voluntarily recalled approximately 1.8 million microwave-hood combinations that have been known to overheat and catch fire. The units at issue are installed above ranges and are sold under the Whirlpool, KitchenAid and Kenmore brand names. If Buyer wants further information, Broker recommends that Buyer contact Whirlpool by phone at (800) 785-8897 or at its website, <http://www.repair.whirlpool.com>.

C. ROOF TILES: Buyer is advised that there is a class action lawsuit concerning certain fire free tiles and quantum panels manufactured and installed by RE-Con Building Products, Inc. from December 1993 to November 1997. If Buyer wants further information, Broker recommends that Buyer call (800) 966-3696 or view the website at <http://www.firefreeclaims.com>.

D. FIRE SPRINKLER: Buyer is advised that Central Sprinkler Company is recalling 35 million fire sprinkler heads that may be defective. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or Central Sprinkler Company at (866) 505-8553 or <http://www.sprinklerreplacement.com>.

E. WATER HEATER: Buyer is advised that certain water heaters manufactured by a variety of companies between 1993 and 1997 may be defective. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water heater on the Property is defective.

F. ALUMINUM WIRING: Buyer is advised that some properties in California are wired in whole or in part with aluminum wiring which was approved at the time of construction but subsequently determined to be a potential hazard. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the wiring on the Property is defective.

G. GALVANIZED, ABS, POLYBUTYLENE AND COPPER PIPE: Buyer is advised that galvanized steel water pipes may corrode and leak after several years and that ABS plastic drain waste and vent pipe may be subject to failure. Buyer is also advised that the adhesive used in the installation of polybutylene pipe has been subject to failure. Additionally, copper pipe installed in slabs may develop leaks as result of reaction to certain soils. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water pipes and drains on the Property are defective.

H. WATER HEATER GAS CONTROL VALVES: Buyer is advised that the CPSC in cooperation with Robertshaw Controls Company has announced a voluntary recall of approximately 178,000 gas control valves installed on water heaters manufactured between July 2005 and August 2005 with production date codes 5-31 through and including 5-33 under brand names American Proline, Bradford White, GE, GSE, Hotpoint, Jetglas, John Wood, Lochinvar, Premire Plus, Powerflex, Rheem, Richmond, Ruud, Vanguard, Whirlpool and U.S. Craftsman.

Further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or contact Robertshaw Controls at (888) 225-1071 or <http://www.robertshaw.com>.

Buyer's Initials () ()
Seller's Initials (X 70) (X PD)

Reviewed by _____ Date _____



1472 Four Oaks Circle

Property Address: San Jose, CA

Date: August 6, 2009

I. ARC-FAULT CIRCUIT BREAKER: Buyer is advised that the CPSC in cooperation with Schneider Electric has announced a voluntary recall of approximately 700,000 Square D Q® and Homeline® AFCI circuit breakers manufactured by Schneider Electric North American Operating Division. The recalled arc-fault interrupter circuit breakers are designed for use in 15 and 20-amp branch circuits; have a blue test button and were manufactured between March 2004 and September 2004. Tests show that these circuit breakers may not provide the arc-fault protection required by the 2001 California Electrical Code, Section 210-21. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or contact Schneider Electric at (877) 202-9064 or <http://www.us.squared.com/recallaefci>.

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

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

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

36. INTERNET ADVERTISING: Buyer and Seller are advised that Broker may employ a service to provide a "virtual tour" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. Neither the service provider nor Broker has control over who will obtain access to the service or what action such persons might take. Buyer and Seller are advised that Brokers have no control over how long the information concerning the Property will be available on the Internet. Brokers do not have expertise in this area.

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

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

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

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

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

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

Buyer's Initials () ()
Seller's Initials (X Y0) (X PD)

Reviewed by _____ Date _____



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

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

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

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

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

Buyer's Initials () ()
Seller's Initials (X YD) (X PD)

Reviewed by _____ Date _____



1472 Four Oaks Circle

Property Address: San Jose, CA

Date: August 6, 2009

44. LOCAL ADDENDA (IF CHECKED):

The following local disclosures or addenda are attached:

- A.
- B.
- C.
- D.

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

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

Date _____

Date _____

BUYER _____

BUYER _____

(Print name)

(Print name)

(Address)

Date 08/06/2009

Date 08/06/2009

SELLER X [Signature]

SELLER X Phillip Ou

Younghing Ou
(Print name)

Phillip Ou
(Print name)

(Address)

Real Estate Broker (Selling Firm) _____ DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm) Altera Real Estate DRE Lic. # 01313337

By [Signature] Tuan D. Tran DRE Lic. # 01374890 Date 08/06/2009

Address 1124 Meridian Avenue City San Jose State CA Zip 95125

Telephone (408) 893-6769 Fax (408) 521-3988 E-mail tuan@TRArealty.com

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CALIFORNIA
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SUPPLEMENTAL STATUTORY AND CONTRACTUAL DISCLOSURES

(C.A.R. Form SSD, Revised 11/08)

1. Seller makes the following disclosures with regard to the real property or manufactured home described as
1472 Four Oaks Circle, Assessor's Parcel No. 245-13-113,
situated in San Jose, County of Santa Clara, California, ("Property").

2. THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT(S) AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF SELLER OR BUYER DESIRE LEGAL ADVICE, CONSULT AN ATTORNEY.

3. Are you (Seller) aware of any of the following? (Explain any "yes" answers below.)

- A. Within the last 3 years, the death of an occupant of the Property upon the Property. Yes No
- B. The release of an illegal controlled substance on or beneath the Property Yes No
- C. Whether the Property is located in or adjacent to an "industrial use" zone Yes No
(In general, a zone or district allowing manufacturing, commercial or airport uses.)
- D. Whether the Property is affected by a nuisance created by an "industrial use" zone Yes No
- E. Whether the Property is located within 1 mile of a former federal or state ordinance location Yes No
(In general, an area once used for military training purposes that may contain potentially explosive munitions.)
- F. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision Yes No
- G. Insurance claims affecting the Property within the past 5 years Yes No
- H. Matters affecting title of the Property Yes No
- I. Material facts or defects affecting the Property not otherwise disclosed to Buyer Yes No

Explanation, or (if checked) see attached: CG, please see Natural Hazard disclosure report
(F) House is a condo
(G) CAR was broken into, claimed was made on property insurance
(H) I have not paid HOA due for over a year

4. Seller represents that the information herein is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a Copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

Seller X [Signature] Younghing Ou Date August 6, 2009

Seller X [Signature] Phillip Ou Date August 6, 2009

5. By signing below, Buyer acknowledges Buyer has received, read, and understands this Supplemental Statutory and Contractual Disclosures form.

Buyer _____ Date _____

Buyer _____ Date _____

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SSD REVISED 11/08 (PAGE 1 OF 1)
SUPPLEMENTAL STATUTORY AND CONTRACTUAL DISCLOSURES (SSD PAGE 1 OF 1)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125



PRDS® AS-IS ADDENDUM



THIS "AS-IS" ADDENDUM is hereby made part of the Real Estate Purchase Contract ("Contract") dated _____ made by the Buyer: _____ for the purchase of
1472 Four Oaks Cir City of San Jose
 County of Santa Clara, CA ("Property").

1. In further consideration of the price and terms of the sale of the Property, Buyer agrees that Buyer is purchasing the Property in its present, existing condition, "AS-IS" and "WHERE IS," without any obligation of Seller to make any repairs or changes, and without any warranties or representations, expressed or implied, regarding its condition.
2. Buyer and Seller agree that this ADDENDUM shall supersede and render without force or effect (a) any and all provisions in the Contract that would otherwise make Seller responsible to make repairs or for inspections, certifications or work relating to Structural Pest Control and (b) any and all provisions in the Contract under which Seller warrants that the Property's components, systems and appliances are operative, in working order, and free of damage or defect.
3. Buyer acknowledges the importance of making a thorough inspection of the Property, including both the land and all improvements located thereon. Buyer acknowledges that Buyer has been provided the opportunity to perform such inspections as well as to obtain information regarding zoning regulations, other governmental requirements, site and physical conditions, and other matters affecting the use and condition of the Property. Buyer takes responsibility for obtaining full and comprehensive inspections of the Property by competent, professional contractors, inspectors and other experts.
4. Seller agrees to permit Buyer and Buyer's representatives reasonable access to the Property to complete Buyer's inspections; provided, however, that no inspections may be made by any building department inspector or other government employee without the prior written consent of Seller, which shall not be unreasonably withheld or delayed.
5. Buyer warrants and represents that, with respect to the condition of the Property, Buyer will rely entirely on Buyer's own investigation and information, if any, and not on any information or representations made by Seller or anyone acting on Seller's behalf.
6. Unless otherwise provided to the contrary in the Contract, (a) Buyer shall retain all contingency rights (including those of physical inspection of the Property) provided in the Contract; (b) Seller shall keep and maintain the Property and its improvements in substantially the same condition they were in as of the date of "Acceptance" (as defined in the Contract); and (c) Seller shall remove all Seller's personal property and debris from the Property prior to close of escrow and shall leave the Property in broom clean condition.
7. Nothing contained in this ADDENDUM shall relieve or be deemed to relieve Seller of the duty to disclose or otherwise notify Buyer of conditions known by Seller to exist on or about the Property as required pursuant to applicable law, or to relieve Seller of Seller's obligations with respect to smoke detectors and the water heater.
8. Buyer and Seller agree there are *no exceptions* *following exceptions:*

Upon its execution by both parties, the above terms are made an integral part of the aforementioned agreement:

Date: _____ Date: 08/05/09
 Buyer: _____ Seller: _____
 Buyer: _____ Seller: Phillip C



CALIFORNIA
ASSOCIATION
OF REALTORS®

MEGAN'S LAW DATA BASE DISCLOSURE
Regarding Registered Sex Offenders
(C.A.R. Form DBD, Revised 11/08)

The following terms and conditions are hereby incorporated in and made a part of the: Residential Purchase Agreement, Agreement, Residential Lease or Month-to-Month Rental Agreement, other _____

dated _____, on property
property known as: 1472 Four Oaks Circle, San Jose CA

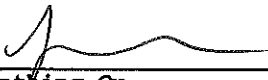
in which _____ is referred to as Buyer/Tenant
and Younthing Ou, Phillip Ou is referred to as Seller/Landlord.


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.

(Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

Buyer/Tenant _____ Date _____

Buyer/Tenant _____ Date _____

Seller/Landlord  Date August 6, 2009
Younthing Ou

Seller/Landlord  Date August 6, 2009
Phillip Ou

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DBD REVISED 11/08 (PAGE 1 OF 1)

MEGAN'S LAW DATA BASE DISCLOSURE (DBD PAGE 1 OF 1)

Agent: Tuan Tran Phone: (408) 934 - 8888 Fax: (408) 934 - 8872 Prepared using WINForms® software
Broker: Altera Real Estate 1124 Meridian Avenue, San Jose, CA 95125

CITY OF SAN JOSÉ STREET TREE DISCLOSURE FORM

The City of San José ("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 José 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 José, 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: 1472 Four Oaks Cir, San Jose

Seller  Younghing Ou 8/05/09
Signature(s) print name(s) date

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

Buyer _____
Signature(s) print name(s) date



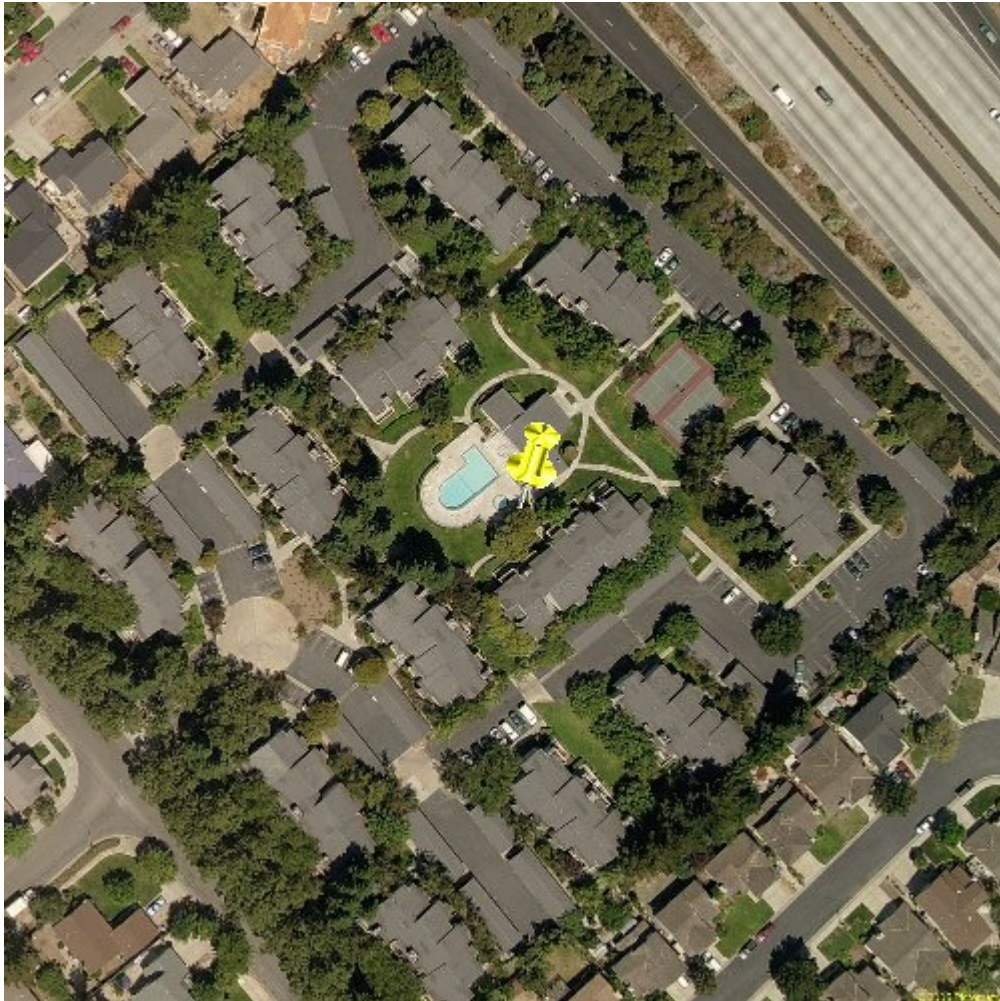
JCP-LGS Residential Property Disclosure Reports

For SANTA CLARA COUNTY

Property Address: 1472 FOUR OAKS CIRCLE,
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AERIAL PHOTO COVER PAGE



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

NOTE TO READER: *High-resolution aerial photographs are obtained through periodic surveys by low-altitude aircraft. Surveys are repeated at intervals of several years, and their coverage is limited to populated areas. On rare occasions, the air photo on this page will display a black area, or vacant land where buildings now exist. In these cases, the photo happens to be at the edge of the survey coverage area, or it shows land that has been developed since the time of the latest aerial survey. We apologize for these rare instances, which are beyond our control.*

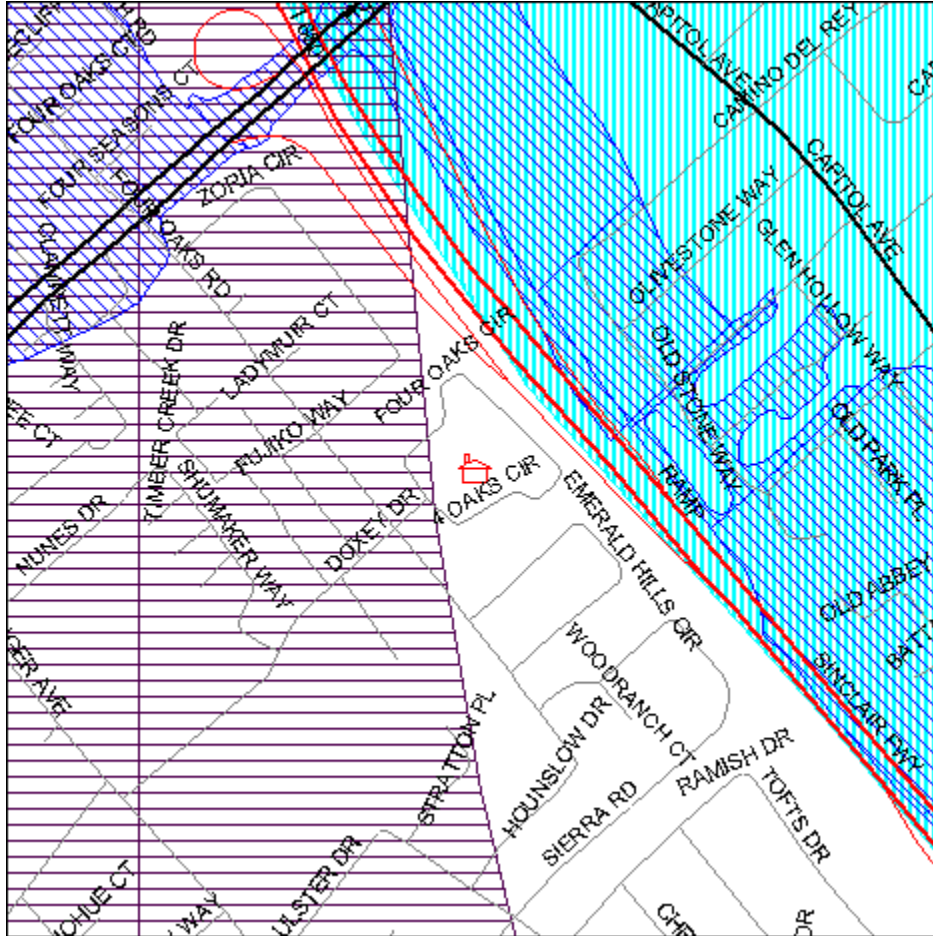
JCP-LGS Property Disclosure Reports | MAP COVER PAGE

Natural Hazard Disclosure Report



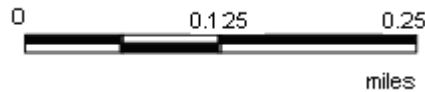
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Subject Property

	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 INDUSTRY STANDARD REPORT contains the Natural Hazard Disclosure Report, the Tax Report and the Enviro Report.

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.



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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 X 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 X 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 X

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 X

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

Yes _____ No X

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

Yes (Landslide Zone) ___ Yes (Liquefaction Zone) X

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. TRANSFEE(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)  Date 08/07/2009 Rept. No. 587201
Greg Rufe, Chief Operating Officer
JCP-LGS Disclosure Reports

Transferee represents that he or she has read and understands this document. 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 SIGNATURE REQUIRED: SEE "ACKNOWLEDGEMENT OF RECEIPT"- NEXT PAGE



ACKNOWLEDGEMENT OF RECEIPT

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

Natural Hazard Report Disclosures and Advisories
(Signature Required on the Statutory Form – See preceding page)

- ✓ State Level Natural Hazard Disclosures (Statutory Form)
- ✓ Local City and County Level Natural Hazard Disclosures (where applicable)
- ✓ Commercial/Industrial Disclosure
- ✓ Military Ordnance Disclosure
- ✓ Airport Influence Area / Airport Noise Disclosure
- ✓ Database Disclosure (Megan's Law)
- ✓ San Francisco Bay Conservation and Development Commission Disclosure (where applicable)
- ✓ California Energy Efficiency Disclosure
- ✓ Methamphetamine Contaminated Property Disclosure Advisory
- ✓ Mold Advisory
- ✓ Radon Advisory
- ✓ Endangered Species Act Advisory
- ✓ Abandoned Mines Advisory
- ✓ Oil & Gas Well Advisory
- ✓ Right to Farm Disclosure

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

Environmental Report Disclosures and Advisories

- ✓ Notification of known contaminated sites in proximity to the property

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



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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 Disclosures.com

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

Greg Rufe, Chief Operating Officer

Date: 08/07/2009

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 in the 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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NATURAL HAZARD DISCLOSURE REPORT TABLE OF CONTENTS

This Report includes the sections as identified in this Table of Contents and is not complete if any one of these components is missing. Additional information may also be included in the form of addendums which are provided as an accommodation and are not an official part of this Report.

Sections		PAGE
SIGNATURE SECTION		
Statutory Form	The statutory disclosures applicable to the Property as required by California Civil Code 1103 (the "Law")..... SIGNATURE REQUIRED	1
Acknowledgement of Receipt	A document summarizing all of the disclosures and advisories contained in the report SIGNATURE REQUIRED	2
Summary Declaration of Liability Provisions	Explains the liability protection offered in relying on this report.....	3
Table of Contents	Summary of report contents. (This page.).....	4
SUMMARY OF DISCLOSURES SECTION		
Summary of Natural Hazard Disclosure Determinations	A summary of the Statutory (State level) natural hazard disclosures and additional "Local" natural hazard disclosures officially adopted by the County and/or City wherein the subject property is located. Not all Counties or Cities have officially adopted maps of sufficient scale to make determinations specific to the Property.....	5 - 6
Summary of Additional Property Specific Disclosures & Advisories	A summary of some of the additional disclosures that could affect the value of the property that the State of California along with the California Association of REALTORS® have required.....	7 - 8
DISCLOSURE EXPLANATION SECTION		
Explanation of Mandatory State Level Disclosures	State Level Disclosures are defined and explained, and official Public Records used for the determinations as well as the reporting standards are identified.....	9 - 11
Explanation of County and City Disclosures (if applicable)	"Local" County and City Level Disclosures are defined and explained, and official Public Records used for the determinations as well as the reporting standards are identified. Any and all disclosures made in this section are based on the local jurisdictions' officially adopted, publicly available hazard maps that are of useable scale in order to make parcel specific determinations	12 - 15
Explanation of Additional Property Specific Disclosures	The State of California along with the California Association of REALTORS® have required that various property specific disclosures be made that could affect the value of the property. Some of these disclosures are made in this section.	16 - 21
Advisories	Important advisories and notices dealing with potential general concerns related to home ownership in California but not specific to the Property. These advisories are not mandated.....	22 - 26
Methods and Limitations (IMPORTANT)	A summary explanation of the methods used to make the disclosure determinations and limitations on liability.....	27 - 29
Local Addenda	Additional local and "point of sale" disclosures may be added as appropriate and solely as an accommodation. ADDENDA MAY REQUIRE ADDITIONAL SIGNATURES.	30 - 31



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SUMMARY OF NATURAL HAZARD DISCLOSURES

*Map N/A: Map not available, and/or not officially adopted by the jurisdiction, and/or not of sufficient scale from which to make parcel specific determinations.

STATE LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A*	Hazards	The Property is:	Refer to page:
	✓		Flood	NOT IN a Special Flood Hazard Area. The Property is IN a FEMA-designated Flood Zone X500.	9
	✓		Dam	NOT IN an area of potential dam inundation.	9
	✓		Very High Fire Hazard Severity	NOT IN a very high fire hazard severity zone.	10
	✓		Wildland Fire Area	NOT IN a state responsibility area.	10
	✓		Fault	NOT IN an earthquake fault zone designated pursuant to the Alquist-Priolo Act.	11
	✓		Landslide	NOT IN an area of earthquake-induced land sliding designated pursuant to the Seismic Hazard Mapping Act.	11
✓			Liquefaction	IN an area of potential liquefaction designated pursuant to the Seismic Hazard Mapping Act.	11

COUNTY LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A*	Hazards	The Property is:	Refer to page:
	✓		Fault	NOT IN a county-designated fault rupture hazard zone	13
	✓		Landslide	NOT IN a county-designated landslide hazard zone	13
✓			Liquefaction	IN a county-designated liquefaction hazard zone	13
	✓		Compressible Soils	NOT IN a county-designated compressible soils hazard zone	13
	✓		Dike Failure	NOT IN a county-designated dike failure flooding hazard zone	13

CITY LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A*	Hazards	The Property is:	Refer to page:
	✓		Fault	NOT IN for Fault hazard area.	14
✓			Landslide	IN a mapped area of Least, Low, or Low to Moderate Landslide Susceptibility. Please see City of San Jose Regulatory Zones Discussion	14



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			for more information.	
✓		Redevelopment Area	NOT IN for Redevelopment Area hazard area.	14
✓		Special Geologic Hazard Study Area	NOT IN for Special Geologic Hazard Study Area hazard area.	14



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SUMMARY OF ADDITIONAL PROPERTY SPECIFIC DISCLOSURES

IN	NOT IN	MAP N/A	Hazards	The Property is:	Refer to page:
	✓		Former Military Ordnance	NOT WITHIN one mile of a formerly used ordinance site.	16
✓			Commercial or Industrial	WITHIN one mile of a property zoned to allow commercial or industrial use.	16
	✓		Airport Influence Area	NOT IN an airport influence area.	17
	✓		Airport Noise Area for 65 Decibel	NOT IN a delineated 65 dB CNEL or greater aviation noise zone.	18
	✓		Bay Conservation and Development Commission	NOT IN an area that is within the jurisdiction of the San Francisco Bay Conservation and Development Commission.	19
	✓		California Energy Commission	NOT IN a climate zone where properties are usually subject to duct sealing and testing requirements	20
✓			Right to Farm Act	IN a one mile radius of designated Important Farmland that requires a statutory "Notice of Right to Farm" be provided in this Report.	21



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SUMMARY OF ADVISORIES AND ADDENDA

ADVISORIES

Advisory	Advisory Notation	Refer to page:
Registered Sex Offender Data Base (Megan Law)	Provides an advisory required pursuant to Section 290.46 of the Penal Code. Information about specified registered sex offenders is made available to the public. Please refer to State required notification on page referenced herein.	22
Methamphetamine Contamination	Provides an advisory that a disclosure may be required pursuant to the "Methamphetamine Contaminated Property Cleanup Act of 2005".	23
Mold	Provides an advisory that all prospective purchasers of residential and commercial property should thoroughly inspect the subject property for mold and sources for additional information on the origins of and the damage caused by mold.	23
Radon	Provides an advisory on the risk associated with Radon gas concentrations.	24
Endangered Species	Provides an advisory on resources to educate the public on locales of endangered or threatened species.	25
Abandoned Mines	Provides an advisory on resources to educate the public on the hazards posed by, and some of the general locales of, abandoned mines.	26
Oil and Gas Wells	Provides an advisory on the potential existence of oil and gas wells and sources for additional general and/or specific information.	26

ADDENDA*

ADDENDUM	ADDENDUM NOTATION	Refer to page:
City of San Jose Street Tree Disclosure Form	Provides a statutory disclosure form for compliance with ordinance governing street tree maintenance and replacement. BUYER/SELLER SIGNATURES REQUIRED.	30

* Addenda are local disclosures and advisories (where applicable) that The Company provides as an accommodation at the request of the local real estate board. **SIGNATURES MAY BE REQUIRED.**



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STATUTORY NATURAL HAZARD DISCLOSURE EXPLANATIONS

The statutory Natural Hazard Disclosure Statement on page one of this report does not provide for informing purchasers if the property is only partially within any of the delineated zones or provide additional flood zone information which could be very important to the disclosure process. The following summary is meant to give buyers the additional information they may need to help them in the decision making process and to place the information in perspective.

SPECIAL FLOOD HAZARD AREA

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, D, X, X500, and X500_Levee is available but is not required.

Zones A, AO, AE, AH, AR, A1-A30: Area of "100-year" flooding - a 1% or greater chance of annual flooding.

Zones V, V1-V30: Area of "100-year" flooding in coastal (shore front) areas subject to wave action.

Zone B: Area of moderate flood risk. These are areas between the "100" and "500" year flood-risk levels.

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

Zones X: An area of minimal flood risk. These are areas outside the "500" year flood-risk level.

Zone X500: An area of moderate flood risk. These are areas between the "100" and "500" year flood-risk levels.

Zone X500_LEVEE: An area of moderate flood risk that is protected from "100-year flood" by levee and that is subject to revision to high risk (Zone A) if levee is decertified by FEMA.

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.

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.

AREA OF POTENTIAL FLOODING (DAM FAILURE)

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 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.



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VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHSZ)

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 practices. 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.

WILDLAND FIRE AREA (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 is 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 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 or only seasonal fire services there may be significant fire risk. 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.



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("Property")

APN: 245-13-113
Report Date: 08/07/2009
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EARTHQUAKE FAULT ZONE

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.

SEISMIC HAZARD MAPPING ACT ZONE

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.

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.

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 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.

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.

STATUTORY NATURAL HAZARD DISCLOSURE REPORTING STANDARD: "IN" shall be reported if any portion of the Property is located within any of the above zones as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within any of the above zones 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.



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LOCAL COUNTY-LEVEL AND CITY-LEVEL NATURAL HAZARD DISCLOSURE EXPLANATIONS

PUBLIC RECORDS AND LOCAL REPORTING STANDARDS

HAZARD MAPS IN THE LOCAL GENERAL PLAN: In addition to those federal and state maps associated with disclosures specified under California Civil Code Section 1103, counties and cities have additional maps which depict various geologic and seismic hazards that local agencies consider when approving land use and development permit applications. These may include maps contained in the Safety Element and/or Seismic Safety Element of a General Plan that has been officially adopted by a city or county.

Unless otherwise specified, only those officially adopted Safety Element or Seismic Safety Element maps (or digital data thereof) which are publicly available, are of a scale, resolution, and quality that readily enable parcel-specific hazard determinations, and are consistent in character with those statutory federal or state disclosures will be considered for eligible for use as the basis for county- or city-level disclosures set forth in this Report. Please also note:

- If an officially adopted Safety Element or Seismic Safety Element map relies on data which is redundant of that used for state-level disclosures, this Report will indicate so and advise Report recipients to refer to the state-level hazard discussion section for more information.
- If an officially adopted Safety Element or Seismic Safety Element cites underlying maps created by another agency, those maps may be regarded as incorporated by reference and may be used as the basis for parcel-specific determinations if those maps meet the criteria set forth in this section.
- Because county- and city-level maps are developed independently and do not necessarily define or delineate a given hazard the same way, the boundaries for the "same" hazard may be different.

If one or more maps contained in the Safety Element and/or Seismic Safety Element of an officially adopted General Plan are used as the basis for local disclosure, those maps will appear under the "Public Record(s) Searched" for that county or city.

REPORTING STANDARDS

A good faith effort has been made to disclose all hazard features on pertinent Safety Element and Seismic Safety Element maps with well-defined boundaries; however, those hazards with boundaries that are not delineated will be deemed not suitable for parcel-specific hazard determinations. Some map features, such as lines drawn to represent the location of a fault trace, may be buffered to create a zone to facilitate disclosure. Those map features which can not be readily distinguished from those representing hazards may be included to prevent an omission of a hazard feature. If the width of a hazard zone boundary is in question, "IN" will be reported if that boundary impacts any portion of a property. Further explanations concerning specific map features peculiar to a given county or city will appear under the "Reporting Standards" for that jurisdiction.

PUBLIC RECORDS VS. ON-SITE EVALUATIONS

Mapped 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. A site-specific evaluation conducted by a geotechnical consultant or other qualified professional may provide more detailed and definitive information about the Property and any conditions which may or do affect it.

PROPERTY USE AND PERMITTING

No maps beyond those identified as "Public Record(s)" have been consulted for the purpose of these local disclosures. These disclosures are intended solely to make Report recipient(s) aware of the presence of mapped hazards. For this reason – and because local authorities may use on these or additional maps or data differently to determine property-specific land use and permitting approvals - Report recipients are advised to contact the appropriate local agency, usually Community Development, Planning, and/or Building, prior to the transaction to ascertain if these or any other conditions or related regulations may impact the Property use or improvement.



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SANTA CLARA COUNTY GEOLOGIC ZONES DISCUSSION

PUBLIC RECORD(S) SEARCHED: The following Public Records are utilized for those county-level disclosures below: Officially adopted digital data of "County Geologic Hazard Zones" as prepared by Santa Clara County Department of Planning and disclosure of which is required by County Ordinance Sec C12-624 as revised March 19, 2002.

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.

Reporting Standards: If any portion of the Property is situated within a fault zone as delineated in the Public Record, "WITHIN" shall be reported.

LANDSLIDE

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.

Reporting Standards: If any portion of the Property is situated within a landslide zone as delineated in the Public Record, "IN" shall be reported.

LIQUEFACTION

Liquefaction Hazard Zones include areas the California Geological Survey has defined as areas of historic occurrence or potential for 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.

Reporting Standards: If any portion of the Property is situated within an area of potential liquefaction as delineated in the Public Record, "IN" shall be reported.

COMPRESSIBLE SOILS

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

Reporting Standards: If any portion of the Property is situated within an area of compressible soils as delineated in the Public Record, "IN" shall be reported.

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.

Reporting Standards: If any portion of the Property is situated within an area of potential dike failure as delineated in the Public Record, "IN" shall be reported.



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CITY OF SAN JOSE REGULATORY ZONES DISCUSSION

PUBLIC RECORD(S) SEARCHED: The following Public Records have been incorporated into "The San Jose 2020 General Plan" (including Appendix B, "Seismic Safety") as adopted by the San Jose City Council in 1994 or adopted by City Ordinance or other City Council action pursuant to required disclosures below:

- "City of San Jose Fault Hazard Zone Maps" dated 1983 and on file in the Department of Public Works pursuant to §17 of the City of San Jose Municipal Code.
- "Geotechnical Report, Geological Investigation, City of San Jose Sphere of Influence," produced in 1974 by Cooper, Clark, and Associates pursuant to §17 of the City of San Jose Municipal Code.
- "City of San Jose Special Geologic Hazard Study Area Map" and any map(s) that show any land added by way of amendment pursuant to §17.10.805 of the City of San Jose Municipal Code.
- "Landslide Areas Map, City of San Jose Phase 1A Regional Geologic Study," produced in 1995 by Norfleet Consultants.
- "Strong Neighborhood Initiative ("SNI") / Redevelopment Area" maps produced by the City's Planning Services Division.

By local ordinance, the City of San Jose requires disclosure of these geologic hazard zones, neighborhood and redevelopment areas, and street tree maintenance requirements to potential buyers of real property

FAULT

San Jose Fault Hazard Zones 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."

Reporting Standards: If any portion of the Property is located within a City Fault Zone as delineated in the Public Record, "City Fault Zone" shall be reported. If any portion of the Property is located within one-eighth of one mile (660 feet) of a Reported Fault as delineated in the Public Record, "Reported Fault" shall be reported.

LANDSLIDE SUSCEPTIBILITY

Standard Geologic Hazard Study Area: These are areas identified by the City 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."

Reporting Standards: If any portion of the Property is located within a mapped area of Moderate to High, High, or Very High Landslide Susceptibility as delineated in the Public Record, "Moderate to Very High" shall be reported. If no portion of the Property is within this "Moderate to Very High" area and is within the mapped area, then "Least to Moderate" shall be reported.

SPECIAL GEOLOGIC HAZARD STUDY AREA

Special Geologic Hazard Study Area: A limited zone defined by the City 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.



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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.

Reporting Standards: If any portion of the Property is within one or more of the 3 Special Geologic Hazard Study Areas as delineated in the Public Record, the name of that Zone or Zones shall be reported.

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. SNI 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/>

Reporting Standards: If the Property is one of the SNI Areas, Districts, or Clusters as delineated in the Public Record, the name of that Area, District, or Cluster shall be reported.



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ADDITIONAL PROPERTY SPECIFIC DISCLOSURES

FORMER MILITARY ORDNANCE SITE DISCLOSURE

DISCUSSION: Former Military Ordnance (FUD) sites can include sites with common industrial waste (such as fuels), ordnance or other warfare materiel, unsafe structures to be demolished, or debris for removal. California Civil Code 1102 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. NOTE: most FUD sites do not contain unexploded ordnance. Only those FUD sites that the U.S. Army Corps of Engineers (USACE) has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this report. Additional sites may be added as military installations are released under the Federal Base Realignment and Closure (BRAC) Act. Active military sites are NOT included on the FUD site list.

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: If one or more facility identified in the Public Record is situated within a one (1) mile radius of the Property, "WITHIN" shall be reported. The name of that facility or facilities shall also be reported.

COMMERCIAL OR INDUSTRIAL ZONING DISCLOSURE

DISCUSSION: The seller of real property who has actual knowledge that the property is affected by or zoned to allow commercial or industrial use described in Section 731a of the Code of Civil Procedure shall give written notice of that knowledge to purchasers as soon as practicable before transfer of title (California Civil Code Section 1102.17). The Code of Civil Procedure Section 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. The "Zoning Disclosure" made in this report DOES NOT purport to determine whether the subject 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 subject property.

In an effort to help determine areas where this may be applicable, this disclosure identifies if a property exists within one mile of the seller's property that is zoned to allow for commercial or industrial use. Very commonly, a home will have in its vicinity 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: 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, "WITHIN" shall be reported. Please note that an airport facility that may be classified as public use facility in the Public Record will be reported as "commercial/industrial" in this disclosure.



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AIRPORT INFLUENCE AREA DISCLOSURE

DISCUSSION:

Certain airports are not disclosed in this report. JCP-LGS has made a good faith effort to identify the airports covered under Section 1102.6a. Sources consulted include official land use maps and/or digital data made available by a governing Airport Land Use Commission (ALUC) or other designated government body. Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" 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 "California Airports 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 specifically identified in the "California Airports List". **If the seller has actual knowledge of an airport in the vicinity of the subject property that is not disclosed in this report, and that is material to the transaction, the seller should disclose this actual knowledge in writing to the buyer.**

Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" maintained by the California Department of Transportation's Division of Aeronautics. The inclusion of military and private airports varies by County, and heliports and seaplane bases are not included, therefore, airports in these categories may or may not be included in this disclosure.

NOTE: Proximity to an airport does not necessarily mean that the property is exposed to significant aviation noise levels. Alternatively, there may be properties exposed to aviation noise that are greater than two miles from an airport. Factors that affect the level of aviation noise include weather, aircraft type and size, frequency of aircraft operations, airport layout, flight patterns or nighttime operations. Buyer should be aware that 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

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.

Under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150, certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps have been produced for some airports. ***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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SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION DISCLOSURE

DISCUSSION: As of July 1, 2005, Civil Code §1103.4 mandates disclosure to buyers of certain real estate if the boundary of the property is determined to be (1) within 100 feet of the San Francisco Bay shoreline as mapped in 1997 by the National Ocean Survey (NOS), an agency of the National Oceanographic and Atmospheric Administration (NOAA); or (2) within another mapped zone established by the Bay Conservation and Development Commission (BCDC). The BCDC has regulatory jurisdiction within 100 feet inland from the point of "mean higher high water" as mapped by the NOS, and within other zones the agency has defined along the San Francisco Bay margin (BCDC Memo entitled "Guidance on Determining Commission Jurisdiction Pursuant to Senate Bill 1568").

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 notes that the Bay is a highly dynamic environment and the shoreline changes over time (see Discussion below). In addition, there is inherent uncertainty in the shoreline position as mapped by the NOS or any agency. The BCDC advises the buyer and other interested parties to contact its office if a more authoritative jurisdictional determination is desired. The BCDC office is located at 50 California Street, Suite 2600, San Francisco, California 94111, and can be reached at (415) 352-3600, or by email to info@bcdc.ca.gov**

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 areas 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

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 Residential Property Disclosure Reports

The Natural Hazard Disclosure Report For SANTA CLARA COUNTY

Property Address: 1472 FOUR OAKS CIRCLE,
SAN JOSE, SANTA CLARA COUNTY, CA 95131
("Property")

APN: 245-13-113
Report Date: 08/07/2009
Report Number: 587201

RIGHT TO FARM DISCLOSURE

DISCUSSION:

If the property is presently located within one mile of a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" on the most current "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection, the following notice is required:

NOTICE OF RIGHT TO FARM

This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to, noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination, and the ground or aerial application of fertilizers, pesticides, and herbicides. These agricultural practices may occur at any time during the 24-hour day. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

California has a "Right to Farm Act" (Civil Code Section 3482.5) to protect farming operations. When agricultural land within the State's agricultural areas is bought and sold, the purchasers are often not made aware of the fact that there are right-to-farm laws. This has led to confusion and a misunderstanding of the actual uses of the land or uses of the surrounding agricultural lands.

In 2008 the State of California enacted Assembly Bill 2881 to limit the exposure of farmers to nuisance lawsuits by homeowners in neighboring developments. The mechanism of this bill is a formal notification of the buyer, through a "Notice of Right to Farm" in an expert disclosure report, that advises the buyer if the subject property is within one mile of farmland as defined in the bill.

If the seller has actual knowledge of an agricultural operation in the vicinity of the subject property that is not disclosed in this report, and that is material to the transaction, the seller should disclose this actual knowledge in writing to the buyer.

PUBLIC RECORD: Based on the most current available version of the "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection, utilizing solely the county-level GIS map data, if any, available on the Division's Farmland Mapping and Monitoring Program website, pursuant to Section 11010 of the Business and Professions Code, and Section 1103.4 of the California Civil Code.

REPORTING STANDARD: "IN" shall be reported and the "Notice of Right to Farm" provided if any portion of the Property is situated within, or within one mile of, a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" in the public record. "NOT IN" shall be reported if no portion of the Property is within that area.

Some counties, or parts thereof, are not included in the Public Record because they have not been mapped for farmland parcels under this State program. Typically, this is because the county area is public land and not planned for incorporation, or, in the case of San Francisco, the county is entirely incorporated. In those instances, we report "Map Not Available" above, or "Map N/A" in the table of summary determinations at the beginning of this report.



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ADVISORIES

REGISTERED SEX OFFENDER DATABASE DISCLOSURE REQUIREMENT ("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.

DISCUSSION: 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.

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 your county that 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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METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE ADVISORY

DISCUSSION: 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

DISCUSSION: 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

DISCUSSION: 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

DISCUSSION: 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

DISCUSSION: 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.

FOR MORE INFORMATION: For more information visit the State Office of Mine Reclamation's website at: http://www.conservation.ca.gov/omr/abandoned_mine_lands/california_abandoned_mines/Pages/overview.aspx

OIL & GAS WELL ADVISORY

California is currently ranked fourth in the nation among oil producing states. Surface oil production is concentrated mainly in the Los Angeles Basin and Kern County, and in districts elsewhere in the state. In recent decades, real estate development has rapidly encroached into areas where oil production has occurred. Because the state's oil production has been in decline since the 1980's, thousands of oil and gas wells have been shut down or abandoned, and many of those wells are in areas where residential neighborhoods now exist.

According to the California Department of Conservation ("DOC"), to date, about 193,000 oil, gas, and geothermal wells have been drilled in California and around 88,000 are still in use. The remaining wells (1) are used intermittently ("shut-in" wells), (2) have been sealed ("capped") under the supervision of the DOC's Division of Oil, Gas and Geothermal Resources, or (3) have been abandoned and have no known responsible operator -- these are called "orphan" wells. The state has a special fund that pays the cost of safely capping orphan wells, however, that program is limited in its scope and progress.

Buyer should be aware that oil and gas wells, which may include orphan wells, exist in SANTA CLARA County. Health and safety hazards may be associated with oil and gas wells, whether orphan, capped or active, including, but not limited to, soil and groundwater contamination, oil and methane seeps, fire hazards, air quality problems, and physical safety hazards to humans and animals.

For More Information

For a search of the state's databases of oil and gas wells and sites of known environmental contamination on or near the Property, please obtain the JCP-LGS Residential EnviroCheck Report™. For general information, visit the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources at <http://www.consrv.ca.gov/dog/>



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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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ADDENDUM

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)



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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

Buyer(s) acknowledge(s) receipt of this California Property Tax Disclosure Report™ as well as the Notice of Special Tax and Assessment contained herein by his/her/their signature(s) on the Acknowledgement of Receipt form that is a part of this report package.



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PART 2. CURRENT TAX BILL SUMMARY

The following is a summary of information contained in the 2008-2009 year secured property tax bill issued by SANTA CLARA County. 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:	\$275,297
1 st Installment Due 11/01/2008	\$ 1,788.49
2 nd Installment Due 03/01/2009	\$ 1,788.49
Total Annual Tax Liability	\$ 3,576.98

GENERAL AD VALOREM TAXES

ASSESSMENT TYPE	AMOUNT	CONTACT PHONE
AD VALOREM ASMT.	\$ 3,255.52	408-808-7900

OTHER DIRECT ASSESSMENTS

ASSESSMENT TYPE	DESCRIPTION	AMOUNT	CONTACT PHONE
FIXED ASSESSMENT	MOSQUITO ASMT #2	\$ 5.02	800-273-5167
FIXED ASSESSMENT	OPENSOURCE DISTRICTS	\$ 12.00	800-273-5167 X 105
FIXED ASSESSMENT	S.J. LIBRARY ASSMT.	\$ 27.00	408-808-2153
FIXED ASSESSMENT	SCCO VECTOR CONTRO	\$ 5.08	800-273-5167
FIXED ASSESSMENT	SCVWD CLN SAFE CRKS	\$ 23.46	408-265-3137
FIXED ASSESSMENT	SJ SEWER SANI/STORM	\$ 223.68	408-535-3876
FLOOD CONT DIST	SCVWD FLOOD CONTR	\$ 25.22	408-265-2607 X 2810

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



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PART 3. NOTICE OF SPECIAL TAX/ASSESSMENT

TO THE PROSPECTIVE PURCHASER OF THE RESIDENTIAL PROPERTY KNOWN AS:

Parcel Number: 245-13-113
Property Address: 1472 FOUR OAKS CIRCLE, SAN JOSE, SANTA CLARA COUNTY, CA
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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 levy, maximum tax levy, the maximum tax escalator, and the authorized facilities and/or services which are being paid for by the special taxes 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.



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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.

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. Available Senior Citizen Exemptions

Certain districts that levy special assessments may offer exemptions to senior citizens. These exemptions can result in substantial savings to qualified buyers. The filing of an application along with annual renewal may be required. Below is the contact information for requesting exemption filing details for any districts offering a Senior Citizen Exemption.

No Senior Citizen Exemptions are available for special assessments on the 2008/09 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	\$ 3,255.52

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 PROPERTY 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 2008-2009 (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>0.01183</u>
3	Multiply line 1 by line 2. This is your Estimated Ad Valorem Tax.....	•	3	\$ _____
4	Mello Roos, 1915 Bonds, and/or Other Direct Assessments	•	4	<u>\$321.46</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 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



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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.

For more information regarding your tax bill we invite you to visit our website at:
[http://www.fanhd.com/Portals/0/fanhd/pdf/FANHD Tax Disclosure Addendum.pdf](http://www.fanhd.com/Portals/0/fanhd/pdf/FANHD_Tax_Disclosure_Addendum.pdf)

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 \$275,297
- 3 Subtract line 2 from line 1.
Estimated Supplemental Assessed Value • 3 \$ _____
- 4 Multiply line 3 by 0.01183. (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.

C. 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.

D. 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.

E. 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



JCP-LGS Residential Property Disclosure Report
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INTRODUCTION AND SUMMARY

The parties to the Transaction to which this Report applies ("Parties") 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"). JCP-LGS and the Parties are the parties to the contract that is entered into by the purchase of this Report.

SUMMARY OF DETERMINATIONS

The Residential Property:

- IS [] IS NOT [X] within 1/4 mile of a known leaking underground storage tank Site(s).
IS [] IS NOT [X] within one (1.0) mile of a "Superfund" or RCRA Corrective Action site(s).
IS [] IS NOT [X] within 1/2 mile of Site(s) other than those above that are listed in the databases specified in the Explanation of Databases Used in this Report.
IS [] IS NOT [X] within 1/4 mile of a mapped oil or gas well(s).

For more detailed information as to the foregoing determinations, please read this entire report.

JCP-LGS prepared this Report. The Parties are protected by JCP-LGS's Professional Liability Insurance Policy for damages to the extent they are caused by JCP-LGS's negligent acts, errors or omissions in the performance of our services and subject to the limitations of this report.

Determined by JCP-LGS Disclosure Reports.

Greg Rufe, Chief Operating Officer
JCP-LGS Disclosure Reports

IMPORTANT: ACKNOWLEDGING RECEIPT OF THIS REPORT INDICATES THAT THE RECIPIENT HAS READ AND UNDERSTANDS THE "ABOUT THIS REPORT" PROVISIONS ON PAGE 2.

BUYER'S ACKNOWLEDGEMENT

Buyer(s) acknowledge(s) receipt of this EnviroCheck Report™ by his/her/their signature(s) on the Acknowledgement of Receipt form that is a part of this report package.



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ABOUT THIS REPORT

THIS IS A DATABASE REPORT ONLY: This Report only provides information from the Databases identified in this Report. While JCP-LGS 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 the section below entitled "Explanation of Databases Used."

NOT AN INSPECTION REPORT: This Report is not the same thing as a physical inspection report or a full environmental assessment report. JCP-LGS has not physically inspected the Residential Property nor the Sites. This Report only summarizes the information from governmental Databases using the Point Source methodology described below to determine the proximity of Sites to the Residential Property.

LIABILITY PROTECTIONS: Upon purchase of this report and consummation of the sale of the Residential 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.

UNDERSTANDING THIS REPORT: To understand the information in this Report, it is important to read the entire Report.

POINT SOURCE METHODOLOGY: This Report does not identify the precise areas actually contaminated by an environmental hazard; rather, as a reasonable approximation, it identifies as "point sources" for contamination those Sites identified in a specific Database, such as a leaking underground tank on a specific property. The point sources identified in this Report may not precisely reflect the location of the source of contamination on the Site, nor will they describe the spread of any contamination from the source. In addition, any point source that lies beyond the standard 1/4, 1/2 or 1.0 mile radius distances considered here will not be reflected in this Report—even if it is known to be the origin of a larger contaminated area. Point sources are included in this Report as of the time they are identified in the government lists consulted by JCP-LGS. If a box is checked "IS" on the above Summary of Determinations, JCP-LGS recommends further investigation of that Site.

The perchlorate contamination plume that is known to have affected groundwater in parts of Morgan Hill, San Martin, and possibly Gilroy is an example of a hazard Study Area. The point source responsible for it, reported to be in Morgan Hill, has not yet been officially listed on a publicly-available government site list. For current information about that Study Area, please contact the Santa Clara Valley Water District Perchlorate Hotline at 1-888-Hey-Noah (1-888-439-6624).

Some official lists may include Sites that have been closed or otherwise cleaned up, or are simply being monitored or regulated with no known contamination.



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**THE ENVIROCHECK REPORT™
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This Report includes the sections identified in this Table of Contents and is not complete if any one of these parts is missing.

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**MAP OF SITES FOUND AROUND PROPERTY AT:
1472 FOUR OAKS CIRCLE, SAN JOSE, CA 95131**



NOTE: The foregoing map may show more sites than are reported in the listing below. The map shows all sites found within the square coverage area. The listing below reports only those sites found within the standard radius search distance for the database listed, which covers a smaller area. Sites outside of that standard radius search distance are not listed below. The standard radius search distances are defined by the U.S. Environmental Protection Agency's "All Appropriate Inquiries" (AAI) guidelines. The AAI standard search distance differs between database categories, depending upon degree of potential hazard. See section called "Explanation of Databases Used" for the actual standard search distance used for each database category.

	(NPL) Federal National Priorities List or "Superfund" sites		(SWIS) Solid Waste Landfill Facilities
	(RCRA COR) Corrective Action Sites		(SLIC) Spills, Leaks, Investig. & Cleanup
	(LUST) Leaking Underground Storage Tanks		California EnviroStor State Response Sites
	Oil or Gas Well		



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**LIST OF SITES IDENTIFIED IN
ENVIRONMENTAL DATABASE RECORDS SEARCH**

The list below indicates the results of an electronic search of certain federal and state level environmental-hazard record systems, or databases, that are known to include contaminated sites. The databases are searched for hazard sites at standard distances from the subject property. The standard search distance is not the same for all databases, but depends upon the nature of the environmental hazard which the database represents. First American uses search distances that comply with the U.S. Environmental Protection Agency (EPA) "All Appropriate Inquiry" (AAI) standard for government records search (40 CFR Part 312.26) under the U.S. Small Business Liability Relief and Revitalization Act ("the Brownfields Law"). "Distance" is the straight line distance in miles between the Property geocode (latitude/longitude) and the Site geocode.

Open = Site listed as undergoing clean-up, investigation, or referral to another agency; or as non-active, abandoned or absorbed but not closed or completed.

Closed = Site listed as clean-up completed, release secured, no further remedial action planned, case closed, or delisted.

Active (or Inactive) = Site facility listed as actively (or not actively) engaged in a type of activity regulated under RCRA.

N/A = Not Applicable – site listed as uncontaminated, or as using or storing hazardous substances.

N/P = Not Provided – site status not supplied on agency list used.

Found	None Found	Database Searched (with standard search distance)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	National Priorities List (Federal "Superfund" list) - 1 mile
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Federal Resource Conservation and Recovery Act (RCRA) - Corrective Actions List - 1 mile
<input type="checkbox"/>	<input checked="" type="checkbox"/>	California State Response List (includes Active Annual Workplan, AWP, sites) - 1/2 mile
<input type="checkbox"/>	<input checked="" type="checkbox"/>	California Spills, Leaks, Investigation and Cleanup (SLIC) List - 1/2 mile
<input type="checkbox"/>	<input checked="" type="checkbox"/>	California Solid Waste Landfill Sites (SWIS) List - 1/2 mile
<input type="checkbox"/>	<input checked="" type="checkbox"/>	California Leaking Underground Storage Tank (LUST) List (see Status explanation below) - 1/4 mile

WHAT THIS MEANS: LUST STATUS: LUST sites are also known as LUFT, or Leaking Underground Fuel Tank, sites; we use the term LUST to be consistent with the State's current terminology. All of the Sites listed on the State's Leaking Underground Storage Tank Information System (LUSTIS) have been identified to have had a leaking storage tank. Many of LUST Sites have been cleaned up and the cases "Closed", and this is noted above if it is the case. Parties should be aware that LUST sites remain in the LUSTIS database even after they have been closed, and are included in this report if found by our search. Leaking underground storage tanks are the most common type of contamination. Storage tank leaks are often less extensive than other types of contamination releases and usually do not extend beyond the real property on which the tank is located.



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For more information about such sites, please contact the State Water Resources Control Board, Leaking Underground Storage Information System, (916) 341-5740 or (916) 341-5700.



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SITES MISSING KEY LOCATION INFORMATION

A limited number of listed Sites contain address information that is inaccurate, incorrect, or is missing key information necessary to locate the site with confidence using the geocoding methods used in this report. These Sites are reported in the generalized list below for review based on their possible existence in proximity to the Residential Property site. Sites in this section are not necessarily within a one mile search radius of the Residential Property. This list is provided for general information only.

Open = Site listed as undergoing clean-up, investigation, or referral to another agency; or as non-active, abandoned or absorbed but not closed or completed.

Closed = Site listed as clean-up completed, release secured, no further remedial action planned, case closed, or delisted.

Active (or Inactive) = Site facility listed as actively (or not actively) engaged in a type of activity regulated under RCRA.

N/A = Not Applicable – site listed as uncontaminated, or as using or storing hazardous substances.

N/P = Not Provided – site status not supplied on agency list used.

Site Name	Address	Case No	Status	Database
NASA AMES RESEARCH CENTER	ENVIRONMENTAL HEALTH AND SAFETY, MOFFETT FIELD, CA 94035	CA1800005034	Open	FED_CERCLIS_NPL
SANTOS LANDFILL	CITY OF ALVISO LANDFILL, ALVISO, CA 95002	CA0000341669	Open	FED_CERCLIS_NPL
SIEMENS COMPONENT	19000 HOMSTEAD RD, CUPERTINO, CA 95014	CAD980884217	Open	FED_CERCLIS_NPL
UNITED TECHNOLOGIES	STN 635 & STN 706, SAN JOSE, CA 95138	CAD982400368	Open	FED_CERCLIS_NPL
AMERICAN CAN PACKAGING INC	1598 S FIRST ST, SAN JOSE, CA95110	CAD990768871	Active	FED_RCRA_CO R
ANACOMP INC	305 SOQUEL WY AND, 307 N PASTORIA AVE TSDP PT SUNNYVALE, CA94086	CAD051612802	Active	FED_RCRA_CO R
PHILIPS SEMICONDUCTORS	730 EVELYN, SUNNYVALE, CA95131	CAT000614073	Active	FED_RCRA_CO R
STANFORD UNIV-613A1	NEAR CORNER, CAMPUS DR/PANAMA, STANFORD, CA94305	CAD009214214	Active	FED_RCRA_CO R
MOFFETT FEDERAL AIRFIELD, OU-4	2,200 ACRES; 35MI S OF SAN FRANCISCO, CA MOUNTAIN VIEW, CA 94089	N/P	Open	CA_DTSC_RESPONSE
PG&E - MGP - GILROY 1	MONTEREY && 6TH && OLD GILROY GILROY, CA 95020	N/P	Open	CA_DTSC_RESPONSE
CINNABAR COMMONS	421, 425 && 435 STOCKTON ST SAN JOSE, CA	SL0608552906	Closed	CA_SLIC
CIVIC CENTER PARKING GARAGE	EAST SANTA CLARA STREET SAN JOSE, CA	SL0608588520	Closed	CA_SLIC
KAISER CEMENT CORP PERMANENTE REDEVELOPMENT BLOCK 4	UNKNOWN STEVENS CREEK BLVD W END OF CUPERTINO, CA 95014	T0608591667	Open	CA_SLIC
	UNKNOWN PARCELS 2 && 3 SAN JOSE, CA 95113	T0608591637	Open	CA_SLIC
SAN JOSE ARENA	UNKNOWN UKNOWN SAN JOSE, CA 95113	T0608591656	Closed	CA_SLIC
SAN JOSE BART EXTENSION PROJECT	VARIOUS VARIOUS, CA	SL0608596091	Open	CA_SLIC
SANTA CLARA COUNTY VEHICLE GARAGE	UNKNOWN SAN PEDRO && YOUNGER ST SAN JOSE, CA 95113	T0608591669	Closed	CA_SLIC



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SANTA CLARA UNIVERSITY	UNKNOWN UNKNOWN SANTA CLARA, CA 95050	T0608591722	Open	CA_SLIC
SJ AIRPORT TERMINAL A	UNKNOWN UNKNOWN SAN JOSE, CA 95113	T0608591655	Closed	CA_SLIC
SPIEKER PARTNERS	UNKNOWN CENTRAL EXPWY && SCOTT BLVD SANTA CLARA, CA 95050	T0608591627	Closed	CA_SLIC
ULISTAC NATURAL AREA	NONE SANTA CLARA, CA	SL0608513780	Open	CA_SLIC
A Foreign Auto	13075 Monterey Hwy Unincorporated, CA	T0608520719	Closed	CA_LUST
Agnews Developmental Center 1	Montague && Lafayette Santa Clara, CA 95054	T0608522350	Closed	CA_LUST
AT&T Loma Prieta Facility	Loma Prieta Rd Unincorporated, CA 95020	T0608502101	Closed	CA_LUST
Barberi Property-Uvas Creek	Thomas Rd Unincorporated, CA 95020	T0608511210	Closed	CA_LUST
Berger Drive Vacant Lot	Berger && East Gish Dr San Jose, CA 95112	T0608514458	Closed	CA_LUST
Ca.Dept.Forestry-Loma Prieta	Loma Prieta Peak Unincorporated, CA 95118	T0608502100	Closed	CA_LUST
Caltrans Gilroy Maint. Sta. #2	Pacheco Pass Hwy Unincorporated, CA 95020	T0608547020	Closed	CA_LUST
Chambers Property	7007 Page Mill Rd Unincorporated, CA 94027	T0608502029	Closed	CA_LUST
Chevron #9-8354	1402 Camden Ave San Jose, CA 95124	T0608502222	Closed	CA_LUST



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OIL & GAS WELL LOCATIONS WITHIN 1/4 MILE OF THE RESIDENTIAL PROPERTY

No oil or gas well locations were identified within a radius of one-fourth (1/4) of one (1) mile of the Residential Property, based on a search of valid geographic coordinates contained in the current Statewide Well Location Database maintained by the California Department of Conservation, Division of Oil, Gas and Geothermal Resources (DOGGR) ("Well Location Database"). Buyer is advised that additional wells may exist in the area of the Residential Property which are not contained in the Well Location Database. Wells that do not have valid geographic coordinates in the Well Location Database are not disclosed in this Report. The physical property boundaries of well locations and the Residential Property are not factored into the calculation of the specified search radius.

EXPLANATION: The Well Location Database includes 193,000+ well location records. Approximately ninety-five percent (95%) of these records include a complete latitude and longitude geocode (geographic coordinates) making the well locatable. The remaining Well Location Database records lack a valid geocode and are, therefore, not locatable sufficient to allow a property-specific determination. This database is searched for well locations within one-fourth (1/4) of one (1) mile around the geocoded point representing the Residential Property. Well locations, if any, within the specified parameters are listed in the table above.

Of the 193,000+ wells identified in the Well Location Database, approximately 88,000 are still in use. The remaining wells (1) are used intermittently ("idle" wells), (2) have been sealed ("abandoned" or "plugged and abandoned") under the supervision of the DOGGR, or (3) have been deserted and have no known responsible operator (referred to as "orphan" wells).

California has established laws with respect to well drilling, operation, maintenance, and abandonment to "prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy, and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances." (California Public Resources Code §3106).

The DOGGR is responsible for maintenance of orphaned wells. To defray the maintenance costs, oil companies pay the State 4.3 cents per barrel a year. A portion of this assessment funds the Orphan Well Plugging Fund ("Fund") with an annual \$1 million budget. Since its inception in the 1970's, the Fund has facilitated the plugging of wells by hired contractors. The selection process for wells to be plugged considers numerous factors including, but are not limited to, the proximity of wells to populated areas, the amount of pressure in well reservoirs, and other hazards.

For a complete listing and explanation of well status codes, visit the following DOGGR web page:
http://www.conservation.ca.gov/dog/maps/Pages/goto_welllocation.aspx

FOR MORE INFORMATION: Ownership information of oil, gas, mineral, geothermal and other subsurface rights regarding the Residential Property may be disclosed in a preliminary (title) report or title commitment. The DOGGR does not use the County Assessor Parcel Number or site address to locate wells or leases, and therefore, the APN and address cannot be used to determine if there is a well on a specific property. The only way to tell if there is a well on a property is to compare the property location with well locations on the appropriate DOGGR oilfield map (available online at <http://www.consrv.ca.gov/dog/>), or contact the DOGGR local district office at (916) 445-9686 for assistance. For detailed information about a specific well, reference the unique "API Number" that the DOGGR has assigned to it. The DOGGR website provides an online well search by API number at the following web page:
<http://opi.consrv.ca.gov/opi/opi.dll>



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EXPLANATION OF THE DATABASES USED IN THIS REPORT

This Report uses the following Databases as of the date specified:

1. NATIONAL PRIORITIES LIST ("NPL" - commonly called "Superfund" or "CERCLIS" site list) as of April 2009.

The National Priorities List is a U.S. Environmental Protection Agency ("USEPA") database which includes Sites where known releases or threatened releases of hazardous substances, pollutants, or contaminants have occurred. As a part of the Superfund cleanup program, the NPL helps the USEPA determine which Sites warrant further investigation to assess human health and environmental risks, identify what remedial actions may be appropriate, notify the public of Sites believed to warrant further investigation, and serve notice to potentially responsible parties that the USEPA may initiate remedial action. Some NPL Sites encompass relatively large areas. **Search Distance: one (1.0) mile. Responsible Agency: USEPA**

Public Record: Facilities located in California listed as NPL Status code "A" (Site is Part of NPL Site), "D" (Deleted from the Final NPL), "F" (Currently on the Final NPL), "P" (Proposed for NPL), "R" (Removed from Proposed NPL), or "W" (Withdrawn) in the Region IX Active CERCLIS database obtained from USEPA. Facilities assigned NPL Status code "N" (Not on the NPL) are not disclosed in this Report.

For More Information: Contact the Environmental Protection Agency Superfund Hotline at **(800) 424-9346** to speak with a Superfund consultant to request information from the individual Site Fact Sheet. This help-line can also provide the telephone number of the local Community Relations Coordinator for the Site in question and the location of the local information repository for that Site. The USEPA's official Internet website address is www.epa.gov/superfund/Sites/npl/ca.htm

2. RESOURCE CONSERVATION & RECOVERY ACT--CORRECTIVE ACTION list ("RCRA-COR") as of April 2009.

RCRA (pronounced "ric-ra") is a federal law enforced by the U.S. Environmental Protection Agency ("USEPA") that requires safeguards on the use and disposal of household, municipal, commercial and industrial refuse. The goals of the law are to protect human health and the environment from the potential hazards of waste disposal, to reduce the amount of waste generated, and to ensure that wastes are managed in an environmentally sound manner. Under the Corrective Action program, the USEPA permits and monitors the cleanup of hazardous waste contamination. **Search Distance: one (1.0) mile. Responsible Agency: USEPA**

Public Record: Facilities listed as code "Y" under "Subject to Corrective Action" in the RCRAInfo Public Flat File database "HREPORT_UNIV3.TXT.GZ" obtained from USEPA.

For More Information: Contact the Environmental Protection Agency at **(800) 424-9346** to speak with a consultant to request information from the individual Site Fact Sheet. The USEPA's official Internet website address is: www.epa.gov/superfund/Sites/npl/ca.htm

3. CALIFORNIA ENVIROSTOR STATE RESPONSE list as of May 2009.

The State Response list, a part of California's "Envirostor" database, identifies sites of confirmed hazardous materials releases where the Department of Toxic Substances Control ("DTSC") is involved in cleanup activities, either in a lead or oversight capacity. These confirmed release sites are generally high-priority and high potential risk, according to the DTSC. The State Response list includes the sites formerly contained in the "Active Annual Workplan (AWP)" list. **Search Distance: 1/2 mile. Responsible Agency: State EPA/DTSC**

Public Record: Sites listed as "State Response" under "Site_Facility_Type" in the EnviroStor Cleanup Sites database obtained from the Department of Toxic Substances Control. Please note that a given Site may have more than one record if the Site has more than one activity Status or EnviroStor ID assigned to it.

For More Information: Contact the State Environmental Protection Agency Department of Toxic Substances Control at: (916) 323-3400



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4. SPILLS, LEAKS, INVESTIGATION & CLEANUP list ("SLIC") as of May 2009.

The California SLIC Program oversees soil and water investigations, corrective actions, and assessments at Sites with current or historic unauthorized discharges and covers all types of pollutants (such as solvents, petroleum fuels, heavy metals, pesticides, etc.). As of January 1, 2005, all SLIC data is required to be submitted to the Geotracker database of the State Water Resources Control Board ("SWRCB"). Information on individual Sites may be available online at www.geotracker.waterboards.ca.gov. Please note that according to the SWRCB, "data is undergoing data cleanup and may contain errors". **Search Distance: 1/2 mile. Responsible Agency: SWRCB**

Public Record: Sites identified as "Cleanup Program Site" in the GeoTracker database obtained from the State Water Resources Control Board GeoTracker website.

For More Information: For details about a particular site, please visit GeoTracker at www.geotracker.waterboards.ca.gov. Using the Identifier tool and clicking on the site on the graphic map interface, you can access a report that includes the case number and contact telephone number for the agency with more information on this site. If you know case number, you may access the record using Case Finder at <http://www.geotracker.waterboards.ca.gov/search/casesearch.htm>

5. SOLID WASTE INFORMATION SYSTEM list ("SWIS") as of May 2009.

Solid waste landfill sites vary from state to state and may include active landfills, inactive landfills, incinerators, transfer stations, recycling facilities, and other facilities where solid waste is treated or stored. The California Integrated Waste Management Board ("CIWMB") tracks such Sites via its Solid Waste Information System database. SWIS contains information on facility type, regulatory and operational status, type of wastes received, and local enforcement actions. Please note that *these Sites are simply regulated facilities and are not classified as being "contaminated"* by the Board. **Search Distance: 1/2 mile. Responsible Agency: CIWMB**

Public Record: Sites listed in the "SwisGis.txt" database obtained from the California Integrated Waste Management Board Solid Waste Information System website.

For More Information: Contact the Board's "Solid Waste Information Center" at (916) 341 6320 and ask for the Associate Waste Management Specialist who should be able to answer some limited general questions. For more information, please contact the CIWMB in Sacramento or visit www.ciwmb.CA.Gov/Swis/search.asp#DOWNLOAD on the Internet.

6. LEAKING UNDERGROUND STORAGE TANK list ("LUST") per GEIMS/GeoTracker Information Management System as of May 2009.

The LUST database is also known as the "LUFT" database because it includes records of leaking underground fuel tanks. LUSTs may be a significant source of soil and groundwater contamination. The State Water Resources Control Board ("SWRCB") maintains a database of LUSTs known as the Leaking Underground Storage Tank Information System ("LUSTIS") which was recently supplanted by the statewide GEIMS/GeoTracker information management system. LUSTIS contains the locations of all reported LUSTs, as well as the contents and status of the LUSTs. **Search Distance: 1/4 mile. Responsible Agency: SWRCB**

Public Record: Sites identified as "LUST Cleanup Site" in the GeoTracker database obtained from the State Water Resources Control Board GeoTracker website.

For More Information: For general questions, telephone the State Water Resources Control Board's Clean Water Desk in Sacramento at **(866) 480-1028**. Information on specific Sites is available at www.swrcb.ca.gov or visit their official Internet site at www.geotracker.waterboards.ca.gov



JCP-LGS Residential Property Disclosure Report The EnviroCheck Report™ For SANTA CLARA COUNTY

Property Address: 1472 FOUR OAKS CIRCLE,
SAN JOSE, SANTA CLARA County, CA 95131
("Residential Property")

APN: 245-13-113
Report Date: 08/07/2009
Report Number: 587201

7. CALIFORNIA STATEWIDE WELL LOCATION DATABASE as of April 2009.

The California Division of Oil, Gas, and Geothermal Resources, California Department of Conservation ("DOC"), maintains a database of oil, gas and geothermal wells in the state. The database includes 193,000+ wells, of which about 88,000 are still in use. The remaining wells (1) are used intermittently ("idle" wells), (2) have been sealed ("abandoned" or "plugged and abandoned") under the supervision of the DOC's Division of Oil, Gas and Geothermal Resources, or (3) have been deserted and have no known responsible operator (referred to as "orphan" wells). **Search Distance: 1/4 mile. Responsible Agency: State Department of Conservation**

Public Record: Well locations listed in the Statewide Well Location Database obtained from the Department of Conservation, Division of Oil, Gas and Geothermal Resources.

For More Information: Contact the State Department of Conservation, Division of Oil, Gas and Geothermal Resources at: (916) 445-9686.

WANT MORE INFORMATION?

There is no single government agency that handles information for all contaminated Sites. Multiple agencies are responsible for organizing clean-up efforts at different types of Sites. Each generally maintains files on the Sites they oversee with information on the type and extent of contamination, clean-up efforts etc. There is also the possibility that the file may have no additional information. For general information, refer to the discussions in this report. If your question isn't answered there, call us here at JCP-LGS. We will try and answer them for you.

In the list of databases above, there is the name and telephone number of the agency overseeing that site. Agencies are limited to answering general questions. **NOTE!** Additional information on a site may be limited and the government agency you contact will not venture opinions.

How to Obtain Generalized Environmental Information

Brochures published by the Environmental Protection Agency (EPA) are a good source of general information. County health departments may have a health and safety officer or a "hazmat" (hazardous materials) specialist that can answer general questions also. The telephone number for the local Department of Health should be listed in the telephone book.

Environmental Protection Agency Drinking Water Hotline: **(800) 426-4791**
Federal Environmental Protection Agency Public Information Office: **(866) 372-9378**
California Environmental Protection Agency: **(916) 445-3846**

BACKGROUND ABOUT ENVIRONMENTAL HAZARDS

JCP-LGS provides a consumer guide titled, "Guide to Environmental Hazards", as a supplement to this EnviroCheck report. This "plain-English" supplement discusses and explains environmental hazards and what they mean for residential property transactions. The guide may be freely downloaded (as a PDF document) and printed from our website at the following address:

http://www.fanhd.com/Portals/0/fanhd/pdf/JCP-LGS_Guide_to_Environmental_Hazards.pdf



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METHODS AND LIMITATIONS -- PLEASE READ!

As in all studies and reports, there are limitations in this Report. This Part will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the data and the government site lists ("Databases"), and (c) the responsibilities and liabilities of JCP-LGS under this Report. Please read this Part carefully so you understand the limitations on this Report and JCP-LGS's responsibilities.

A. LIMITATIONS ON DATABASE INFORMATION

JCP-LGS has accurately reported the information in the Databases as of the 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 affected by contamination or environmental hazards that have not been identified on any of the Databases.
- A Database may not contain sufficient information to locate a particular parcel of property.
- 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.

B. JCP-LGS DOES NOT CONSTANTLY CHECK DATABASES FOR CHANGES

Each Database used in this Report is updated by the Responsible Agency at various intervals. Updates for a Database are determined by the Responsible Agency and may be made at any time and without notice. JCP-LGS 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, JCP-LGS reports information as of the date when the Database was last updated by JCP-LGS. That date is specified as the "Database Date" for each Database in Part 4.

C. LIMITATIONS ON HOW SITES ARE LOCATED AND REPORTED

Due to the way information is reported in the Databases, the Sites identified are "POINT SOURCES" ONLY which means that the specific location of the Site is located based on the information in the Database and used as the beginning point for measuring the distance to the Residential Property. This Report does NOT use "AREAS" of potential environmental contamination, such as a contamination study area or a groundwater plume, even if the source of that study area or plume derives from a Site. In other words, this Report identifies a single point as the approximate source point for an environmental hazard identified on a Database, even if the hazard actually covers an expanded area.

In the Databases, the Sites are identified by their address. In this Report, the point location for a Site is based on that address, **not** on the actual location of a source of contamination on the Property. As a result, the location of any Site set forth in this Report may not be precisely the location of the source of contamination. Furthermore, some of the Databases may not have the complete address information for a Site so it can not be located at all.

The location of the Residential Property has been determined by approximating its corresponding street address as a geocoded point. While that point has been located as accurately as possible, there may be some inaccuracies due to the shape of the property or the mapping information relied upon. Sites that are mapped within the specified radii of this geocoded point will be reported. Furthermore, since Sites are located using a geographic information system, if the assessor parcel number or address of the Residential Property provided is inaccurate, the information provided in this Report will not be accurate.

In certain instances, Sites cannot be precisely located (or "geocoded") due to missing or inaccurate data in the Database. However, based on information available in the Databases, these Sites are locatable within zip codes. These Sites are referred to as "Unlocated Sites" and reported in the Part, "Sites Missing Key Location Information." That Part of the Report indicates such Unlocated Sites that are in the zip codes that are within a one (1) mile radius of the Residential Property.



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Unlocated Sites are not necessarily within a one mile radius of the Residential Property. These Sites are identified to alert the Parties to potential issues about which the Parties may desire to obtain further information.

For these reasons, Parties should seek additional information about the Sites listed, as described in the discussion of the relevant Database.

D. LIMITATIONS IN THIS REPORT

JCP-LGS does not make any representations as to:

- The accuracy, validity or completeness of the Databases.
- The significance or extent of the contamination or remediation of any of the Sites identified in the Databases.
- The health hazards to humans or animals that may be associated with any of the substances that may exist at the Sites or how they may affect the Residential Property.
- The drinking water sources for the Residential Property.
- Any information in a Database after the Database Date for that Database.
- Any information regarding the Residential Property after the Report Date.

JCP-LGS does not perform a physical examination or any testing of the Residential Property or the Sites. This Report only provides information derived from the Databases in accordance with the Methods and Limitations. This Report should not be considered a substitute for an on-site environmental assessment. If additional information is desired, the Parties are encouraged to investigate other sources and to consult an environmental expert.

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, 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.

F. LIMITATIONS ON JCP-LGS'S LIABILITY

Given the limited nature of this Report, and the fact that JCP-LGS is reporting, not assuming liability, JCP-LGS 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 which would be disclosed by a physical inspection of the Residential Property.
- Any information known by one of the Parties.
- Any changes to the information in the Databases after the Database Date.
- The health hazards to humans or animals that may be associated with any of the substances that may exist at the Sites or how they may affect the Residential Property.
- The costs of investigating or cleaning up any environmental hazards.

This Report is not an insurance policy and does not provide the same protections as an insurance policy. It does not obligate JCP-LGS to defend any Party against any claims, and JCP-LGS 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 environmental risks. 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



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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 Residential Property as of the Report Date, caused by the error or omission but not in excess of \$100,000 Dollars (\$100,000).**
- **JCP-LGS shall not be liable for indirect, consequential, or punitive damages (including, but not limited to, emotional distress or pain and suffering).**

JCP-LGS 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 JCP-LGS prior to the Sale Date.

G. 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 contamination, releases of hazardous materials or remediation activities potentially affecting the Residential Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.

H. 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.

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.

WHEN RECORDED MAIL TO:
 BARRY R. LIPMAN
 GOLDFARB & LIPMAN
 1 Montgomery Street, Telesis Tower, 23rd Fl.,
 San Francisco, CA 94104

10354307

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
 ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP
 OF WYNDHAM OAKS

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10354307
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 of California
 DEC 11 1989
 9:00 AM
 Santa Clara County, Official Records

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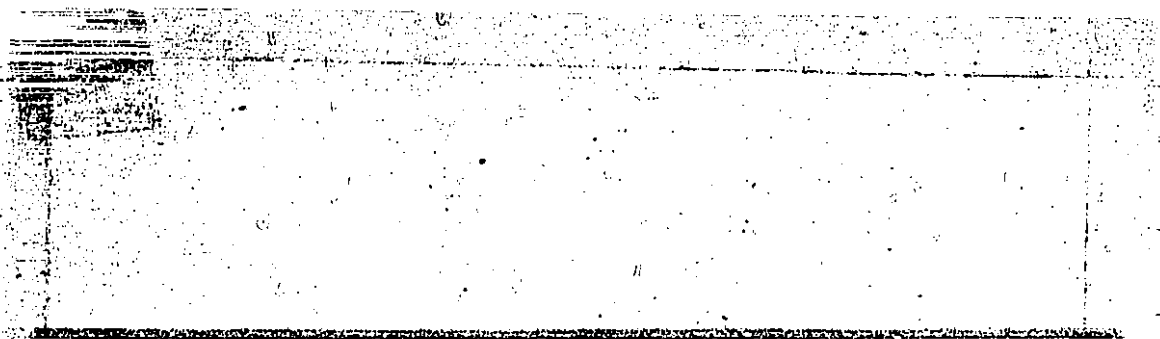
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TOC/B54403



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BARRY R. LIPMAN
GOLDFARB & LIPMAN
1 Montgomery Street
Telesis Tower, 23rd Floor
San Francisco, CA 94104

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP
OF WYNDHAM OAKS

This Declaration is made on November 13, 1987, by
SUMMERHILL OAKS ASSOCIATES, a California Limited Partnership
(the "Declarant"), and is made with specific reference to the
following facts:

A. Declarant is the owner of a certain tract of land
located in the City of San Jose, County of Santa Clara,
State of California, and which is more particularly described
as follows:

All of that certain real property designated Lot 1 as
shown on that certain map entitled Tract No. 7859,
recorded in the Office of the Recorder of Santa Clara
County, California, in Book 559 of Maps at Pages 24 and
25, as File No. 8778111, on May 8, 1986 (the "Property").

B. There is located upon the Property fourteen (14)
two-story residential buildings, together with certain
appurtenances including parking spaces, a swimming pool,
recreation building, outdoor spa, two (2) sport courts, decks,
and landscaping, and Declarant intends to establish within the

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buildings and appurtenances and on the Property condominiums under the provisions of the Davis-Stirling Common Interest Development Act, which provides that a condominium shall consist of an undivided interest in common in a portion of real property coupled with a separate interest in space called a Unit.

C. Declarant intends by this Declaration to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the said Condominiums and the Owners thereof.

D. Declarant hereby establishes by this Declaration a plan for the individual ownership of the real property estates, consisting of the airspace contained in each Unit, and a co-ownership interest as a tenant in common with the other individual owners, as hereafter set forth, of the other portions of the Development.

NOW, THEREFORE, Declarant hereby declares that the hereinabove described Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, sold and improved subject to the following declarations, limitations, covenants, conditions, restrictions, easements, servitudes, and liens, all of which are declared and agreed to be in furtherance of a plan for condominium ownership as described in the Davis-Stirling Common Interest Development

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Act, for the subdivision, improvement, protection, maintenance, and sale of Condominiums within or upon the Development, and all of which are declared and agreed to be for the purpose of enhancing and protecting the value and attractiveness of the Development, and every part thereof. All of such limitations, covenants, conditions, restrictions, easements, servitudes, and liens shall run with the land, shall be binding upon and inure to the benefit of Declarant and its successors and assigns, and all parties having or acquiring any right, title or interest, in or to any part of the Property or the Development. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of the Davis-Stirling Common Interest Development Act.

ARTICLE I
DEFINITIONS

1. "Annual Assessment" shall mean and refer to an assessment against all Condominiums in the Development which is levied pursuant to Article IV, Section 3.

2. "Articles" shall mean and refer to the Articles of Incorporation of Wyndham Oaks Homeowners Association, as amended from time to time.

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3. "Assessment" shall mean and refer to that portion of the cost of maintaining, improving, repairing, operating and managing the Development which is to be paid by each Condominium Owner as determined by the Association in accordance with this Declaration.

4. "Association" shall mean and refer to Wyndham Oaks Homeowners Association, a California nonprofit mutual benefit corporation, and its successors and assigns.

5. "Association Rules" shall mean and refer to the rules and regulations regulating the use and enjoyment of the Common Area, which shall be adopted by the Board from time to time.

6. "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

7. "Bylaws" shall mean and refer to the Bylaws of Wyndham Oaks Homeowners Association, as amended from time to time.

8. "Common Area" shall mean and refer to the Condominium Building Common Area and the Recreational Common Area.

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9. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Development and any reserve for such purposes as found and determined by the Board to be reasonable, together with all other sums designated common expenses by or pursuant to the Condominium Documents.

10. "Common Interest" shall mean and refer to the proportionate undivided interest in the Condominium Building Common Area which is appurtenant to each Unit as set forth in this Declaration.

11. "Condominium" shall mean and refer to an estate in real property, as defined in California Civil Code, Sections 783 and 1351(f), consisting of an undivided interest as tenant in common in all or any portion of the Condominium Building Common Area, together with a separate fee interest in a Unit and any other separate interests in the Development as are described in this Declaration, in the Condominium Plan, or in the deed conveying the Condominium.

12. "Condominium Building" shall mean and refer to a structure containing Condominium Units. There are fourteen (14) Condominium Buildings within the Development.

13. "Condominium Building Common Area" shall mean and refer to all the property within the outside perimeter of each Condominium Building (except the individual Units located

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within the Condominium Building and the land beneath and the airspace surrounding the Condominium Building), as such building is described on the Condominium Plan.

14. "Condominium Documents" shall mean and refer to this Declaration as it may be amended from time to time, the exhibits attached hereto, the Articles, the Bylaws, and such rules and regulations for the members of the Association as may be established from time to time.

15. "Condominium Plan" shall mean and refer to the diagrammatic floor plan of the Units located on the Property which identifies each Unit and establishes its dimensions pursuant to Civil Code Section 1351(e), and which is attached hereto as Exhibit A and incorporated herein.

16. "Deck" shall mean and refer to those areas designated on the Condominium Plan with the Unit Designation plus the designation "D", and to which the Owners of such Units shall have an exclusive easement appurtenant to his or her Unit to use and enjoy. All decks located on the ground level of a Condominium Building are constructed of concrete and are sometimes referred to as "patios"; the remaining decks are constructed of wood.

17. "Declarant" shall mean and refer to SUMMERHILL OAKS ASSOCIATES, a California limited partnership, and such

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successors and assigns as it may designate pursuant to the procedure set forth in Article X, Section 8.

18. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, and Restrictions, and its amendments, modifications, or supplements.

19. "Development" shall mean and refer to the Property, together with all structures and improvements now or hereafter existing or erected thereon, and all property, real or personal, intended for or used in connection with Wyndham Oaks.

20. "Eligible Insurer or Guarantor" shall mean and refer to an insurer or governmental guarantor of a First Mortgage who requests notice of certain matters from the Association in accordance with Article VIII, Section 2.

21. "Eligible Mortgagee" shall mean and refer to a Mortgagee of a First Mortgage who requests notice of certain matters from the Association in accordance with Article VIII, Section 2.

22. "Exclusive Use Common Area" shall mean and refer to those portions of the Common Area set aside for exclusive use of the Unit Owner or Owners for the purposes described in this Declaration. Each such area shall be appurtenant to the

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Owner's Unit and may not be conveyed or transferred apart from the Unit. The boundaries or location of and limitations on the Exclusive Use Common Area are described in Article II, Section 2(c). The Exclusive Use Common Area shall also include the following portions of Common Area designated to serve an Owner's Unit exclusively: screens, windows, window boxes, exterior doors, door frames and hardware incident thereto, and any exterior treatment installed by an Owner pursuant to Association prior approval. The Association, acting on behalf of all Owners, may reserve to Owners in the name of all Owners as their attorney-in-fact (or in the name of the Association for any property to which the Association holds title) Exclusive Use Common Area for any purpose not inconsistent with the rights of other Owners under this Declaration.

23. "First Mortgage" shall mean and refer to any mortgage or deed of trust which is prior in right to other mortgages or deeds of trust, if any, which encumber, in whole or in part, the same Condominium. For purposes of this Section, the fact that the lien of a First Mortgage is inferior to mechanic's liens, or to tax liens, easements, and similar limited interests held by government entities, public utilities and the like, does not deprive such lien of "first priority" within the meaning of this Section.

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24. "Individual Special Assessment" shall mean and refer to a charge against a particular Condominium made for the purpose of obtaining reimbursement of certain expenditures of the Association pursuant to Article IV, Section 6.

25. "Line" or "Lines", when used in a context pertaining to a utility service or function, shall mean and refer to wires, cables, pipes, conduits and ducts.

26. "Map" shall mean and refer to the recorded final subdivision map for the Property as described in Recital A above.

27. "Member" shall mean and refer to every person or entity holding a membership in the Association as herein provided.

28. "Mortgage" shall mean and refer to a mortgage or a deed of trust encumbering a Condominium.

29. "Mortgagee" shall mean and refer to a beneficiary of or the holder of a beneficial interest in a deed of trust, as well as a mortgagee. An "institutional" Mortgagee is a Mortgagee that is a savings and loan association, mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans, or any

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bank, insurance company, or any federal or state agency or instrumentality, including without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

30. "Mortgagor" shall mean and refer to the trustor of a deed of trust, as well as a mortgagor.

31. "Owner" or "Owners" shall mean and refer to the record holder or holders of title, if more than one, of a Condominium in the Development. This shall include any person having a fee simple title to any Condominium, including Declarant, but shall exclude certain contract sellers and persons or entities having any interest merely as security for the performance of an obligation. If a Condominium is sold in a recorded "real property sales contract", as defined in Section 2985 of the California Civil Code, to a purchaser who resides in the Unit, the resident purchaser (rather than the contract seller who is the fee owner) shall be considered the "Owner" as long as he resides in the Unit as a contract purchaser.

32. "Parking Stall" shall mean and refer to those areas designated "P" and a number on the Condominium Plan, and shall be used for the parking of vehicles as described in Article VII, Section 3.

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33. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

34. "Recreational Common Area" shall mean and refer to all the land in Lot 1 (including the land in those area designated Exception to P.S.E) as described on the Map and all improvements thereon except for the Condominium Buildings, as such buildings are described on the Condominium Plan.

35. "Share" shall mean and refer to the percentages in and to the Condominium Building Common Area attributed to and appurtenant to each Unit as set forth in Article II, Section 2(b).

36. "Special Assessment" shall mean and refer to an assessment against all Condominiums in the Development which is levied pursuant to Article IV, Section 4.

37. "Storage Area" shall mean and refer to those areas designated on the Condominium Plan with the designation "S."

38. "Unit" shall mean and refer to the elements of a Condominium which are not owned in common with the Owners of other Condominiums or by the Association, the boundaries of which are shown and more particularly described in the Condominium Plan, deeds conveying Condominiums, and this Declaration.

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39. "Unit Designation" shall mean and refer to the number, letter, or combination thereof or other official designation of each of the Units as shown on the Condominium Plan.

ARTICLE II

DESCRIPTION OF DEVELOPMENT, DIVISION OF PROPERTY, AND CREATION OF PROPERTY RIGHTS

1. Description of Development: As of the date of this Declaration, the Development consists of the underlying real property, together with fourteen (14) buildings which include one hundred fifteen (115) residential Units, all of which contain decks, and two hundred fourteen (214) parking stalls of which one hundred twenty (120) are covered and ninety four (94) are uncovered. Reference is made to the Condominium Plan.

2. Division of the Development Areas: The Development is hereby divided into the following separate freehold estates:

a. Units: Each of the Units as separately shown, numbered and designated on the Condominium Plan consists of the space bounded by and contained within the interior unfinished surfaces (excluding paint, paper, panelling, outlets, stain, tile, carpet and other finishes) of the

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perimeter walls, floors, ceilings, fire boxes, windows, window frames, doors, and door frames of each Unit. Each Unit includes both the portions of the building so described and the airspace so encompassed. In addition, each Unit includes any air heating, air conditioning, and water heating equipment, and outlets thereof, wherever located, which are part of a discrete and complete system intended to serve only such Unit. The Unit does not include, however, any bearing wall or other structural member necessary to the support or adequate rigidity of any portion of the Condominium Building Common Area or any other Unit, except that any finished surface of such bearing wall or structural member which faces the Unit shall be a part of the Unit. Each Unit is subject to such encroachments as are contained in the building, whether the same now exist or may be later caused or created in any manner referred to in Article X, Section 5. In interpreting deeds and plans, the then existing physical boundaries of a Unit, whether in its original state or reconstructed in substantial accordance with the original plans and specifications therefor, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or Condominium Plan, regardless of settlement or lateral movement of the Condominium Building, and regardless of minor variance between the boundaries shown on the plan or deed and those of the building.

b. Condominium Building Common Area: The Condominium Building Common Area shall consist of the

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remaining portion of the Development (except the Recreational Common Area), and shall include, without limitation: storage areas; bearing walls; exterior walls; columns; beams; subfloors; unfinished floors, roofs, and foundations; stairways and hallways which provide access to Units and other Condominium Building Common Area; fireplace flues; life safety equipment (not located within a Unit); those portions of reservoirs, tanks, pumps, motors, ducts, flues, chutes, conduits, pipes, plumbing, wires and other utility installations lying within the Development or contained within and immediately surrounded by that portion of any structure or space which is defined herein as a part of the Condominium Building Common Area (as required to provide power, light, telephone, cable television, gas, water, sewage, drainage, heat and air conditioning service), except that air heating, air conditioning and water heating equipment and outlets thereof, which is a part of a discrete and complete system serving only one Unit shall be a part of such Unit; sprinklers, sprinkler pipes, and sprinkler heads which protrude into the airspace of a Unit; and any central television antenna.

Each Owner of a Condominium located in the Development shall have, as appurtenant to his Unit, a membership in the Association, and an undivided interest in the Condominium Building Common Area equal to a fraction whose numerator is one (1) and whose denominator is the total number of Units in the Condominium Building in which the Unit is

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located. The ownership of each Condominium shall include both a Unit and an undivided interest in the Condominium Building Common Area as described in this Declaration. The common interest appurtenant to each Unit is declared to be permanent in character and cannot be altered without the consent of all of the Condominium Owners affected and of all of the Mortgagees of First Mortgages covering the Condominiums affected, as expressed in an amended Declaration. Such common interest cannot be separated from the Unit to which it is appurtenant. Each Owner may use all Condominium Building Common Area in accordance with the purposes for which it is intended so long as such use does not hinder the exercise of or encroach upon the rights of any other Owners.

c. Exclusive Use Common Area: Portions of the Common Area, referred to as "Exclusive Use Common Area", as shown on the Condominium Plan, are hereby set aside and allocated for the exclusive use of one or more, but fewer than all, Owners of Units. Said Exclusive Use Common Area shall consist of an assignment or easement for exclusive use to such deck, parking stall, storage area, and internal and external telephone wiring designed to serve a single Unit, as may be specifically designated on the Condominium Plan, deed conveying the Condominium Unit, this Declaration, or grant or assignment by Declarant or the Association, as appurtenant to any particular Unit.

d. Recreational Common Area: Subject to the exclusive use easements for parking stalls in favor of Owners,

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as designated pursuant to the provisions of Article VII, Section 3, the Recreational Common Area shall be conveyed to the Association prior to the first close of an escrow for the sale of a Condominium in the Development under authority of a final public report issued by the California Department of Real Estate. The Recreational Common Area shall be held by the Association for the benefit of all Condominium Owners.

e. No Separate Conveyance of Undivided Interests: The foregoing undivided interests are hereby established and are to be conveyed with the respective Units as indicated above and cannot be changed, except as herein set forth. Declarant, its successors, assigns and grantees covenant and agree that the undivided interest in the Condominium Building Common Area and the fee title to the respective Unit conveyed therewith shall not be separated or separately conveyed. Each such undivided interest shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

3. Partition Prohibited: The Common Area shall remain undivided as set forth above. Except as otherwise provided in California Civil Code, Section 1359, no Owner shall bring any action for partition of a Unit or of the Common Area, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Development and each Owner, by acceptance of

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a deed to his Unit, shall be deemed to have waived and abandoned, for himself, his successors and assigns (whether by deed, gift, devise, foreclosure or operation of law) the right to bring or maintain any such action for partition. Judicial partition by sale of a single Condominium owned by two or more persons and division of the sale proceeds is not prohibited hereby, but partition of title to a single Condominium is prohibited.

4. Subdivision Prohibited: Neither the Association nor any Owner shall subdivide or apply to the City of San Jose or other appropriate jurisdiction to subdivide the Common Area without the express written consent of all of the Owners and of all the Mortgagees of First Mortgages covering Condominiums within the Development, and no Owner shall cause or permit the further subdivision of the airspace within his Unit.

ARTICLE III
THE ASSOCIATION

1. Incorporation: The Association is a nonprofit mutual benefit corporation formed under the laws of the State of California. At the recording of the first sale of a Condominium to an Owner, the Association shall be charged with the duties and invested with the powers set forth in the Condominium Documents.

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2. Action Through Designated Officers: Except as to matters requiring the approval of Owners as set forth in the Condominium Documents, the affairs of the Association, including the exercise of its powers and duties, shall be conducted by the Board, such officers as the Board may elect or appoint, or such persons or entities with delegated authority as set forth in the Condominium Documents.

3. Association to Manage the Common Area: The management of the Common Area shall be vested in the Association in accordance with the Condominium Documents. The Owners of all of the Condominiums hereby covenant and agree that the administration of the Development shall be in accordance with the provisions of the Condominium Documents.

4. Membership: The Owner of a Condominium shall automatically, upon becoming the Owner of same, be a member of the Association, and shall remain a member thereof until such time as his ownership ceases for reasons set forth herein, at which time his membership in the Association shall automatically cease. Each member shall have the rights, duties and obligations of membership as set forth in the Condominium Documents. Any party that holds an interest in a Condominium merely as security for performance of an obligation shall not be a member of the Association.

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5. Transferred Membership: Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale, conveyance, judicial sale, or other voluntary or involuntary transfer of the Condominium to which it is appurtenant, and then only to the purchaser in the case of a sale, or to the transferee in the case of a transfer. Any attempt to make a prohibited transfer is void.

6. Membership Classes and Voting Rights: The Association shall initially have two classes of voting members, as follows:

a. Class A: Class A Members shall be all the Owners with the exception of the Declarant, and shall be entitled to one vote or right of consent for each Condominium owned. When more than one person holds an interest in any Condominium, all such persons shall be members. The vote or right of consent for any such Condominium shall be exercised in accordance with the Bylaws and as they among themselves determine, but in no event shall more than one vote be cast or right of consent be exercised with respect to any Condominium.

b. Class B: Class B Members shall be the Declarant who shall be entitled to three (3) votes or rights of consent for each Condominium owned. Declarant may designate individuals to exercise the rights available to it as a member of the Association. The Class B membership shall cease and be converted to Class A membership on the happening of whichever of the following events first occurs: (1) when the total

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votes outstanding in Class A membership equal the total votes outstanding in Class B membership; or (ii) on the second anniversary of the issuance of the original Final Public Report pertaining to the Development by the California Department of Real Estate.

Other than the provisions contained in Article X, Section 9 herein, no provision of the Condominium Documents which requires the approval of a prescribed majority of members of the Association other than Declarant for action to be taken by the Association is intended to preclude the Declarant from casting votes attributable to Condominiums which it owns. Notwithstanding anything to the contrary herein, any action for which the Condominium Documents require the approval of a majority of members of the Association other than Declarant shall require the vote or written assent of a majority of the Class B voting power as well as the vote or written assent of a majority of the Class A voting power, or, upon the conversion of Class B to Class A shares, the vote or written assent of a majority of the total voting power of the Association as well as the vote or written assent of a majority of the total voting power of members other than Declarant.

Voting rights shall vest at the time assessments are levied against the Owner's Condominium, or as provided in a subsidization plan which may be approved by the California Department of Real Estate, whichever occurs first.

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7. General Duties and Powers: In addition to the duties and powers and limitations enumerated in the Articles and Bylaws of the Association, or elsewhere provided for at law or herein, and without limiting the generality thereof, the Association shall:

a. Subject to the provisions of Article V, Section 1, maintain in good condition and appearance, repair, replace, restore, operate and manage all of the Common Area (including Exclusive Use Common Area), all facilities, improvements, furnishings, equipment and landscaping thereon (other than that placed by Owners or their tenants upon decks, parking stalls, or storage areas), and all property that may be acquired by the Association, as more fully provided in Article V, Section 5.

b. Acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the Common Area and for the Units that are not separately billed to an Owner; provided, however, the Association shall have no liability to any Owner arising out of the temporary or permanent failure of any utility, governmental entity, or quasi-utility to deliver such services after the Association has contracted for such services.

c. Grant easements where necessary for utilities and sewer facilities over, under, and through the Common Area and/or any of the Units.

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d. Maintain such policy or policies of insurance as are required by this Declaration or as the Board deems necessary or desirable in protecting the interests of the Association and its members.

e. Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties or responsibilities of the Association except the initiation and execution of disciplinary proceedings against members in accordance with the procedure set forth in the Bylaws; provided that any contract with a firm or person appointed as a manager or managing agent shall not exceed a one (1) year term and shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association, and to terminate the same at any time upon thirty (30) days written notice with cause and sixty (60) days written notice without cause, both without payment of a termination fee. The Association shall at all times employ a professional manager or managing agent, although the contract with any such manager or managing agent shall be limited in terms as set forth above.

f. Discharge by payment, if necessary, any obligation which, in the opinion of the Board, may become a lien against the Common Area, or any portion thereof, and assess the costs thereof as a monetary penalty against the Owner responsible for the existence of said lien, as determined by the Board after notice and a hearing in accordance with the Bylaws.

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g. Adopt reasonable rules not inconsistent with this Declaration for the use of the Common Area, and all improvements and facilities now or hereafter located thereon, and the conduct of Owners, and their tenants and guests with respect to the Development and other Owners.

h. Defend, prosecute, and settle, as deemed necessary, all lawsuits and arbitrations involving the Association in the Association's own name as the real party and without joining with it the individual Owners in the manner described in California Code of Civil Procedure, Section 374; provided, however, the Association and/or the Board shall not undertake to prosecute any claim, complaint, cross-complaint or counterclaim, by means of litigation or arbitration, in excess of One Hundred Thousand Dollars (\$100,000.00), as adjusted by a fraction whose numerator is the Consumer Price Index (1982/84=100) for all Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, for the statistical area in which San Jose is located, or any successor thereof ("CPI"), last published as of the date the Association first considers seeking litigation or arbitration, and whose denominator is the CPI last published as of the date of recordation of this Declaration, without the vote or written consent of sixty-seven percent (67%) of the entire voting power of members of the Association, given during or after a special homeowners meeting called and held pursuant to the procedures set forth in the Bylaws, and in which at the

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time notice of said meeting is given, the following information shall be presented to each member in writing:

1. proposed causes of action or claims for relief;
2. proposed defendants;
3. underlying facts supporting such causes of action or claims for relief;
4. names and addresses of proposed legal counsel;
5. proposed fee arrangement with counsel;
6. anticipated court and other costs and expert fees; if any;
7. availability of Association funds to cover anticipated legal fees, court and other costs, and expert fees;
8. counsel's opinion of likelihood of success; and
9. counsel's opinion of anticipated time for final resolution of the matter.
 - i. Assume obligations, enter into contracts, including contracts of guarantee or suretyship, incur liabilities, borrow or lend money or otherwise use its credit, and secure any of its obligations, contracts or liabilities by mortgage, pledge or other encumbrance of all or any part of its property or income.
 - j. Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind whether or not such participation involves sharing or delegation of control with or to others.
 - k. Fill a vacancy on the Board except for a vacancy created by the removal of a Board member.

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1. Establish and maintain separate, restrictive accounts into which only regular and special assessments for reserves shall be deposited. Approval of the Board shall be obtained prior to the expenditure of such reserves.

ARTICLE IV
ASSESSMENTS

1. Creation of the Lien and Personal Obligation for Assessments: Declarant, for each Condominium owned within the Development, hereby covenants, and each Owner of any Condominium by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments and (2) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys fees, shall be a charge on the Condominium and shall be a continuing lien upon the Condominium against which each such assessment is made, the lien to become effective upon the recordation of a Notice of Assessment. Each such assessment, together with interest, costs, and a reasonable attorneys fee, shall also be the personal obligation of the Owner of such Condominium at the time when the assessment becomes due. The personal obligation for delinquent assessments shall not pass to successors in

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title unless expressly assumed by them. No Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of the Common Area or by the abandonment of his Unit.

2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of all of the residents in the entire Development, for the improvement and maintenance of the Common Area, and for the common good of the Development.

3. Annual Assessments: Each Owner shall pay assessments based upon the initial operating expense budget submitted by Declarant and approved by the California Department of Real Estate. Said budget shall be based on the estimated operating expense to be paid during the initial year by the Association in the performance of its duties (plus a reasonable provision for replacement reserves), and shall be assessed equally to each Condominium in the Development, except for the budget components of insurance, domestic gas, domestic water to the entire Development, and reserves for hot water heater, paint and roof replacement, which shall be assessed to each Condominium according to that percentage set forth in Exhibit B, attached hereto and incorporated herein.

During each succeeding fiscal year of the Association, the Board may not impose a regular annual assessment that is more than twenty percent (20%) (or any other maximum

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percentage permitted by law) greater than the regular annual assessment for the Association's preceding fiscal year without the approval of Owners, constituting a quorum, casting a majority of votes at a meeting or election of the Association conducted in accordance with California Corporations Code, Sections 7510 et seq. and 7613. This Section shall not limit assessment increases necessary for emergency situations, which is any one of the following: (1) an extraordinary expense required by an order of a court; (2) an extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible where a threat to personal safety in the Development is discovered; (3) an extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the budget. (Prior to the imposition or collection of an assessment under this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.); and (4) Article IV, Section 18 assessments.

Unless the Association is exempt from Federal and State of California income taxes, all reserves shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the

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Association or in such other manner authorized by law or regulation of the Internal Revenue Service and the California Franchise Tax Board as will prevent such funds from being taxed as income to the Association.

4. Special Assessments: In addition to the annual assessment authorized above, the Association may levy, in any fiscal year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the common expenses of the Association for any fiscal year (including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacement or reconstruction of capital improvements in or on the Common Area, including fixtures and personal property related thereto). The aggregate of special assessments during a fiscal year shall not exceed five percent (5%) of the budgeted gross expenditures of the Association for that fiscal year without an approval of owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with California Corporations Code, Section 7510 et seq. and 7613. This Section shall not limit assessment increases necessary for emergency situations, which is any one of the following: (1) an extraordinary expense required by an order of a court; (2) an extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible where a threat to personal safety in the

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Development is discovered; (3) an extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the budget (Prior to the imposition or collection of an assessment under this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.); and (4) Article IV, Section 18 assessments.

Any special assessment other than an Individual Special Assessment shall be levied against each of the Owners in the same proportion as annual assessments and may be enforced in the same manner as an annual assessment; provided, however, any special assessment against Owners in the Development to raise funds for the rebuilding or major repair of the structural Common Area of the Development shall be levied upon the basis of the ratio that the square footage of the floor area of the Unit to be assessed bears to the total square footage of floor area of all Units to be assessed.

Unless exempt from Federal and State of California income taxes, all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied, or otherwise shall be handled and used in a manner

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authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board in order to avoid, to the extent possible, its taxation as income to the Association.

5. Notice and Quorum for Adoption of Regular or Special Assessment: Any action authorized to be taken by the members under Article IV, Sections 3 and 4, shall be taken at a meeting called for that purpose, written notice of which shall be mailed by first class mail, postage prepaid to each member at the address of each Unit owned by such member within the Development not less than ten (10) days nor more than ninety (90) days in advance of the meeting. For purposes of Article IV, Sections 3 and 4 only, quorum means more than fifty percent (50%) of the Owners of the Association. If the proposed action is favored by a majority vote of the members present at such meeting, but such vote is less than the percentage of members required for approval, members who were not present in person or by proxy may give their assent in writing in accordance with the provisions of Section 7513 of the California Corporations Code, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

6. Individual Special Assessment: The Association may levy an Individual Special Assessment, pursuant to the procedures contained in the Bylaws, against the Condominium of

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any Owner in order to obtain reimbursement of funds expended by the Association, provided that such an Individual Special Assessment may only be levied to reimburse the Association for costs incurred in bringing the member(s) and his Condominium into compliance with provisions of the Condominium Documents. When levied pursuant to the procedures contained in the Bylaws, such an Individual Special Assessment shall be immediately due and payable. Such individual special assessment shall not be subject to the procedures contained in Sections 14 and 15 of this Article IV.

7. Division of Assessments: All annual assessments shall be charged to and divided among the Condominium Owners by multiplying the annual assessment for each fiscal year by the percentages for each of the respective Condominiums set forth in Article IV, Section 3. Annual assessments shall be collected on a monthly basis at the monthly rate of one-twelfth (1/12) of the annual assessment as to each Condominium.

8. Date of Commencement of Annual Assessment: The annual assessment provided for herein shall commence as to all Condominiums covered by this Declaration on the first day of the month following the conveyance of the first Condominium from Declarant to an individual Owner; provided, however, in the event the first annual assessment commences on a date other than the beginning of a fiscal year of the Association,

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only such portion of the first annual assessment as would ordinarily be collected at the monthly rate during the remaining months of such partial fiscal year shall be due and collectible from the Owners.

9. Failure to Establish Annual Assessment: Subject to the provisions of Article IV, Section 3, hereof, the Board shall determine and fix the amount of the annual assessment against each Condominium at least forty-five (45) days in advance of each fiscal year of the Association. In the event that the Board fails or refuses to establish an annual assessment as required by this Section, the annual assessment for the immediately preceding fiscal year shall be the annual assessment for the fiscal year as to which no annual assessment has been established, unless an increase or decrease therein is approved by a majority of each class of members or, in the event Class B shares have been converted to Class A shares, the vote or written assent of a majority of the total voting power of the Association as well as the vote or written assent of a majority of the total voting power of members other than Declarant.

10. Notice of Assessment: Written notice of the annual assessment as to each Condominium shall be sent to every Owner subject thereto at least forty-five (45) days in advance of each fiscal year of the Association by delivery in

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person or by mail to the address for each Owner as specified in Article X, Section 15.

11. Certificate as to Payment: The Association shall, upon written demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium have been paid. Such certificate shall be deemed to be conclusive evidence of the payment of such assessments to the extent stated therein to have been previously paid.

12. Delinquency of Assessment: All regular and special assessments, or monthly installments thereof, levied pursuant to this Declaration are delinquent fifteen (15) days after they become due. For each delinquent assessment, or monthly installment thereof, the Association may recover: (a) reasonable costs incurred in collecting the delinquent assessment, or part thereof, including reasonable attorneys fees, (b) a late charge not to exceed ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater, and (c) interest on all sums imposed herein, including the delinquent assessment, reasonable costs of collection, and late charges, at twelve percent (12%) annual percentage rate interest, commencing thirty (30) days after the assessment becomes due.

L192PAGE 933**13. Transfer of Condominium by Sale or Foreclosure:**

Sale or transfer of any Condominium shall not affect the assessment lien, except as hereinafter provided, and shall not relieve such Condominium from liability for any assessments thereafter becoming due or from the lien thereof. A lien for regular and special assessments against an Owner's Condominium shall be subordinate to the lien of a Mortgagee of a First Mortgage of that Owner's Condominium. Where the Mortgagee of a First Mortgage of record or other purchaser of a Condominium obtains title to the same by virtue of foreclosure of the mortgage, or by purchase at a foreclosure sale, such acquirer of title, his successors and assigns, shall take the Condominium free of any claims for unpaid assessments and charges against the Condominium which accrue prior to the time the Mortgagee or other purchaser comes into title of the Condominium, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Condominiums including the mortgaged Condominium, nor shall the transfer of the Condominium as a result of a foreclosure, deed or assignment in lieu of foreclosure or purchase at a foreclosure sale relieve the new Owner (whether it be the First Mortgagee or another person) from liability for any assessments thereafter due or from the lien thereof.

14. Procedure for Perfection of Lien of Assessment:

In the event any assessment or monthly installment of an

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annual assessment is not paid within fifteen (15) days after the day upon which it becomes due, the Board may deliver a "Notice of Delinquent Assessment" to the Owner of the Condominium assessed and may cause a copy of said Notice to be recorded in the Official Records of Santa Clara County. Said Notice shall state the amount of the assessment then due and unpaid which shall include interest, costs and reasonable attorneys fees, a description of the Condominium against which such assessment has been levied, the name of the record Owner of such Condominium, and the name and address of the trustee authorized by the Association to enforce the lien by nonjudicial foreclosure (if the Association so elects), and shall be signed by a representative designated by the Board. When such a Notice has been recorded, the assessment described therein shall constitute a lien upon the Condominium identified therein, which lien shall be prior in right to all other liens thereafter arising, except for all taxes, assessments or other levies which by law would be prior thereto, and except for the lien of any Mortgage recorded prior to the date any such assessment became due. Such assessment lien shall be in favor of the Association and shall be for the benefit of all Owners. If the delinquent assessment or installment and related charges are paid or otherwise satisfied, the Association shall send to the Owner a Notice of Satisfaction and Release of Lien and shall record same in the Official Records of Santa Clara County.

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15. Enforcement of Lien of Assessment: The Board may enforce any assessment lien established under Article IV, Section 14, by filing an action for judicial foreclosure or, if the Notice of Delinquent Assessment contains the name and address of the trustee authorized by the Association to enforce the lien by nonjudicial foreclosure, by recording a Notice of Default in the form described in California Civil Code, Section 2924c(b)(1) to commence nonjudicial foreclosure. Such nonjudicial foreclosure is to be conducted in accordance with the requirements of Sections 2924-2924h of the California Civil Code, applicable to the exercise of nonjudicial foreclosures of mortgages or deeds of trust. The sale shall be conducted by the trustee named in the Notice of Delinquent Assessment or by a trustee substituted in accordance with the provisions of California Civil Code, Section 2934a. The Association, acting on behalf of the Owners, shall have the power to bid for the Condominium at a foreclosure or trustee's sale, and to acquire and hold, mortgage and convey the same. If the default is cured before the sale, or before completing a judicial foreclosure, including payment of all costs and expenses incurred by the Association, the Association shall record a Notice of Satisfaction and Release of Lien, and upon receipt of a written request by the Owner, a Notice of Rescission of the Declaration of Default and Demand for Sale.

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16. Enforcement of Assessment by Suit: The

Association may, in its own name, commence and maintain a suit at law against any Owner or Owners personally obligated to pay assessments for such delinquent assessments as to which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with processing fees, interest thereon, costs of collection, court costs and reasonable attorneys fees in such amount as the Court may judge against the delinquent Owner. Suit to recover judgment for unpaid assessments shall be maintained without foreclosing or waiving any lien for such assessments created pursuant to this Declaration. In any action instituted by the Association to collect delinquent assessments, accompanying late charges, and/or interest, the prevailing party shall be entitled to recover costs and reasonable attorneys fees.

17. Suspension for Non-Payment of Assessment: The

Board may suspend the voting rights and right to use the Common Area of a member who is in default in the payment of any assessment, after notice to such member and an opportunity for a hearing before the Board which satisfies the minimum requirements of Section 7341 of the Corporations Code, and as provided in the Bylaws.

18. Unallocated Taxes: In the event that any taxes are assessed against the Common Area, or any portion thereof,

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or the personal property of the Association, or the Development as a whole, rather than against the Condominiums, said taxes shall be included in the assessments made under the provisions of Article IV, Section 1, and, if necessary, a special assessment may be levied against the Condominiums in an amount equal to said taxes, to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

ARTICLE V

MAINTENANCE AND IMPROVEMENT

1. Maintenance by Association of Development:

Coincident with the first conveyance of a Condominium by Declarant, the Association shall manage, control, and maintain in good condition and repair all of the Common Area. All maintenance, repair and replacement of facilities, improvements, landscaping, and driveways, shall be within the rules and regulations promulgated by the Architectural Control Committee and approved by the Board. Under all circumstances, the replacement of any of the Common Area shall be equal to or greater than the grade of the original installation.

The responsibility of the Association for maintenance and repairs need not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of an Owner, or his guests, tenants or invitees, the cost of which

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is not covered by insurance. The repair or replacement of Common Area resulting from such excluded acts or neglect shall be the responsibility of each Owner, who shall comply with the rules and regulations of the Architectural Control Committee as approved by the Board; provided, however, that if an Owner shall fail to make the repairs or replacements which are the responsibility of such Owner as provided above, then, upon a vote of a majority of the Board, and after notice to the Owner and an opportunity for a hearing before the Board, the Association shall have the right, but not the obligation, to make such repairs or replacements and enter the Unit, if necessary. The cost of such repairs or replacements shall be a monetary penalty payable to the Association by the Owner thereof.

2. Owner's Right and Obligation to Maintain and Repair: Except for those portions of the Development which the Association is required to maintain and repair, each Owner shall, at his sole cost and expense, maintain and repair his Unit, keeping the same in good condition. Each Owner shall keep those portions of the Exclusive Use Common Area to which he has rights of use and enjoyment clean and neat. Subject to the rules promulgated by the Board and the Architectural Control Committee, each Owner shall have the exclusive right to paint, plaster, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows, and doors bounding his Unit in a manner which does

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not intrude on or into the Common Area. Notwithstanding anything stated to the contrary in this Declaration, because of the potential problem of excess sound transmission between Units, no floor material may be installed in second floor Units in each Condominium Building which permits the transmission of sound which exceeds applicable code requirements for sound transmission.

Each Owner shall bear the entire cost of maintenance, repair and replacement of the following items within or serving such Owner's Unit: interior surfaces of all perimeter and interior walls, ceilings and floors; garbage disposals, ranges, refrigerators, dishwashers, washing machines, dryers, light fixtures, smoke detectors and any and all other appliances of any nature whatsoever; heating, ventilating and air conditioning equipment servicing such Unit (although such equipment may be located in part outside such Unit); interior doors, including all hardware thereon; light bulbs; plumbing and other fixtures of any nature whatsoever; "built-in" features; and decorative features and other furniture and furnishings. All electrical utilities serving individual Units shall be separately metered and shall be the expense of an individual Unit Owner. Electrical utilities serving the Common Area shall be a common expense.

In the event an Owner fails to maintain the interior of his Unit or the Exclusive Use Common Area to which he has an easement or assignment in a manner which the Board deems necessary to preserve the appearance and value of the

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Development, the Board may notify the Owner of the work required and request that it be done within sixty (60) days from the giving of such notice. In the event an Owner fails to carry out such maintenance within said period, the Board may, after written notice to the Owner and an opportunity for a hearing before the Board, cause such work to be done, and the cost of such work shall be a monetary penalty enforceable according to the provisions of the Bylaws, and shall be payable to the Association by the Owner thereof.

3. Maintenance of Landscaping: The Association shall maintain all of the landscaping within the Development in general accordance with the landscaping plans as originally installed, unless climatic conditions make such maintenance impracticable or unless the Board consents to a change in the plan for the landscaping.

4. Access at Reasonable Hours: For the purpose of performing the maintenance authorized by this Article or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association's agents or employees shall have the right, after reasonable written notice to the Owner (of not less than twenty-four (24) hours, unless an emergency exists, in which case no written notice need be given) to enter any Unit during reasonable hours and with as little inconvenience to the Owner as is practicable.

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5. Capital Improvements by Association: The Association may purchase furniture or fixtures or may construct or cause to be constructed capital improvements upon the Common Area; provided, however, that the Association shall not incur in any fiscal year aggregate expenses for such purchases and construction which exceed five percent (5%) of the budgeted gross expenses of the Association for such fiscal year without the vote or written consent of a majority of each class of members or, in the event Class B shares have been converted to Class A shares, the vote or written assent of a majority of the total voting power of the Association as well as the vote or written assent of a majority of the total voting power of members other than Declarant.

ARTICLE VI
UTILITIES AND EASEMENTS

1. Owners' Rights and Duties: The rights and duties of the Owners with respect to sanitary sewer, water, cable television, electricity, gas and telephone lines and facilities, and heating and air-conditioning facilities shall be as follows:

a. Whenever sanitary sewer, water, cable television, telephone, electricity, gas, heating or air-conditioning

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conduits, ducts, or flues are installed within the Development, which connections, or any portion thereof, lie in or about Units owned by a person other than the Owner of a Condominium served by said connections, the Association shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon the Units or to have the utility companies enter upon the Units after reasonable notice and during reasonable hours (except in the event of an emergency), in or about which said connections, or any portion thereof, lie, to repair, replace and generally maintain said connections as when necessary.

b. Whenever sanitary sewer, water, cable, television, telephone, electricity, gas, heating or air-conditioning conduits, ducts, or flues are installed within the Development, which connections serve more than one Unit, the Owner of each Condominium served by said connection shall be entitled to full use and enjoyment of such portions of said connections as service his Unit.

c. Whenever internal and external telephone wiring for a Condominium, or any portion thereof, lies in or about the Development, the Owner of the Condominium served by such wiring shall be entitled to reasonable access to the Development for the purpose of maintaining such wiring. Said access shall be subject to the consent of the Board whose consent shall not be unreasonably withheld and which may include the Association's approval of telephone wiring upon

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the exterior of the Common Area and other conditions as the Board determines reasonable.

d. In the event of a dispute between Owners with respect to the repair or rebuilding of the above-described connections, or with respect to the sharing of the cost thereof, then, upon request of one of such Owners addressed to the Association, the matter shall be submitted to the Board who shall hold a hearing and decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

2. Easements for Utilities and Maintenance: Easements over and under the Development for the installation, operation, repair and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, of heating and air-conditioning lines and facilities, of cable or master television antenna lines and facilities, of drainage lines and facilities, and of walkways and landscaping, as such easements are recorded or are needed to service the Development or any portion thereof, are hereby reserved by Declarant, its successors and assigns, together with the right to grant and transfer the same.

3. Association's Duties: The Association shall maintain all utility connections, sanitary sewers and storm drainage facilities located in the Common Area, except for those installations maintained by utility companies, public,

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private, or municipal. All storm drainage facilities shall be regularly inspected and, if necessary, cleaned or otherwise maintained. The Association shall pay all charges for utilities supplied to the Development, except those metered or charged separately to the Condominiums.

4. Easements for Ingress, Egress and Support: Unless designated Exclusive Use Common Area, which use thereto is restricted as described on the Condominium Plan or this Declaration for the benefit of less than all Units, the Owners, and their invitees and licensees, there is appurtenant to each Condominium nonexclusive rights of ingress, egress and support, if necessary, through, on, upon, or over the Common Area.

5. Structural and Support Easements: Easements shall exist in favor of the Owners of Condominiums through, on, upon, or over the Condominium Building Common Area and the Recreational Common Area for the structural and foundational support of each Condominium Building.

ARTICLE VII
USE RESTRICTIONS

In addition to all of the covenants contained herein,

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the use of the Development and each Unit therein is subject to the following restrictions:

1. Condominium Use: The Units shall be used for residential purposes only, and no part of the Development shall be used or caused, allowed, or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purpose, except that Declarant, its successors or assigns, may use Common Area and/or a Unit(s) owned by Declarant for a model Unit site, design center, or display and sales office which promotes the Development and until the last Unit is sold, all as more particularly set forth below.

2. Nuisance: No activities which are illegal or which are seriously offensive or noxious to a person of ordinary sensibilities, shall be carried on within any Unit, or in any other part of the Development, nor shall anything be done which may be or may become a serious annoyance or a nuisance, which may in any way interfere with the quiet enjoyment of each of the Owners of his or her respective Condominium, which may in any way increase the rate of insurance for the Development, cause an insurance policy to be cancelled, or cause a refusal to renew the same, which will impair the structural integrity of any building, or which will violate any statute, ordinance, or code.

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3. Parking and Vehicle Operation Restrictions:

Subject to the terms and conditions of Article IV, Section 17, the Owner(s) of each Unit shall be entitled to the exclusive use of the parking stall designated on the Condominium Plan which corresponds to that Owner's Unit Designation for the purpose of parking one (1) vehicle. The Declarant may, at its sole discretion, upon the initial conveyance of the Condominiums, grant an exclusive use easement to these parking stalls designated on the Condominium Plan as P-17, P-18, P-19, P-95 and P-96 for the benefit of Owners of no more than five (5) of the Condominiums.

There is also located on the Recreational Common Area areas in which additional parking may be provided. The Association shall cause these areas to be striped (hereinafter referred to as "uncovered parking stalls"). These uncovered parking stalls and parking stalls P-17, P-18, P-19, P-95 and P-96, for which exclusive use easements have not been granted, shall be used for the parking of one (1) vehicle per space by the Owners of the Condominiums, the occupants of the Units, or their guests. The Board may grant a revocable license to the occupant of a Unit or designate certain parking stalls as guest parking for uncovered parking stalls and P-17, P-18, P-19, P-95 and P-96, to which exclusive use easements have not been granted; provided, however, the occupants of a Unit shall have no more than a total of two (2) parking stalls (including the parking stall(s) for which there has been granted an

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exclusive use easement) or one (1) stall for each occupant of a Unit, whichever is less.

No trailer, camper, mobile home, commercial vehicle, truck (other than a standard size pickup truck or standard size van), unlicensed vehicle, boat, inoperable automobile, or similar equipment shall be permitted to remain in any parking stall or other area within the Development, other than on a temporary or transient basis. Commercial vehicles shall not include sedans (or standard size vans or pickup trucks) which are used both for business and personal use; provided, however, that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board.

No vehicle shall be operated upon the Development which emits extraordinary and offensive levels of exhaust pollution or noise, as such levels may be determined by the Board. Any violation of this Section may be rectified by the Association causing any such vehicle to be towed and stored at the vehicle owner's expense, and each Owner, trespasser, licensee, and invitee, shall indemnify, defend and hold the Association, its Board members, officers, manager and employees harmless for any damage to person or property which may result.

4. Animals: No animals, reptiles, rodents, birds, fish, livestock, or poultry shall be kept in any Unit or elsewhere within the Development, except that with the Board's prior written approval, fish, one (1) domestic dog or cat and,

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at a maximum, two (2) birds inside bird cages may be kept as household pets within any Unit, if they are not kept, bred or raised for commercial purposes. Said approval shall not be unreasonably withheld. The keeping and control of each type of pet shall be expressly subject to such controls or prohibitions as may be adopted by the Board from time to time. No pet may be kept on the Development if the Board, after a hearing, determines, in its sole good faith judgment, that it would result in substantial annoyance or that it would be obnoxious to a person of ordinary sensibilities living within a Unit in the Development. In the event an individual animal is permitted by the Board on the Development, any subsequent prohibition by the Board of that type of animal shall not act to cause the removal of that previously permitted similar animal. Each person bringing or keeping a pet upon the Development shall be liable to the other Owners, their family members, guests, invitees, tenants, and contract purchasers, and their respective family members for any damage to persons or property proximately caused by any pet brought upon or kept upon the Development by that person.

Notwithstanding anything contained herein, each owner of a pet shall comply with each applicable ordinance of the City of San Jose.

5. Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from the Development, and shall not be allowed to accumulate thereon. Trash,

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garbage and other waste shall, at all times, be kept in sanitary containers. All equipment for the storage or disposal of such waste material shall be kept in a clean, orderly, and sanitary condition. To the extent reasonable, all equipment, garbage and trash containers, woodpiles, or storage piles shall be kept in enclosed areas.

6. Right to Lease. With the exception of a Mortgagee in possession of a Unit following a default in a First Mortgage, a foreclosure proceeding, or any other deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Condominium for transient or hotel purposes which shall be defined as (1) rental for any period less than thirty (30) days, or (2) any rental if the occupants of the Unit are provided customary hotel services such as room service for food and beverage, maid services, or the furnishing of laundry and linen, and subject to a fee. Subject to the foregoing restriction, the Owner of the Condominium shall have the right to rent his Condominium, provided that the lease is of the entire Condominium, in writing, and expressly made subject to the Condominium Documents, and further provided that the breach by the tenant of such covenants, conditions, restrictions, limitations, uses, or rules shall also be a breach of the lease.

In the event an Owner does lease his Condominium as herein provided, he shall, within three (3) days of execution

of the lease, provide the Board or the manager with the following:

- a. Name of each occupant;
- b. Current address and telephone of the Owner;
- c. A statement by the Owner that the tenant has received a copy of the Declaration and any amendment thereto, the Articles, the Bylaws, and the rules and regulations promulgated by the Board or the Architectural Control Committee and that such tenant has been advised of any obligation he may have thereunder;
- d. A statement by the Owner that the lease does not relieve the Owner of his obligation to pay each and every regular and special assessment to the Association; and
- e. Duration of the lease.

7. Construction or Alteration: No building, fence, wall, obstruction, deck, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind shall be commenced, erected, painted or maintained upon the Development, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Architectural Control Committee, as defined in the Bylaws, and the Board. (The Architectural Control Committee or the Board may condition its approval upon the Owner recording a "Notice of Non-responsibility" or similar document protecting the Association or other Owners from any mechanics lien that may

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be recorded because of alteration or improvement.) Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc., shall be submitted to the Board and Architectural Control committee for approval as to the quality of workmanship, design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with a color scheme most recently approved by the Board, or to rebuild in accordance with plans and specifications most recently approved by the Board. In the event an Owner desires to install, repair, or replace any curtains, drapes, blinds or any other item which may be seen from the Common Area or public roadway, it shall be of the same exterior color of that originally installed and equal to or greater than the grade of the original installation, and in all events shall be approved by the Board. Nothing in this Section, however, shall be construed as requiring Declarant to obtain approval for the renovation or completion of the Development. To the extent required, no construction or repair may commence until it conforms to the ordinances and building codes of the City of San Jose at the time such work commences, and all necessary permits have been received.

Notwithstanding anything stated hereinabove, in recognition of maintaining an aesthetic appearance from the Common Area and public roadways, the Board shall have the

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authority to regulate or prohibit the amount and type of landscaping, furniture, and other items that may be placed or stored in, on, or around the decks. No Owner shall build or place or cause to be built or placed any shed, pet area, covering, enclosure or other structure within or on his deck without the prior written consent of the Architectural Control Committee and the Board, and each Owner shall, at all times, keep his deck free and clear from debris and maintain it in a neat, clean, attractive, safe and first-class manner. In recognition that decks may have open decking to allow for proper drainage, an Owner shall not be responsible to any other Owner for the unintentional spillage of water or other inoffensive or non-harmful material from his deck.

8. Antennae and Clotheslines: No television or radio poles, antennae, flag poles, clotheslines, or other external fixtures other than those originally installed by Declarant or approved by the Association, and any replacements thereof, shall be constructed, erected, or maintained on or within the Property, or any structures thereon. No wiring, insulation, air-conditioning, or other machinery or equipment other than that originally installed by Declarant or approved by the Association, and any replacements, shall be constructed, erected or maintained on or within the Common Area. Each Owner shall have the right to maintain television or radio antennas within completely enclosed portions of his Unit. Cable television serving individual Units shall be separately metered and shall be the expense of each individual

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Unit Owner. The location of common antennas or connection facilities for any cable television serving one or more Unit shall be as designated by the Board, and each Condominium and its Owner shall be subject to the right of other Owners or the Association to install, use, and maintain such common antennas and facilities.

9. Power Equipment and Car Maintenance: No power equipment, hobby shops, or car maintenance, other than emergency work, shall be permitted in the Development; nor shall a tank for the storage of gas, liquid, explosive or any inflamatant be stored on or in the Development unless such installation is done by Declarant or has been approved by the Association.

10. Liability of Owners for Damage: The Owner of each Condominium shall be liable to the Association for all damages to the Common Area caused by such Owner or any occupant of his Unit or guest.

11. Storage: Other than in storage areas as designated on the Condominium Plan, nothing shall be stored in the Common Area without the prior consent of the Board. The Declarant, or in the event Declarant fails to so act, the Board shall grant, for the benefit of the Owners of each Condominium, an exclusive use easement to the storage area identified on the Condominium Plan with the designation "S"

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and the Unit Designation. At no time shall any Owner or the Association place within any such storage area any item which is explosive, inflammable, poisonous, alive, or likely to increase a premium paid for or decrease the availability of insurance for the Association.

12. Sales Activities: Declarant may use any portion of the Common Area and various Units owned by Declarant from time to time as sales models and conduct sales activities therein until all Condominiums have been sold by Declarant. Declarant may maintain reasonable displays and conduct reasonable activities related to sales therein.

13. Signs: No sign of any kind shall be displayed to the public view on or from any Unit or the Common Area without the prior written consent of the Board, subject to the following exceptions:

- a. Development identification signs;
- b. Signs advertising any Condominium for sale or exchange of a reasonable design and size, and in a reasonable location, all designated by the Board; and
- c. Signs maintained by Declarant in connection with its sales activities.

Notwithstanding anything contained herein, any sign which is displayed shall conform to each applicable ordinance of the City of San Jose regarding signs.

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14. Recreational Common Area: The Recreational Common Area shall be used for the enjoyment of the Owners, their families, tenants, and guests pursuant to the rules and regulations promulgated by the Board. The Association shall control and maintain all facilities located thereon including, but not limited to, a swimming pool, outdoor jacuzzi, recreation building, sport courts, land, landscaping, driveway areas, and parking stalls; provided, however, the Board may add to or replace any facility located in the Recreational Common Area.

15. Association Office. Located between Units 31 and 33 on the first floor of Building 3, as shown on the Condominium Plan, is Condominium Building Common Area of Building 3 which shall be used on an office for the Association or for any other purpose for the benefit of all the Owners as the Board may, from time to time, deem appropriate.

ARTICLE VIII
MORTGAGE PROTECTION

1. Validity of Mortgage Lien: No breach of any of the covenants, conditions and restrictions contained herein, nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any First Mortgage

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on any Condominium made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

2. Notice to Eligible Mortgagees and Eligible Insurers and Guarantors. Upon written request to the Association, identifying the name and address of the Eligible Mortgagee or Eligible Insurer or Guarantor, and the Unit address, such Eligible Mortgagee or Eligible Insurer or Guarantor shall be entitled to timely notice of:

a. Any condemnation loss or any casualty loss which affects a material portion of the Development or any Condominium on which there is a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer or Guarantor, as applicable;

b. Any delinquency in the payment of assessments owed by an Owner of a Condominium subject to a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer or Guarantor, which remains unsecured for a period of sixty (60) days;

c. Any default in the performance by an Owner of a Condominium subject to a Mortgage held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer or Guarantor, which remains unsecured for a period of sixty (60) days;

d. Any lapse, cancellation or material modification of an insurance policy or fidelity bond maintained by the Association; or

e. Any proposed action which would require the consent of First Mortgagees as specified in Article VIII, Section 6. Any failure by the Association to give such notice of default shall not in any event relieve the Owner of responsibility to cure the default or prevent the Association from enforcing the performance of the defaulted obligations by any of the procedures provided for in the Condominium Documents.

3. Notice of Condemnation or Destruction: In the event of the total or substantial destruction of or the commencement of eminent domain proceedings or other acquisition procedures by a condemning authority against the Development or any portion thereof, Mortgagees of First Mortgages shall be given timely written notice of such destruction or proceedings.

4. Limitation on Right of First Refusal: The right of an Owner to sell, transfer, or otherwise convey his Condominium shall not be subject to any right of first refusal or any similar restriction in favor of the Association. In the event there is permitted a right of first refusal in favor of any other person or entity, it shall not be based upon the race, color, religion, sex, sexual preference, marital status,

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national origin or ancestry of the vendee, and it shall not impair the rights of a holder of a First Mortgage to:

- a) foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage;
- b) accept a deed (or assignment) in lieu of foreclosure in the event of a default by the Mortgagor; or
- c) sell or lease a Condominium acquired by the Mortgagee.

5. Priority as to Proceeds and Awards: Any language contained in this Declaration to the contrary notwithstanding, no Owner and no other party shall have priority over any rights of Mortgagees pursuant to their Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Units and/or the Common Area.

6. Consent by Mortgagees to Amendments: Without the vote or prior written consent of two-thirds (2/3) of the total voting power of the Association and the approval of a majority of the First Mortgagees (unless a higher percentage of voting power of First Mortgagees is specifically required elsewhere in this Declaration), the Association shall not add to or amend any material provisions of the Condominium Documents which establish, provide for, govern or regulate any of the following:

- a. Voting rights;

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- b. Assessments, assessment liens or subordination of such liens;
- c. Reserves for maintenance, repair and replacement of the Common Area;
- d. Insurance or Fidelity Bonds;
- e. Rights to use the general or Exclusive Use Common Area;
- f. Responsibility for maintenance and repair of the Development;
- g. Expansion or contraction of the Development or the addition, annexation or withdrawal of property to or from the Development;
- h. Boundaries of any Unit;
- i. Reallocation of interests in the general or Exclusive Use Common Area;
- j. Convertibility of Units into Common Area or of Common Area into Units;
- k. Leasing of Units;
- l. Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Condominium;
- m. A decision by the Association to establish self management when professional management has been required previously by a First Mortgagee;
- n. Restoration or repair of the Development (after a hazard damage or partial condemnation) in a manner other than that specified in the Condominium Documents;

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o. Any action to terminate the legal status of the Development after substantial destruction or condemnation occurs; or

p. Any provisions which are for the express benefit of Mortgagees, Insurers, or Guarantors of First Mortgages on Condominiums.

For purposes of this Section 6, any Mortgagee who receives a written request to approve additions or amendments to the Condominium Documents which are not considered as a material change (such as the correction of a technical error or the clarification of a statement), and who does not deliver or post with the Association a negative response within thirty (30) days, shall be deemed to have approved such request.

7. Restrictions on Certain Changes: Unless two-thirds (2/3) of all First Mortgagees (based on one vote for each Condominium encumbered) have given their prior written approval, neither the Association nor the Owners shall be entitled:

a. By act or omission, to seek to abandon or terminate the Development, except for abandonment or termination as provided by statute in case of substantial destruction or loss to the Units and Common Area by fire or other casualty or in the case of a taking by condemnation or eminent domain;

b. To change the pro rata interest or obligations of any Condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or

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condemnation awards or for determining the pro rata share of ownership of each Condominium in the Common Area;

c. To partition or subdivide any Condominium;

d. By act or omission, to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of said areas by the Association or the Owners shall not be deemed a transfer within the meaning of this clauses); or

e. To use hazard insurance proceeds for losses to Condominium property (whether to Units or Common Area) for other than the repair, replacement or reconstruction of such Development property except as provided by statute in case of substantial loss of the Units or Common Area.

8. Consent to Terminate Legal Status of Development:

Except as provided by statute or any other provision of the Condominium Documents in case of substantial destruction or condemnation of the Development, the consent of Owners of Condominiums to which at least seventy-five percent (75%) of the voting power of the Association is allocated and the approval of sixty-seven percent (67%) of Mortgagees of First Mortgages shall be required to terminate the legal status of the Development as a condominium project.

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ARTICLE IX
INSURANCE, DAMAGE OR CONDEMNATION

1. Fire and Casualty: The Association shall obtain a blanket policy or policies of insurance covering all of the Development, including improvements now or hereafter erected on the Development and all equipment and fixtures located thereon or used in connection therewith, insuring the Owners, including the Association, against loss or damage by the perils insured under the Standard Special Extended Coverage form (including, but not limited to, loss or damage by fire, vandalism, malicious mischief, sprinkler leakage, lightning, windstorm, water and other special extended coverage risks, and the costs of demolition and debris removal), which may also be extended to include Flood and Earthquake Insurance. Coverage shall be in an amount or amounts equal to full replacement value (i.e., one hundred percent (100%) of replacement cost exclusive of land, foundation, excavation and other items normally excluded from coverage and without any deduction for depreciation), with an "agreed amount" endorsement or its equivalent, if available, or an "inflation guard" endorsement, payable to the Association. Each such policy required to be maintained hereunder may be subject to a "deductible" or self-insurance amount as the Board deems prudent under the then existing circumstances. Each such policy shall provide for full waiver

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of subrogation by the insurer as to any and all claims against the Association, the Owners, and their respective officers, directors, partners, agents, employees, and tenants, if any, and a full amount of all defenses based upon acts of the insureds or the existence of co-insurance.

2. Boiler and Machine Insurance: The Association shall obtain a policy of Boiler and Machinery Insurance, if applicable, insuring the Owners, including the Association, against loss or damage to or because of boilers and other machinery, including but not limited to, all machinery and equipment for heating, ventilating, air conditioning, power generation and similar purposes (including, but not limited to, loss or damage by fire, vandalism, malicious mischief, sprinkler leakage, lightning, windstorm, water and other special extended coverage risks, and the costs of demolition and debris removal), equal to full replacement value without deduction for depreciation, with an "agreed amount" endorsement or its equivalent, if available, or an "inflation guard" endorsement, payable to the Association.

3. Liability Insurance: The Association shall obtain and maintain a policy or policies of Comprehensive General Public Liability Insurance, with limits not less than Two Million Dollars (\$2,000,000.00), combined single limit of Bodily Injury and Property Damage Liability, subject to the Board's good faith determination of availability and

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cost-effectiveness in relation to the risk and premium to be charged for such coverage; provided, however, under no circumstances may the minimum amounts of coverage be less than that specified in California Civil Code, Section 1365.7(a)(4)(B). Such policies shall include all of the following extensions of coverage: Products/Completed Operations, Independent Contractors, Blanket Contractual Liability, Broad Form Property Damage, Host Liquor Liability, Non-Owned and Hired Automobile Liability, Employees as Additional Insureds, and Personal Injury Liability (Libel, Slander, False Arrest and Wrongful Eviction) with the "Employee Exclusion" deleted. Such policies shall name as insured, and shall separately protect, the Association, and the Owners, their respective officers, directors, partners, agents and employees (including any manager appointed hereunder), the Board and its members, and their successors and assigns (both individually and as a class), against any liability to the public, including any Owner, his successors, and assigns, tenants or lessees.

4. Board Members and Officers Liability: The Association shall maintain a policy or policies insuring the Owners, individually or collectively, against claims arising out of or based upon negligent acts, errors, omissions, or alleged breaches of duty of any director, or any officer, while acting in their capacity as such, in the amount of Five Hundred Thousand Dollars (\$500,000.00) for each occurrence,

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subject to the Board's good faith determination of availability and cost-effectiveness in relation to the risk and premium to be charged for such coverage. Such limits are to be reviewed by the Board not less often than annually. Said policy or policies shall provide for a full waiver or subrogation against the insureds, a full waiver of all defenses based upon acts of insureds and shall further provide that said policy or policies cannot be cancelled or modified without at least sixty (60) days prior written notice to the Association.

5. Fidelity Bond or Insurance: The Association shall maintain, or be covered by, a fidelity bond or policy of insurance against dishonest acts on the part of any persons entrusted with or permitted to handle funds belonging to or administered by the Association, including the professional manager and his employees. Such fidelity bond or policy of insurance shall name the Association as the named insured and shall be written in an amount sufficient to provide protection which is not less than the sum of three (3) months' assessments on all Condominiums in the Development plus the Association's reserves. An appropriate endorsement shall be added to such policy or bond, if necessary, to cover any persons who serve without compensation, including directors, if such policy or bond would not otherwise cover the acts of volunteers.

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6. Worker's Compensation: The Association shall obtain Worker's Compensation Insurance to the extent required to comply with any applicable law.

7. Insurance Required by Certain Lenders: Notwithstanding Article IX, Sections 1-6, or any other provision of this Declaration, in the event the casualty, boiler and machinery, and liability insurance and a fidelity bond requirements established for condominium projects by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC") are greater than those insurance and fidelity bond requirements specified in this Declaration, the FNMA or FHLMC requirements, whichever are greater, shall be maintained by the Association. This requirement as to FNMA or FHLMC shall remain so long as FNMA or FHLMC is a Mortgagee, Insurer or Guarantor of a Mortgage, or an Owner of a Condominium within the Development; provided, however, to the extent such coverage is not available or has been modified or waived in writing by FNMA or FHLMC, it need not be obtained.

8. General Policy Provisions: Each of the policies of insurance obtained by the Association pursuant to this Article shall include the Association, as trustee for the Owners of the Condominiums, as a named insured, and shall provide that the insurers may not cancel, change, or refuse to renew the policies without first giving sixty (60) days prior written

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notice to the Association, the Owners, and their Mortgagees. Each such policy shall also provide that coverage shall not be prejudiced by any act or neglect of any Condominium Owner, except to the extent such prejudice is unavoidably imposed by law, or by any failure of the Association to comply with any warranty or condition regarding any portion of the Development over which the Association has no control. Each such policy shall contain both a full waiver of subrogation by the insurer as to any and all claims against the Association, any Owners and their respective agents, employees and tenants, and a waiver of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured, except to the extent such invalidity is unavoidably imposed by law. Each such policy shall also provide that the coverage provided may not be brought into contribution with insurance purchased by the Owners or their Mortgagees.

All such policies of insurance and bonds shall be obtained from insurance companies with a financial rating of Class VI or better and a policyholder's rating of A or better, both by Best's insurance rating guide. In the event Best's should revise its rating system, the Association shall select insurance companies with equivalent financial and policyholder's ratings under the rating system then being used by Best's or, in the event Best's discontinues its rating system, insurance companies with equivalent financial and policyholder's ratings under such comparable rating system as the Board may select.

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It is the responsibility of each Condominium Owner to insure his own personal property and the improvements and betterments added to his Unit, together with additional living expense coverage and personal liability insurance as the Owner deems appropriate.

9. Payment of Premiums: Insurance premiums for the policies required hereby shall be a Common Expense to be included in the monthly assessment levied by the Association. The portion of assessment payments necessary for the insurance premiums may be held in a separate account of the Association to be used solely for the payment of the premiums for such policies.

10. Material Damage or Destruction: If any portion of the Development is materially damaged or destroyed by fire or other casualty ("materially damaged" is defined for the purpose of this Article IX as any damage for which the cost of repair or reconstruction, as determined by bids solicited and obtained from at least two (2) licensed contractors selected by the Board, is equal to or greater than One Million Dollars (\$1,000,000.00), as adjusted by a fraction whose numerator is the Consumer Price Index (1982/84=100) for all Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, for the statistical area in which San Jose is located, or any successor thereof ("CPI"), last published as of the date of damage or destruction, and

whose denominator is the CPI last published as of the date of recordation of this Declaration, the following procedures shall occur:

a. A special Owners meeting shall be held within sixty (60) days of the date of the material damage or destruction. Said Owners meeting shall be called by the Board, the president, or any six (6) Owners if the meeting has not been called within fifteen (15) days of the damage or destruction, and the Secretary shall give thirty (30) days written notice of the meeting to each Owner and his Mortgagees of record. Said Owners meeting shall be held at a suitable location on the Development, or as close thereto as practicable, which location shall be specified in such notice.

b. As soon as practicable, the Development shall be repaired or reconstructed in substantial accordance with the latest available construction plans and specifications as hereinafter provided, unless in such special Owners meeting at least three-quarters (3/4) of the total voting power of each class of Owners casts votes against such repair or reconstruction, in which event Article IX, Section 11, shall immediately become applicable.

c. Unless, in the manner provided above, the requisite number of votes are cast against such repair or reconstruction, all of the insurance proceeds payable on account of such damage or destruction shall be deposited with a commercial lending institution experienced in the disbursement of construction loan funds (the "Depository").

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The Depository shall be appointed by the Association. Such funds shall be disbursed in accordance with the normal construction loan practices for the Depository, and which shall be reasonably acceptable to the Board. The restoration or reconstruction shall be substantially in accordance with the latest available construction plans and specifications for the Development, modified as may be required by available materials, state of the art construction, applicable building codes and regulations in force at the time of such repair or reconstruction, or in accordance with such other plans and specifications as may be approved by a majority of all Owners; provided, however, any Owner's modification to the latest available construction plans and specifications of his Unit shall be approved unless the cost of construction pursuant to the modification exceeds the cost of reconstruction according to the latest available construction plans and specifications, it affects the Common Area, or it affects the square footage of, permitted use of, utility service to, easements in favor of, or number of Units.

d. The Association shall designate a Construction Consultant (the "Construction Consultant"), General Contractor (the "General Contractor"), and Architect (the "Architect"), for the repair or reconstruction contemplated by this Section.

e. The insurance proceeds payable on account of such damage or destruction shall be deposited with the Depository and shall be disbursed in accordance with the normal construction loan practices of the Depository upon the receipt

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of appropriate mechanics lien releases, and upon the certification of the Construction Consultant, the General Contractor and the Architect dated not more than ten (10) days prior to any such request for disbursement, setting forth the following:

- (1) That all of the work completed as of the date of such request for disbursement has been done in compliance with the approved plans and specifications;
- (2) That such disbursement request represents monies which either have been paid by or on behalf of the Construction Consultant, the General Contractor or the Architect and/or is justly due to contractors, subcontractors, materialmen, engineers, or other persons (whose name and address shall be stated) who have rendered or furnished certain services or materials for the work, giving a brief description of such services and materials, and the principal categories thereof, the respective amounts paid or due to each of said persons in respect thereof, and stating the progress of the work up to the date of said certificate;
- (3) That the sum then requested to be disbursed plus all sums previously disbursed, does not exceed the cost of the work insofar as actually accomplished up to the date of such certificate;
- (4) That no part of the cost of the services and materials described in the foregoing subsection (e)(1) has been or is being made the basis for the disbursement of any funds in any previous or then pending application; and

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(5) That the amount held by the Depository will, after payment of the amount requested in the pending disbursement request, be sufficient to pay in full the cost of such repair or reconstruction.

f. In the event the insurance proceeds available for repair or reconstruction are less than the total cost of such repair or reconstruction, the Association shall first use sums from its accounts and, if necessary, shall levy a special assessment on all of the Owners, in accordance with Article IV, Section 4, to restore or rebuild the Development.

g. All such funds to be supplied by the Association, shall be deposited with the Depository and shall be disbursed pursuant to the provisions of this Section.

11. Owners Vote Not to Rebuild: In the event the Owners vote not to rebuild, the Association shall, acting as attorney-in-fact for all the Owners, sell the remaining property on terms satisfactory to the Board. The proceeds of the sale, net of brokers' commissions, taxes, costs of escrows, and other costs usually incurred in the sale of real property, together with the insurance proceeds, accrued reserves, interest, and other funds shall thereupon be distributed to the Owners according to the following procedure: the Board shall retain, at Association's expense, an appraiser who is a member of the American Institute of Appraisers or other nationally recognized appraiser's organization, who shall determine the fair market value of

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each Condominium as it existed immediately prior to the damage or destruction, and whose determination of value shall be final. The Board shall then distribute to each Owner and his Mortgagees the following amounts:

- a. That percentage of insurance and net sale proceeds equal to that Condominium's fair market value divided by the total fair market value of all the Condominiums; and
- b. That percentage of accrued reserves, interest, and other funds as the most recent assessment then assessed against each Condominium prior to the damage bears to the total assessments assessed to all the Condominiums.

12. Damage or Destruction Not Considered Material. In the event there is any damage or destruction to any portion of the Development as a result of fire or other casualty, which is not material as that term is defined in Article IX, Section 10, the Development shall be repaired and reconstructed (after the holding of a special Owners meeting in which a special assessment is approved, unless exempted by Article IX, Section 13) in accordance with the provisions for repair and reconstruction as set forth in Article IX, Section 10.

13. Substantially Full Insurance Settlement. Notwithstanding any provision of Article IX, Section 11, to the contrary, if the insurance carrier offers eighty-five percent (85%) or more of the full amount required to repair

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and restore all the damage, then the Board shall, without a vote of members, contract to repair or rebuild the damaged portions of the Development in the manner provided in Article IX, Section 10.

14. Emergency Repairs: In the event of a casualty, there is a substantial possibility that immediate emergency repairs will be required to eliminate defective or dangerous conditions and to comply with applicable laws, ordinances and regulations pending settlement of insurance claims and prior to procuring bids for performance of restoration work. As such, without waiting to obtain insurance settlement or bids, the Board may undertake such emergency repair work after a casualty as it may deem necessary or desirable under the circumstances, and the Board may charge the Association's Operating Accounts for the costs thereof.

15. Notice: Within (60) days after any damage or destruction occurs which invokes the provisions of Article IX, Sections 10-14, the manager, the Board, or if they do not, any Owner, the insurer, the insurance trustee, or any Mortgagee of any such Owner shall record a sworn declaration which shall state that such damage has occurred, a description of such damage, the name of any insurer against whom claim is or may be made, the name of any insurance trustee, that the sworn declaration is recorded pursuant to this Section of this Declaration, and that a copy of such declaration has been

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served on the Owners pursuant to the provisions of this Section.

16. Condemnation: In the event of any taking of any Unit, or a part thereof, by eminent domain, the Owner of such Unit shall be entitled to receive the award of such taking, after all mortgages and liens on the Unit have been satisfied or otherwise discharged. After acceptance thereof and if such Owner shall vacate the Unit as a result of such taking, the Owner and his Mortgagees shall be divested of all interest in the Development. The Development shall be rebuilt unless the Owners, by a three-quarters (3/4) total voting power of each class of Owners, decide not to rebuild.

In the event of a taking by eminent domain of the Common Area or more than one Unit, or parts thereof, at the same time, the Association shall represent the affected Owners in the negotiations and shall propose the method of division of the proceeds of condemnation where the compensation is not apportioned among the affected Owners and their respective Mortgagees by court judgment or by agreement between the condemning authority and each of the affected Owners. Such compensation available to the affected Owners shall be distributed among the affected Owners and their respective Mortgagees, as their interests may appear, according to the relative fair market values of the Condominiums affected by the condemnation as determined by an independent appraisal conducted by an appraiser who is a member of the American

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Institute of Appraisers or other nationally-recognized appraiser's organization, and whose appraisal shall be final. Said appraiser shall be retained by the Board and paid by the Association.

Upon the taking of any Unit(s) which constitutes less than a total take of all Units, the Board, acting as attorney-in-fact of all Owners, shall amend the Condominium Plan, the Map (if necessary), and this Declaration to eliminate from the Development the Units so taken and to adjust the undivided ownership interest of the remaining Owners to reflect the reduced number of Units in the Development; and the Association shall convey to each remaining Owner an equal proportionate share of the undivided interests in the Condominium Building Common Area of the Condominium Building in which the Owner's Unit is located.

ARTICLE X
GENERAL PROVISIONS

1. Enforcement: The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, together with any amendments hereto, or the Articles or Bylaws, and in such action shall be entitled to recover damages and/or injunctive relief, as well as reasonable attorneys fees as ordered by the Court. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Severability: Should any Section, or portion thereof, be declared invalid or in conflict with any law of the jurisdiction where this Development is situated, the validity of all other Sections and remaining portions thereof shall remain unaffected and in full force and effect.

3. Term: The covenants and restrictions of this Declaration shall run with and bind the Development, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs,

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successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

4. Amendments: Prior to closing of the first sale of a Condominium in the Development from Declarant to an individual Owner, this Declaration may be amended in writing by Declarant upon prior consent to such amendment by the California Department of Real Estate. After the closing of the first sale of a Unit to an individual Owner and during such time as there are two classes of voting membership in the Association, this Declaration may be amended only by the vote or written consent of not less than seventy-five percent (75%) of the voting power of each class of members, and an appropriate percentage of First Mortgages, if applicable. After the conversion of Class B memberships into Class A memberships, as provided in Article III, Section 6, this Declaration may be amended only by the vote or written assent of seventy-five percent (75%) of the voting power of all of the Association as well as the vote or written assent of a majority of the total voting power of the members other than Declarant, and an appropriate percentage of First Mortgages, as set forth in Article VIII.

Notwithstanding anything contained herein, the percentage of the voting power of the Association or of members other than Declarant necessary to amend a specific clause or

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provision of the Declaration, shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause or provision.

Any amendment shall be evidenced by an instrument executed and acknowledged by the President, Secretary or other duly authorized officer of the Association, shall make appropriate reference to this Declaration and its amendments, and shall be recorded in the Official Records of the Recorder of Santa Clara County.

5. Encroachment Easements: In interpreting deeds and the Condominium Plan, the existing physical boundaries of a Unit shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or Condominium Plan. As such, each Unit within the Development is hereby declared to have an easement over all adjoining Units and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, reconstruction, repair, movement, settlement or shifting of any building, or any similar cause. In addition, each Unit is subject to such encroachments by the Common Area as may now exist or may hereafter be created by any of the causes referred to in this Section. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of the Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event

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shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of such Owner or Owners. In the event a structure is partially or totally destroyed and is then repaired or rebuilt in substantially the same manner as originally constructed, the Owners of each Condominium agree that minor encroachments over adjoining Units or the Common Area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. In Units where air conditioning equipment is installed, an easement over the Common Area, into which the air conditioning equipment encroaches shall exist for the purpose of maintenance, replacement, and repair of said equipment.

6. Abatement of Public Nuisance: In the event that a public nuisance exists or is conducted on any portion of the Common Area, the Association shall abate such nuisance.

7. Limitations of Restrictions on Declarant:
Declarant is or may be undertaking the work of construction of incidental improvements and repairs to the existing buildings and appurtenances within the Development. The completion of that work and the sale, rental, or other disposal of the Condominiums is essential to the establishment and welfare of the Development as a condominium community. In order that said work may be accomplished and the Development be

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established as a fully occupied condorinium community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

a. Prevent Declarant, its contractors, or subcontractors from doing on the Development or any Unit whatever is reasonably necessary or advisable in connection with the completion of said work;

b. Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Development, such structures as may be reasonable or necessary for the conduct of its business of completing said work and establishing said Development as a community, and disposing of the same in Condominiums by sale, lease or otherwise;

c. Prevent Declarant from conducting on any part of the Development its business of completing said work and of establishing a plan of condominium ownership and of disposing of said Development by sale of Condominiums, lease or otherwise; or

d. Prevent Declarant from maintaining such sign or signs on any of the Development as may be necessary for the sale, or other disposition thereof.

So long as Declarant, its successors and assigns, owns one or more of the Condominiums established and described herein, Declarant, its successors and assigns, shall otherwise be subject to the provisions of this Declaration.

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8. Termination of any Responsibility of Declarant: In the event Declarant conveys its rights, title and interest in and to the Development to any individual, partnership or corporation and causes a "Notice of Substitution of Declarant", setting forth the name and business address of such individual, partnership or corporation and a reference to this Declaration to be recorded in the Official Records of Santa Clara County, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such individual, partnership or corporation shall be obligated to perform all such duties and obligations of Declarant and shall be entitled to exercise the rights available to Declarant hereunder.

9. Enforcement of Obligation to Complete Improvements: In the event that the Common Area of the Development has not been completed prior to the issuance of a final subdivision public report by the California Department of Real Estate, the Declarant shall enter into a written arrangement satisfactory to the California Department of Real Estate to secure the completion of such improvements. The Board of Directors shall consider and vote upon the question of action by the Association to enforce the rights provided to the Association by the arrangements if, within sixty (60) days after the completion date specified for a particular improvement in the "Planned Construction Statement" appended to the security arrangement document, no notice of completion

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as to such improvement has been filed. If the Association has given an extension in writing for the completion of any Common Area, the Board shall consider and vote upon the aforesaid question if a notice of completion has not been filed within thirty (30) days after the expiration of such extension.

A special meeting of the members of the Association, for the purpose of voting to override a decision by the Board not to initiate action to enforce the rights of the Association under the security arrangement or on the failure of the Board to consider and vote upon the question, shall be held not less than thirty-five (35) days nor more than forty-five (45) days after the receipt by the Board of a petition for such a meeting signed by members representing five percent (5%) of the total voting power of the Association. At such special meeting, a vote of a majority of the members of the Association other than the Declarant shall be required to take action to enforce the rights of the Association under the security arrangement, such vote shall be deemed to be the decision of the Association, and the Board shall thereafter implement such decision by initiating and pursuing appropriate action in the name of the Association.

10. Owner's Compliance: Each Owner of a Condominium and/or occupant of a Unit shall comply with the provisions of the Condominium Documents and the decisions and resolutions of the Association or its duly authorized representative, as such may be lawfully amended from time to time, and failure to

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comply with any such provisions, decisions, or resolutions, shall be grounds for action to recover sums due, for damages, or for injunctive relief. All arrangements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Bylaws, shall be deemed to be binding on all Owners of Condominiums, their successors and assigns.

11. Arbitration: In the event any dispute, claim, or cause of action arises between or among Declarant, a contractor directly retained by Declarant, and the Association and/or an Owner(s) with regard to this Declaration or the Development, upon written notice given by one party to the other, the matter shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association. In the event the American Arbitration Association cannot or will not accept such matter, either party may petition the Presiding Judge of the Superior Court of California, Santa Clara County, to appoint an arbitrator. This Section shall be liberally construed to use arbitration as a means of resolving said disputes, claims, or causes of action. This Section may not be amended without the prior written consent of Declarant, and which written consent shall first be recorded in the Official Records of the Recorder of Santa Clara County before any such amendment shall become effective.

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12. Conflict: In the case of any conflict between the Articles and Bylaws and this Declaration, this Declaration shall control.

13. Use of Words: Unless the context otherwise requires, singular nouns and pronouns used in this Declaration should be construed as including the plural thereof. For convenience and brevity, masculine pronouns may have been used herein in their generic sense as a reference to all persons, without regard to sex.

14. Statutory References: All references in this Declaration to particular statutes of the State of California should be deemed to include the same statute as hereafter amended or, if repealed, to such other statutes as may thereafter govern the same subject as the statute to which specific reference was made.

15. Notices: Any notice permitted or required by the Declaration, the Articles, or the Bylaws may be delivered either personally or by mail. If delivered by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each person at the current address given by such person to the Secretary of the Association, or addressed to the Unit of such person, if no address has been given to the Secretary.

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16. No Discrimination: Notwithstanding anything that may be stated herein, no provision of this Declaration shall purport to restrict or abridge, directly or indirectly, the right of an Owner to sell or lease his Condominium because of the race, color, creed, religion, sex, sexual orientation, marital status, national origin or ancestry of a proposed or actual buyer or occupant.

17. Power of Attorney: Each of the Owners irrevocably appoints the Association as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Development and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Development may be had under California Civil Code, Section 1359, and under the circumstances authorizing partition under this Declaration. This power of attorney shall (i) be binding on all Owners, whether they assume the obligations under this Declaration or not; (ii) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of sixty-seven percent (67%) of all Mortgagees of First Mortgages; and (iii) be exercisable only after recordation in the Official Records of the Recorder of Santa Clara County of a certificate executed by those who have power to exercise the power of attorney that the power of attorney is properly exercisable under the authority of this Declaration. This certificate shall be

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conclusive evidence of proper exercise in favor of any person relying on it in good faith.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has issued this Declaration as of the day and year first above written.

SUMMERHILL OAKS ASSOCIATES, a California Limited Partnership

By: Summerhill Development Co., a California corporation. General Partner

By: [Signature]
Roger Swanson
Its Vice President

11/06/89
#B002/B54403

CAT. NO. NN00636
TO 1984 CA (9-84)

(Corporation as a Partner of a Partnership)

TICOR TITLE INSURANCE

STATE OF CALIFORNIA }
COUNTY OF Santa Clara } ss.

On November 13, 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared Roger L. Swanson personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President, and

Summerhill Development Co. personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Secretary of the corporation that executed the within instrument on behalf of Summerhill Oaks Associates

the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.
WITNESS my hand and official seal.

Signature [Signature]



(This area for official notarial seal)

GENERAL NOTES

1. ALL BUILDING WALLS AND ALL WALLS OF UNITS ARE AT RIGHT ANGLES TO EACH OTHER, UNLESS NOTED OTHERWISE.
2. ALL DIMENSIONS AND ELEVATIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.
3. ALL WALL THICKNESSES ARE AS NOTED ON THE TYPICAL UNIT DIMENSION PLAN.
4. THE BOUNDARY LINES FOR EACH DECK ARE THE INTERIOR FINISHED SURFACE OF THE RAILINGS THEREOF AND THE EXTERIOR FINISHED SURFACE OF THE PERIMETER WALLS ABUTTING SAID DECK. THE LOWER LIMIT IS THE INTERIOR FINISHED SURFACE OF THE FLOOR OF THE ADJACENT UNIT EXTENDED. THE UPPER LIMIT IS THE INTERIOR FINISHED SURFACE OF THE CEILING OF THE ADJACENT UNIT EXTENDED.
5. PORTIONS OF THE "COMMON AREA" ARE HEREBY SET ASIDE AND ALLOCATED FOR THE USE OF PARTICULAR UNITS, SUCH PORTIONS OF THE COMMON AREA BEING REFERRED TO HEREIN AND IN THE DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS AS "EXCLUSIVE USE COMMON AREAS". EXCLUSIVE USE COMMON AREA SHALL INCLUDE THE PORTIONS OF COMMON AREA SET FORTH HEREIN BELOW:
 - A) EACH PARCEL DELINEATED WITH A "D" AND A NUMBER IS A FIRST STORY PATIO OR A SECOND STORY BALCONY, THE EXCLUSIVE USE OF WHICH IS RESERVED FOR THE OWNER OF THE CORRESPONDINGLY NUMBERED UNIT.
 - B) EACH PARCEL DELINEATED WITH A "P" AND A NUMBER IS A PARKING SPACE, THE EXCLUSIVE USE OF WHICH IS RESERVED FOR THE OWNER OF THE CORRESPONDINGLY NUMBERED UNIT.
 - C) EACH PARCEL DELINEATED WITH A "S" AND A NUMBER IS A STORAGE AREA, THE EXCLUSIVE USE OF WHICH IS RESERVED FOR THE OWNER OF THE CORRESPONDING NUMBERED UNIT.
6. ALL EVEN NUMBERS DENOTE SECOND STORY UNIT. ALL ODD NUMBERS DENOTE FIRST STORY UNITS.

ENGINEER'S STATEMENT

I, PETER B. MCMORROW, HEREBY STATE THAT I AM A REGISTERED CIVIL ENGINEER OF THE STATE OF CALIFORNIA AND THAT THIS PLAN CONSISTING OF FORTY FOUR (44) SHEETS CORRECTLY REPRESENTS A TRUE AND COMPLETE SURVEY OF THIS CONDOMINIUM PROJECT MADE UNDER MY SUPERVISION IN MAY, 1989 AND THAT ALL MONUMENTS WITHIN SAID PROJECT ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED AND IN ACCORDANCE WITH THIS PLAN, AND THAT THIS CONDOMINIUM PLAN CONSISTS OF A DESCRIPTION OR SURVEY MAP OF A CONDOMINIUM PROJECT WHICH REFERS TO OR SHOWS MONUMENTATION ON THE GROUND AND A THREE-DIMENSIONAL DESCRIPTION OF THE PROJECT IN SUFFICIENT DETAIL TO IDENTIFY THE COMMON AREAS AND EACH SEPARATE INTEREST PURSUANT TO THE REQUIREMENTS OF CALIFORNIA CIVIL CODE 1351(e).

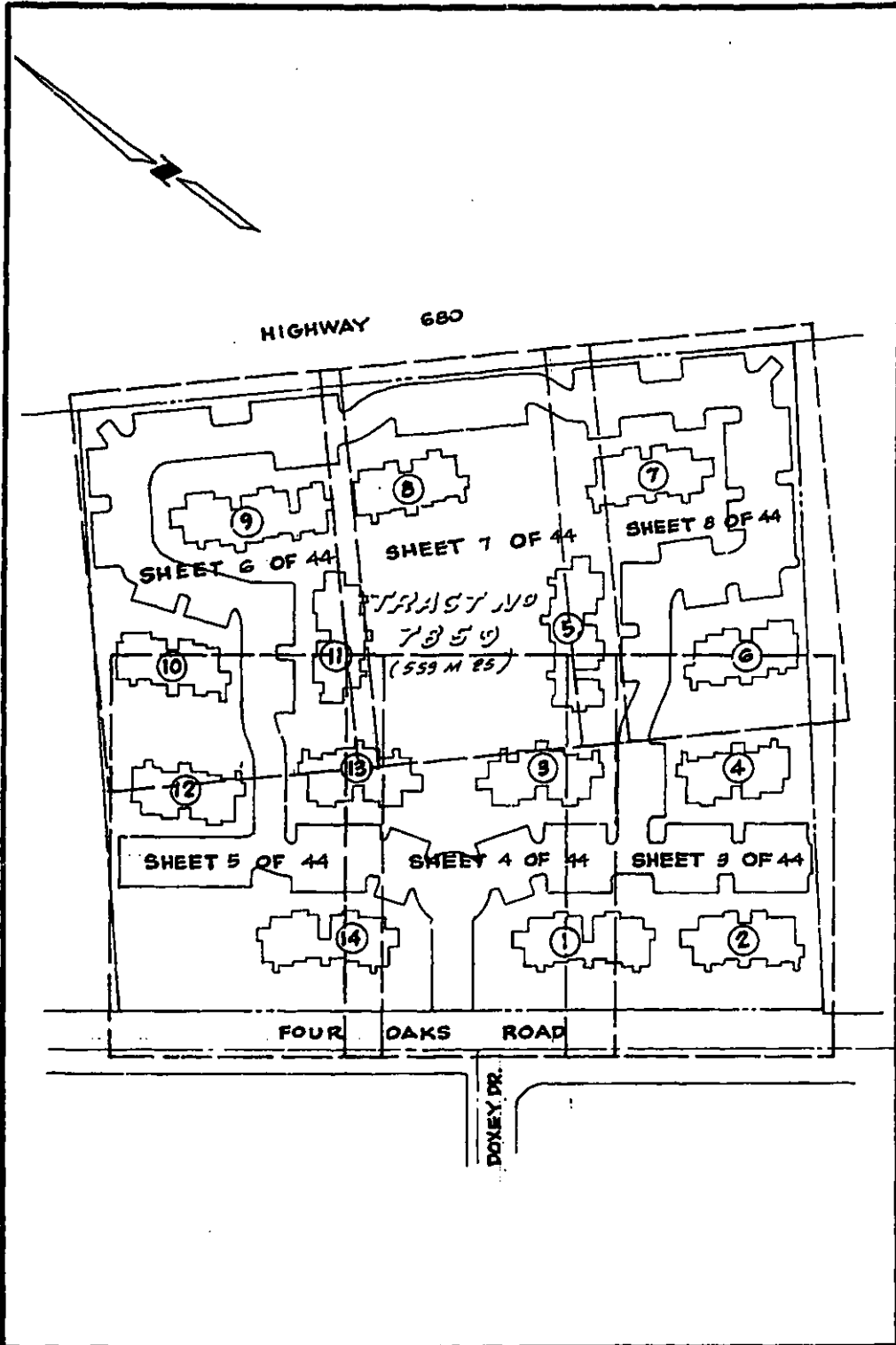
DATE: 11-1-1989

Peter B. McMorro
 PETER B. MCMORROW, No. 31954
 12-31-92
 CIVIL ENGINEER
 STATE OF CALIFORNIA

EXHIBIT 'A'

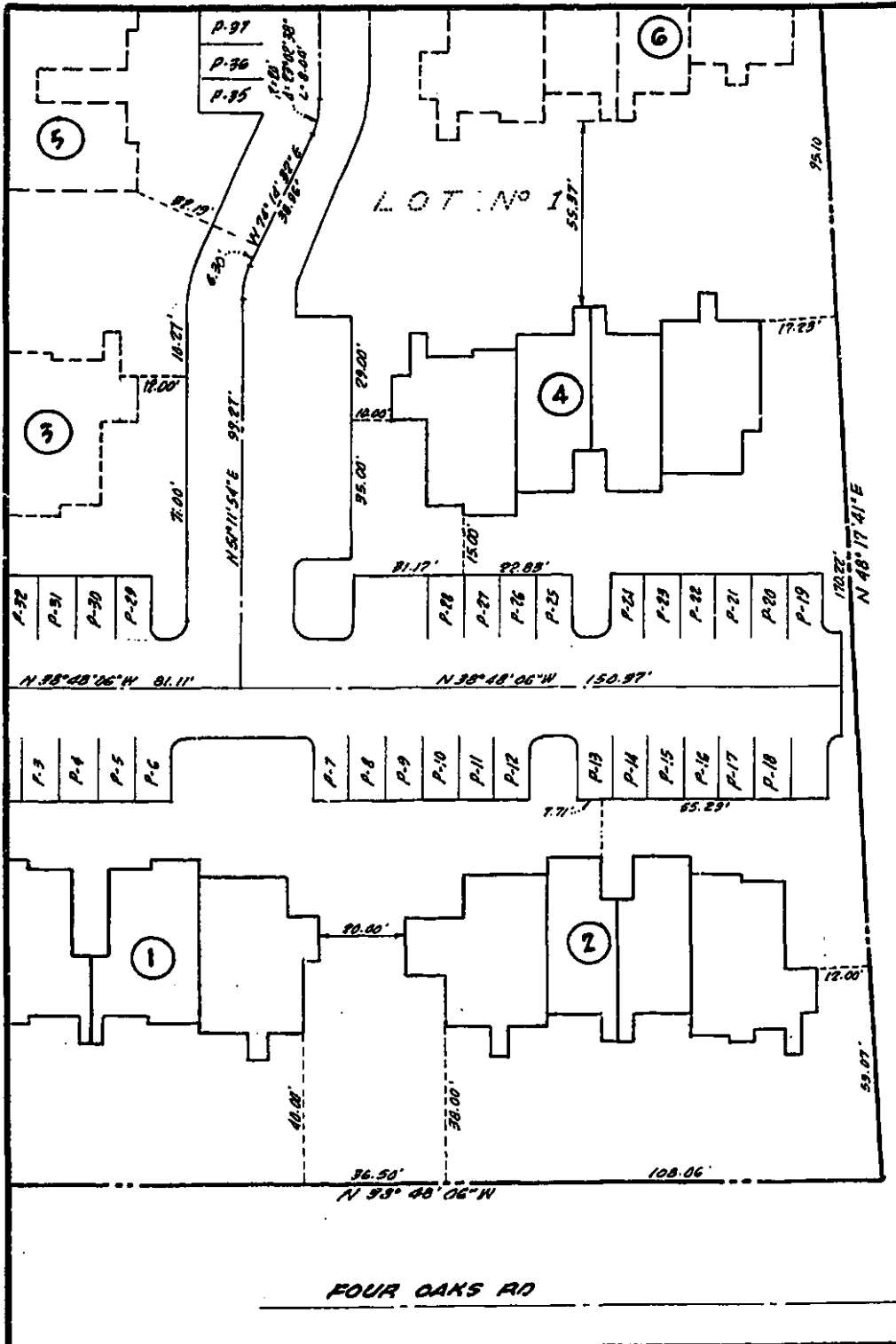
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 CIVIL ENGINEERING ASSOCIATES CIVIL ENGINEERS • PLANNERS • SURVEYORS 1041 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 452-1205	NOTES AND CERTIFICATES
	A CONDOMINIUM PLAN FOR WYNDAW JAKS SAN JOSE, CALIFORNIA SNT. 1 OF 44S.



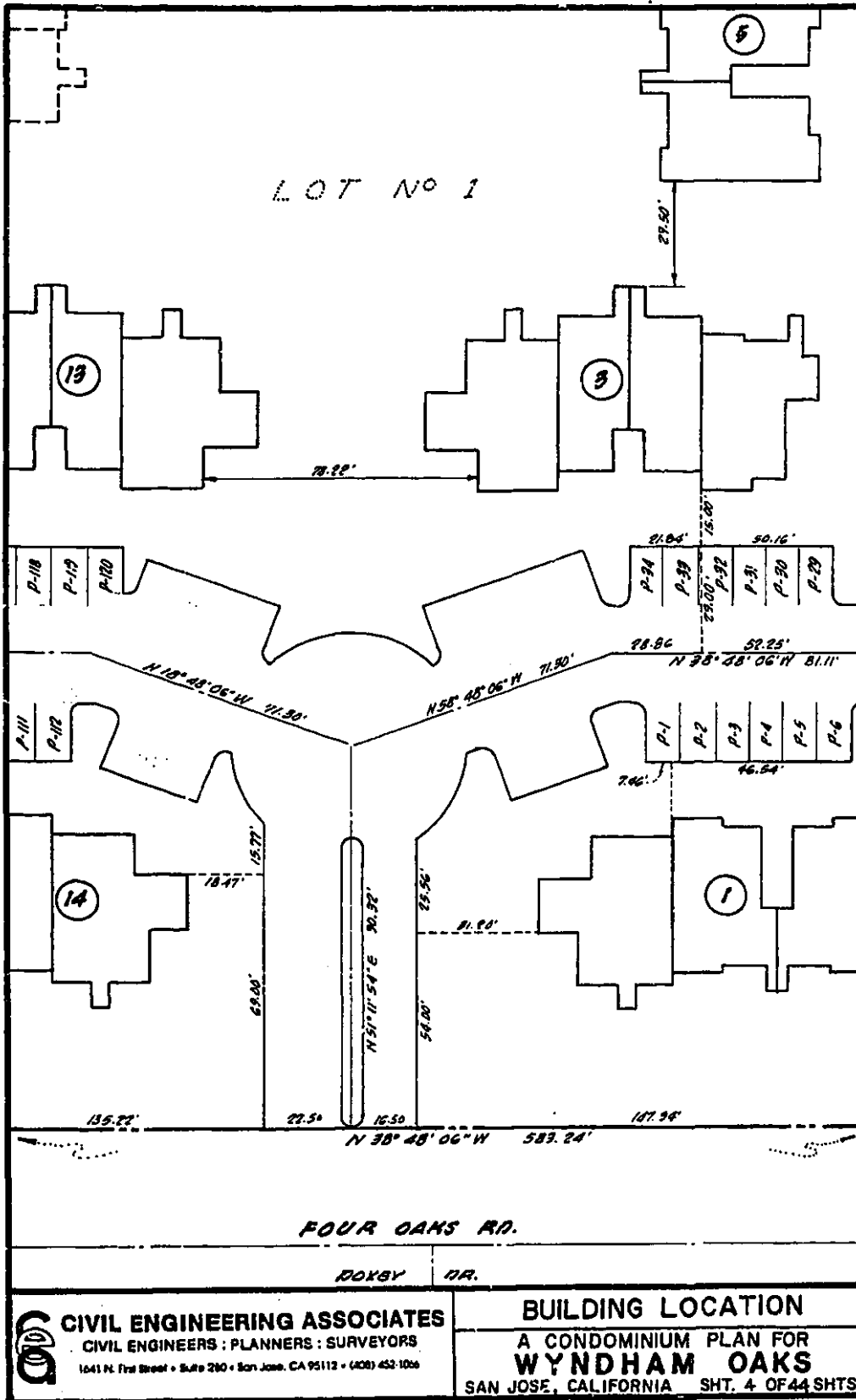
CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
 1641 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 452-1000

SITE PLAN
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 2 OF 44 SHTS.



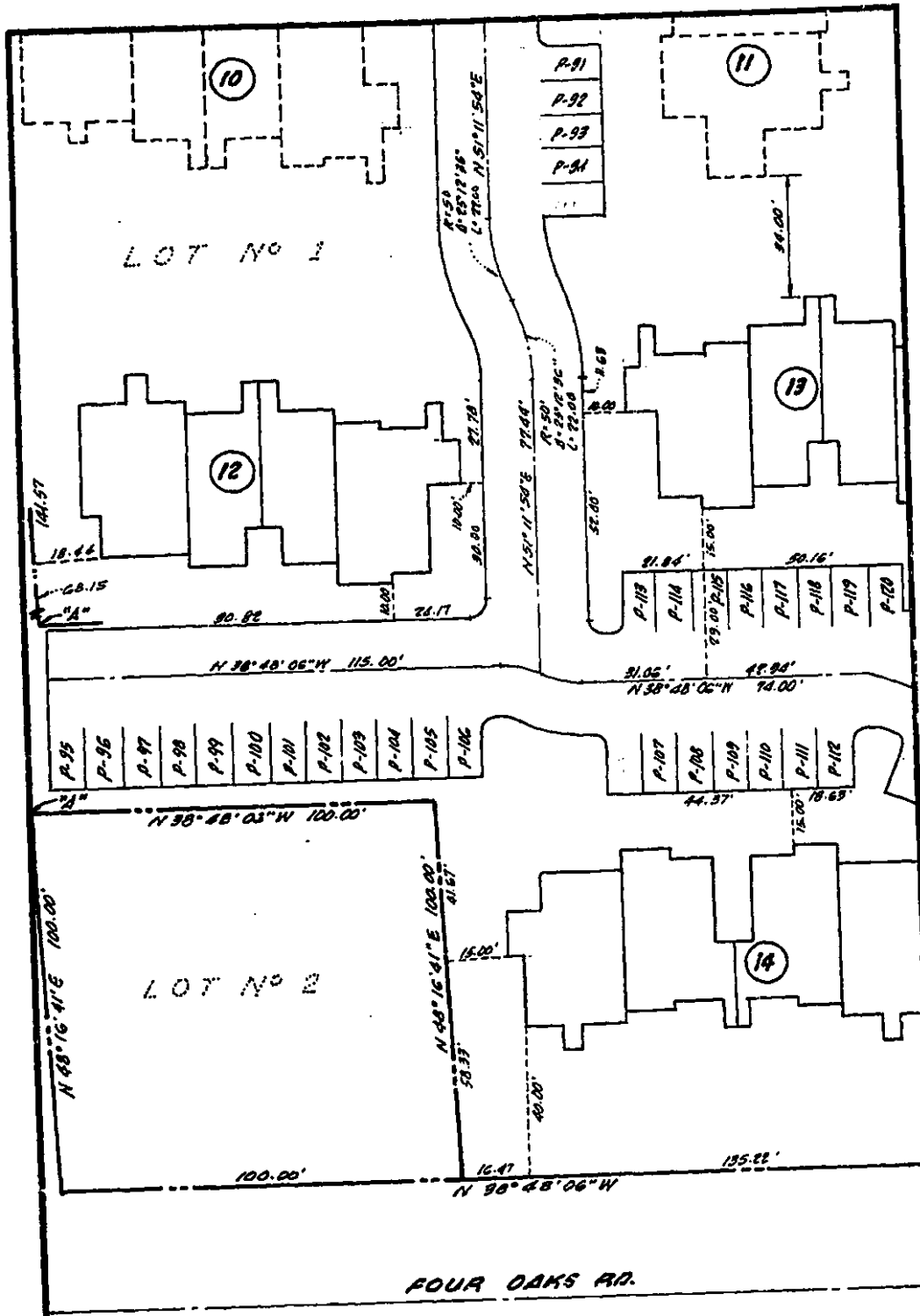
CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
 1041 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 432-1066

BUILDING LOCATION
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 3 OF 44 SHTS.



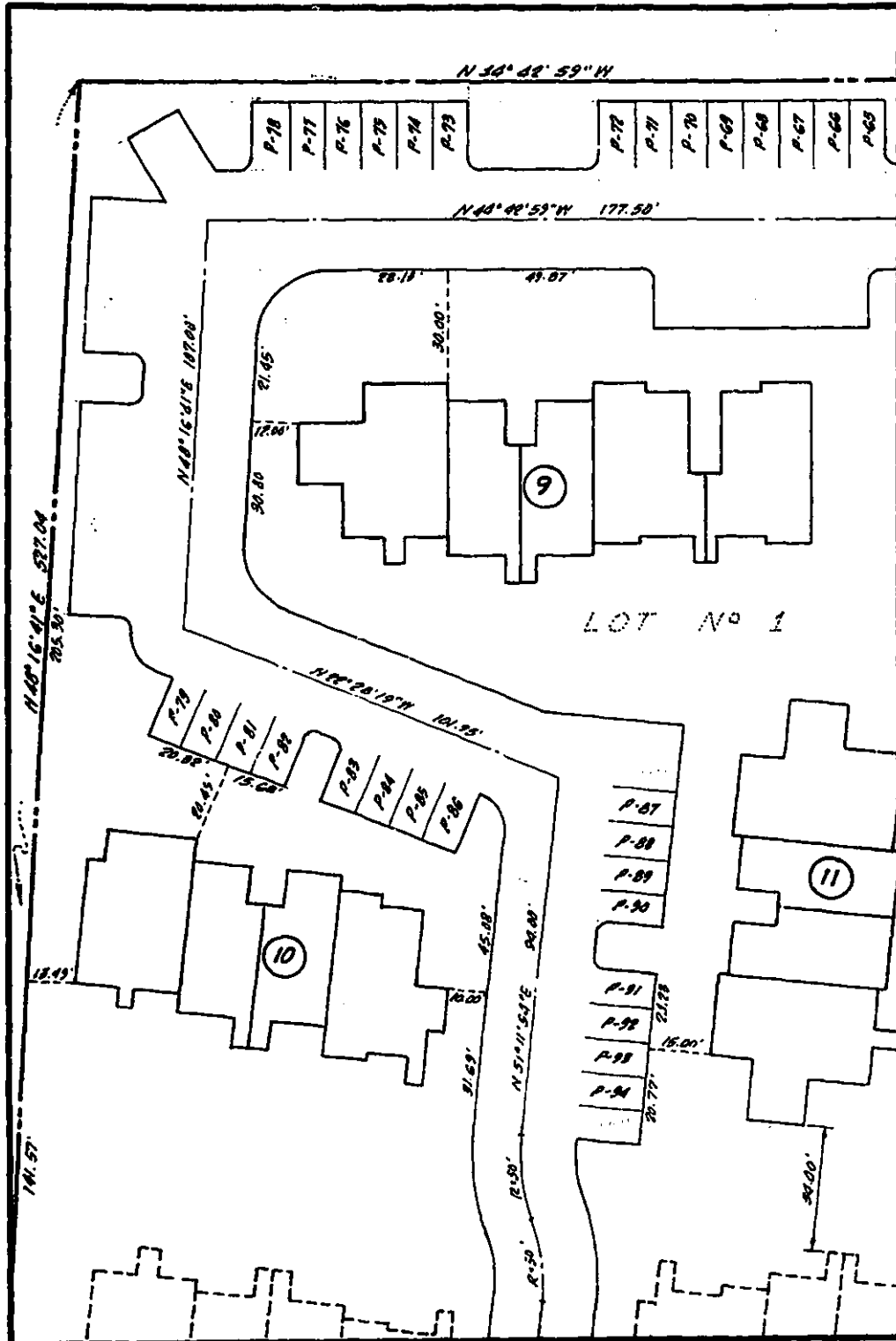
CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
 1641 N. First Street • Suite 280 • San Jose, CA 95112 • (408) 453-1006

BUILDING LOCATION
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 4 OF 44 SHTS.



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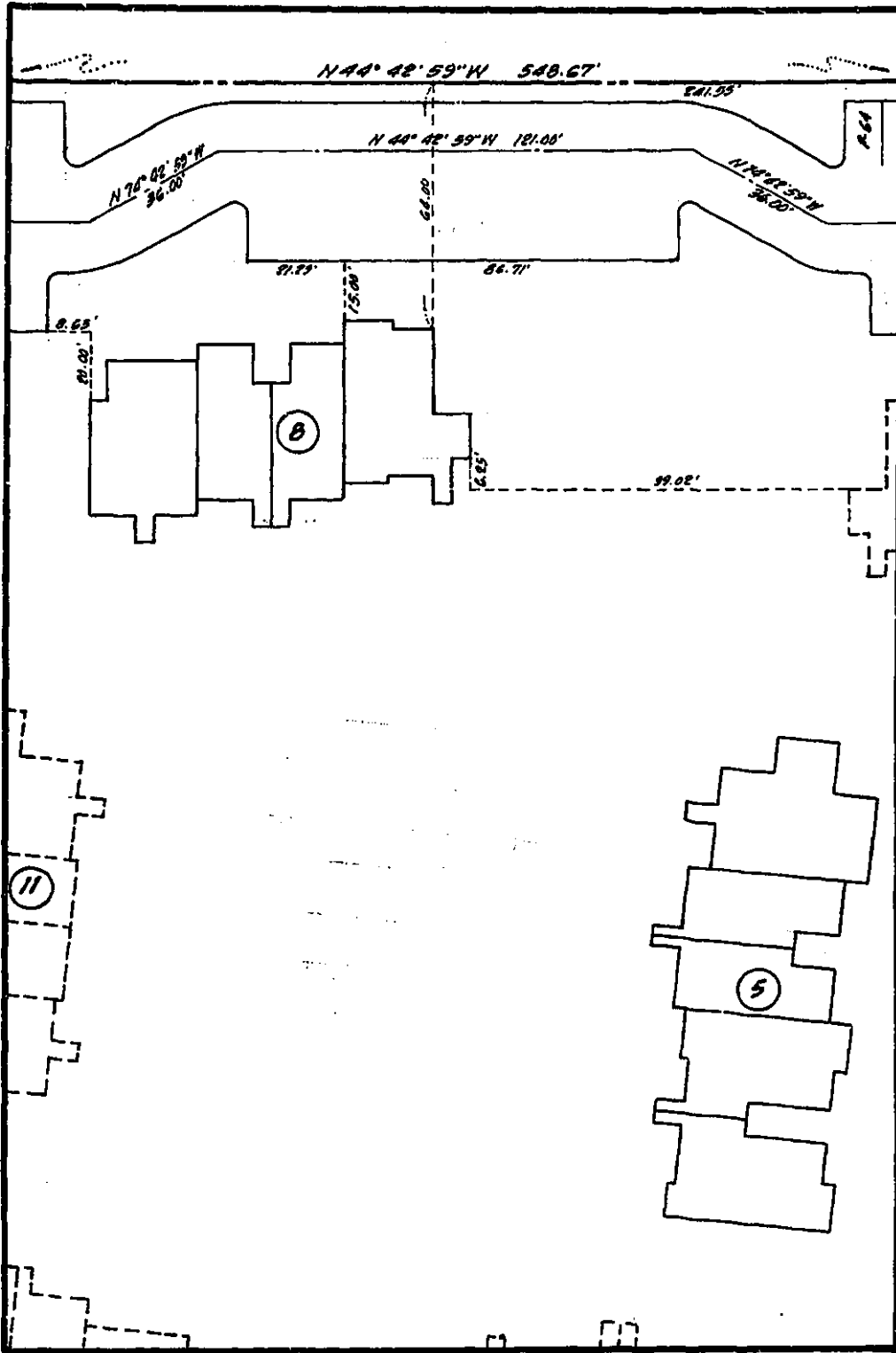
BUILDING LOCATION
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 5 OF 44 SHTS.



CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
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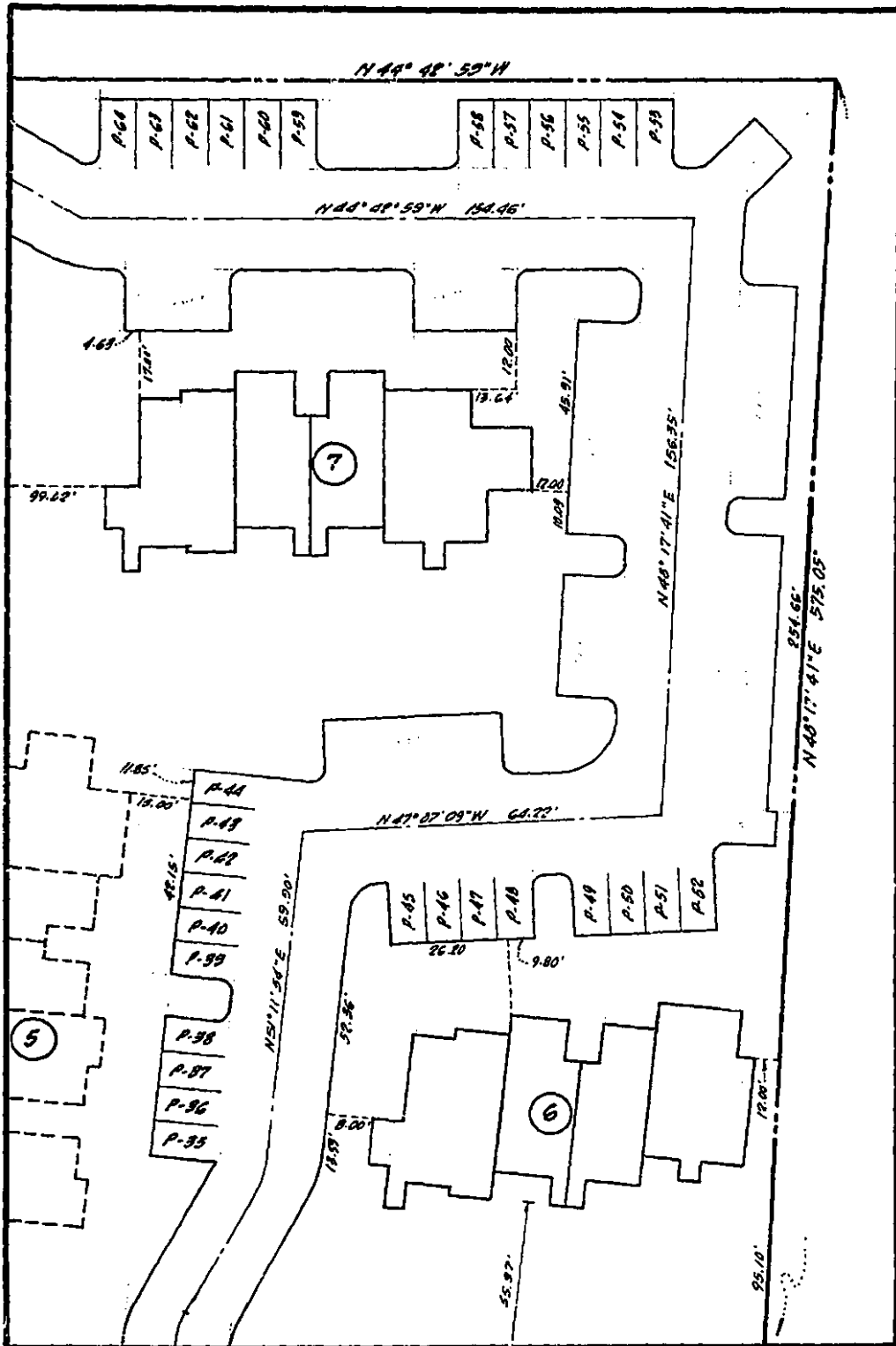
BUILDING LOCATION
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. G OF 44SHTS.

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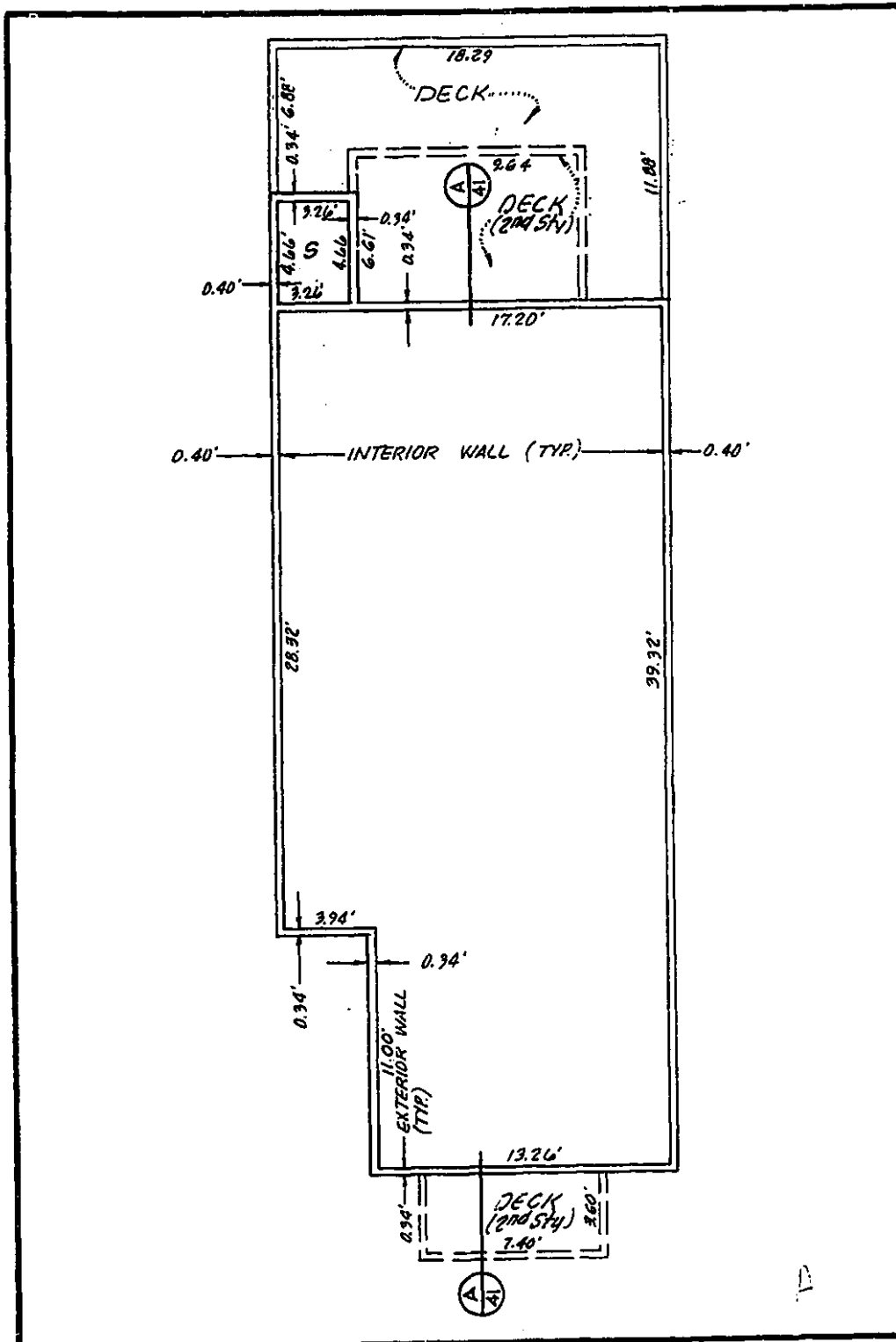
CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
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BUILDING LOCATION
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 7 OF 44 SHTS.



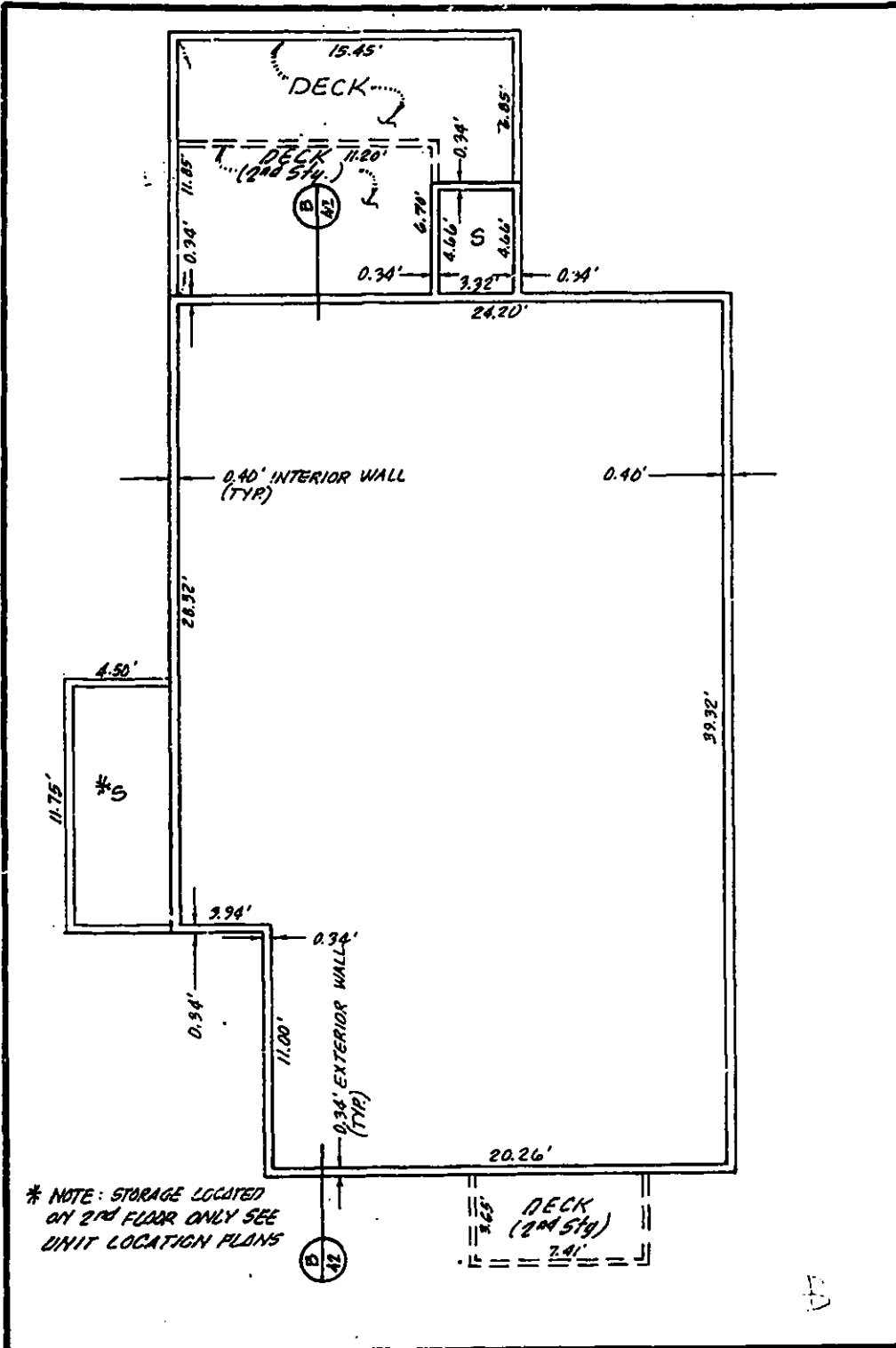
CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
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BUILDING LOCATION
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 6 OF 4-SHTS.



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UNIT A FLOOR PLAN
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 9 OF 44 SHTS.

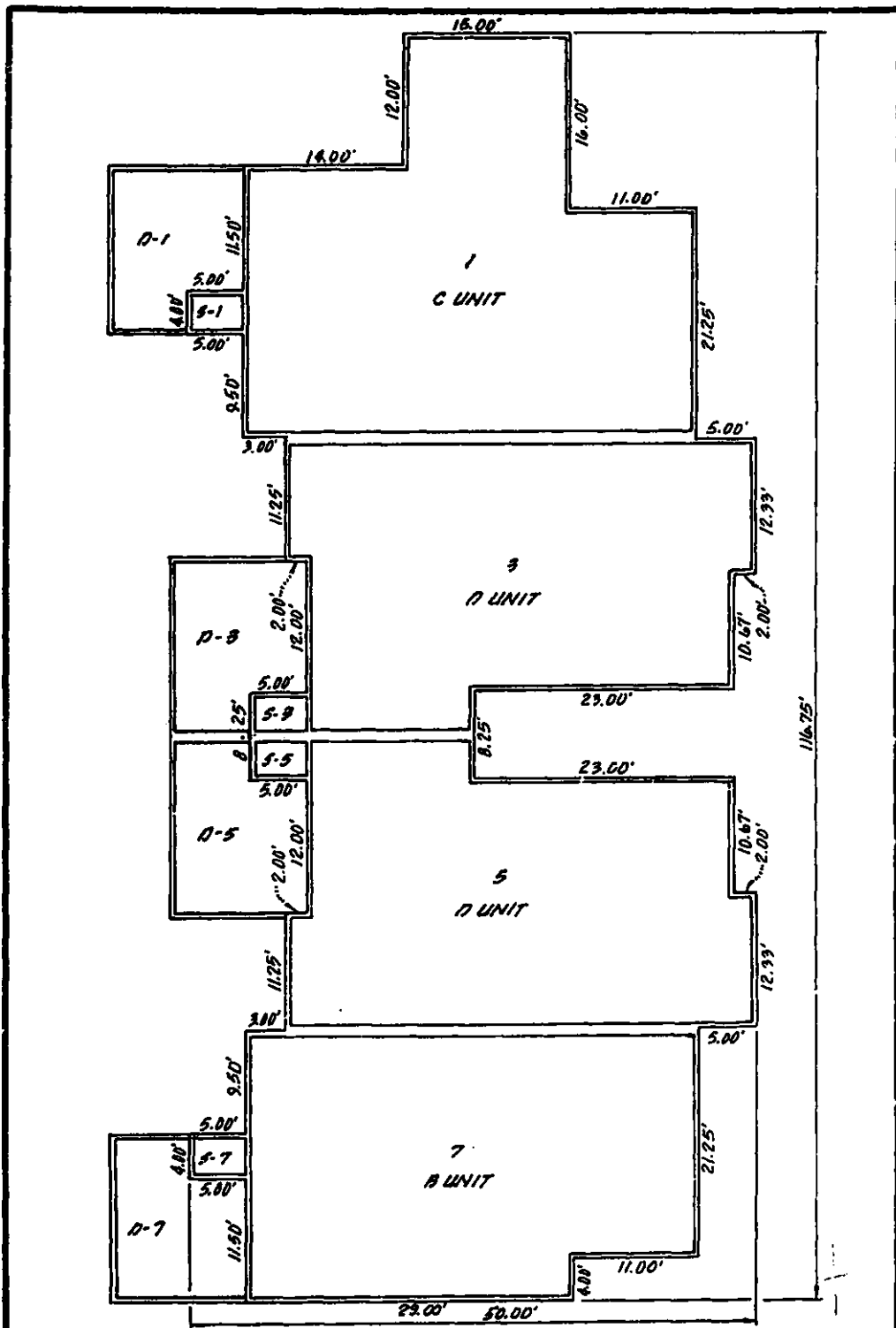


* NOTE: STORAGE LOCATED ON 2ND FLOOR ONLY SEE UNIT LOCATION PLANS

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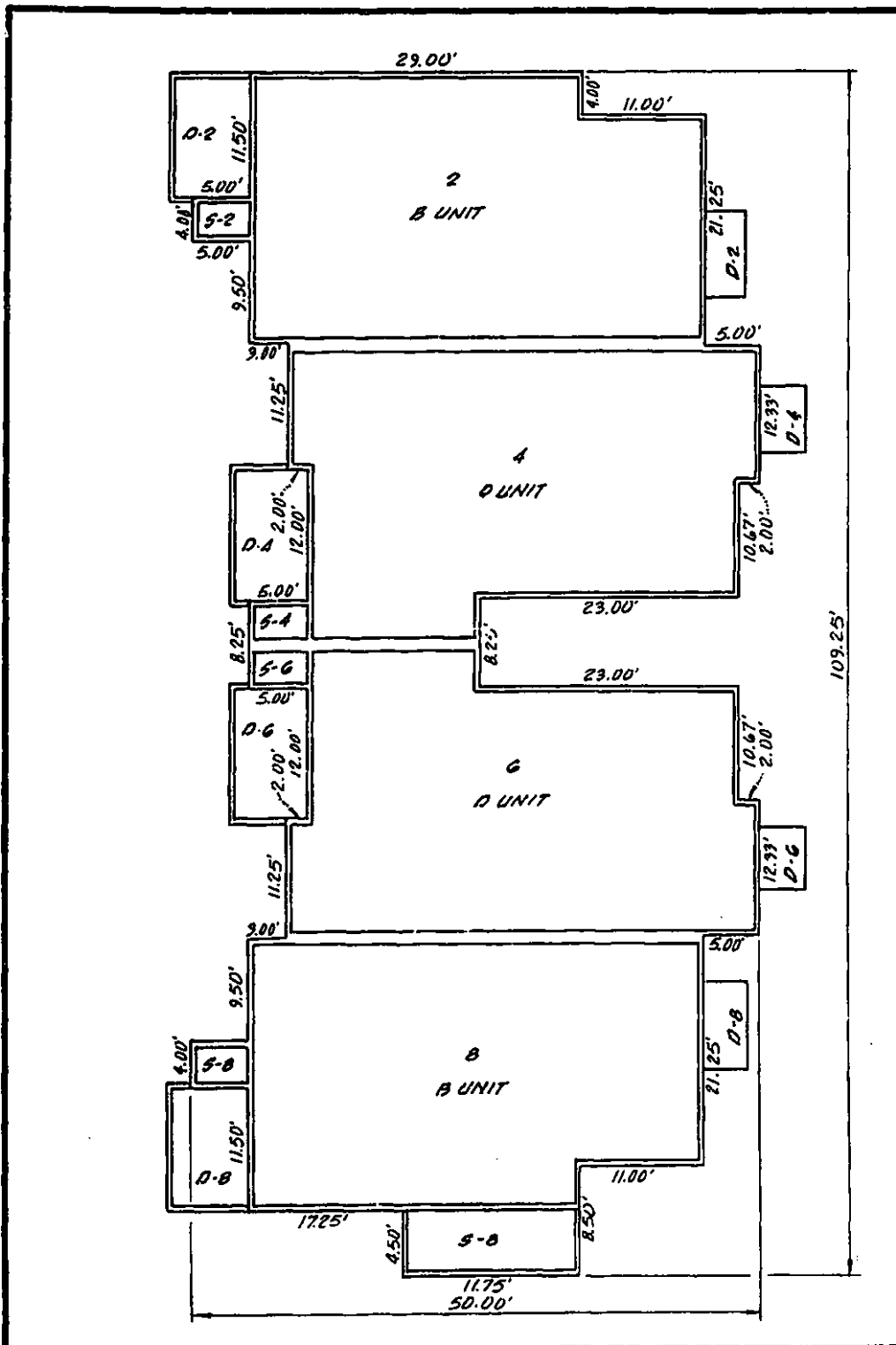
UNIT B FLOOR PLAN
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 10 OF 44 SHTS.

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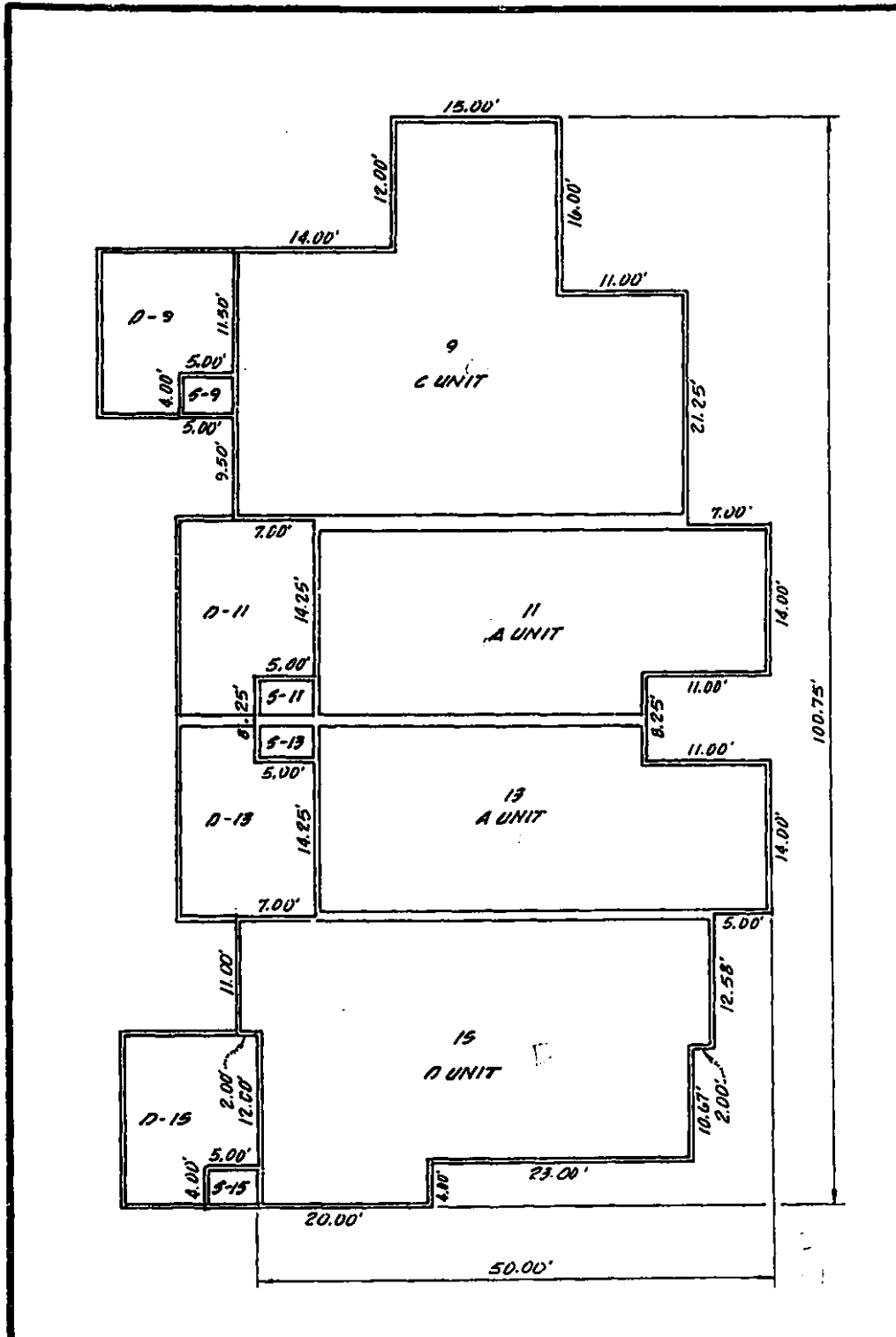
**BUILDING I FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 12 OF 44 SHTS



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**BUILDING 1 SECOND FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 14 OF 44 SHTS

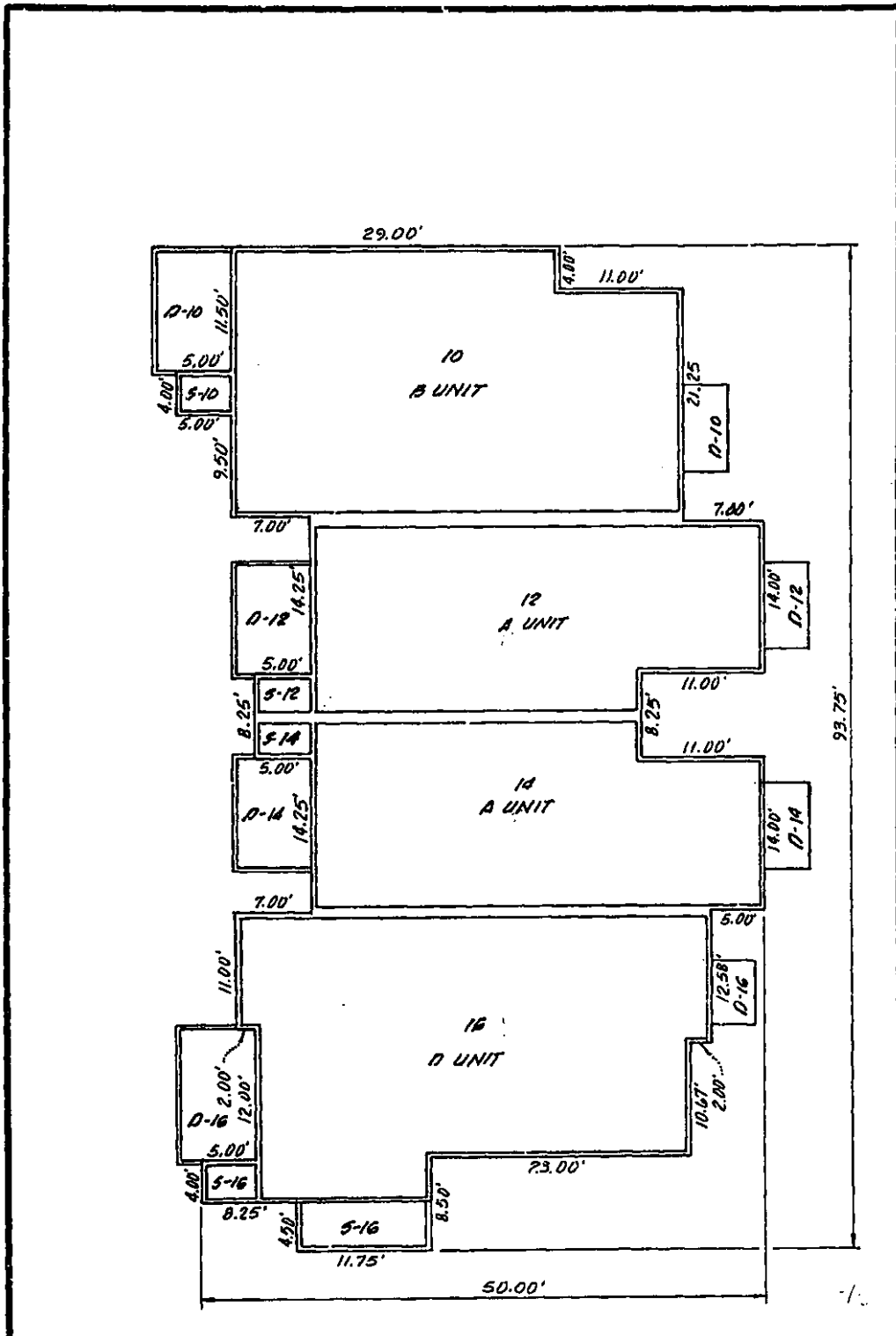
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**BUILDING 2 FIRST FLOOR
UNIT LOCATION PLAN**
A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
SAN JOSE, CALIFORNIA SHT. 15 OF 44 SHTS

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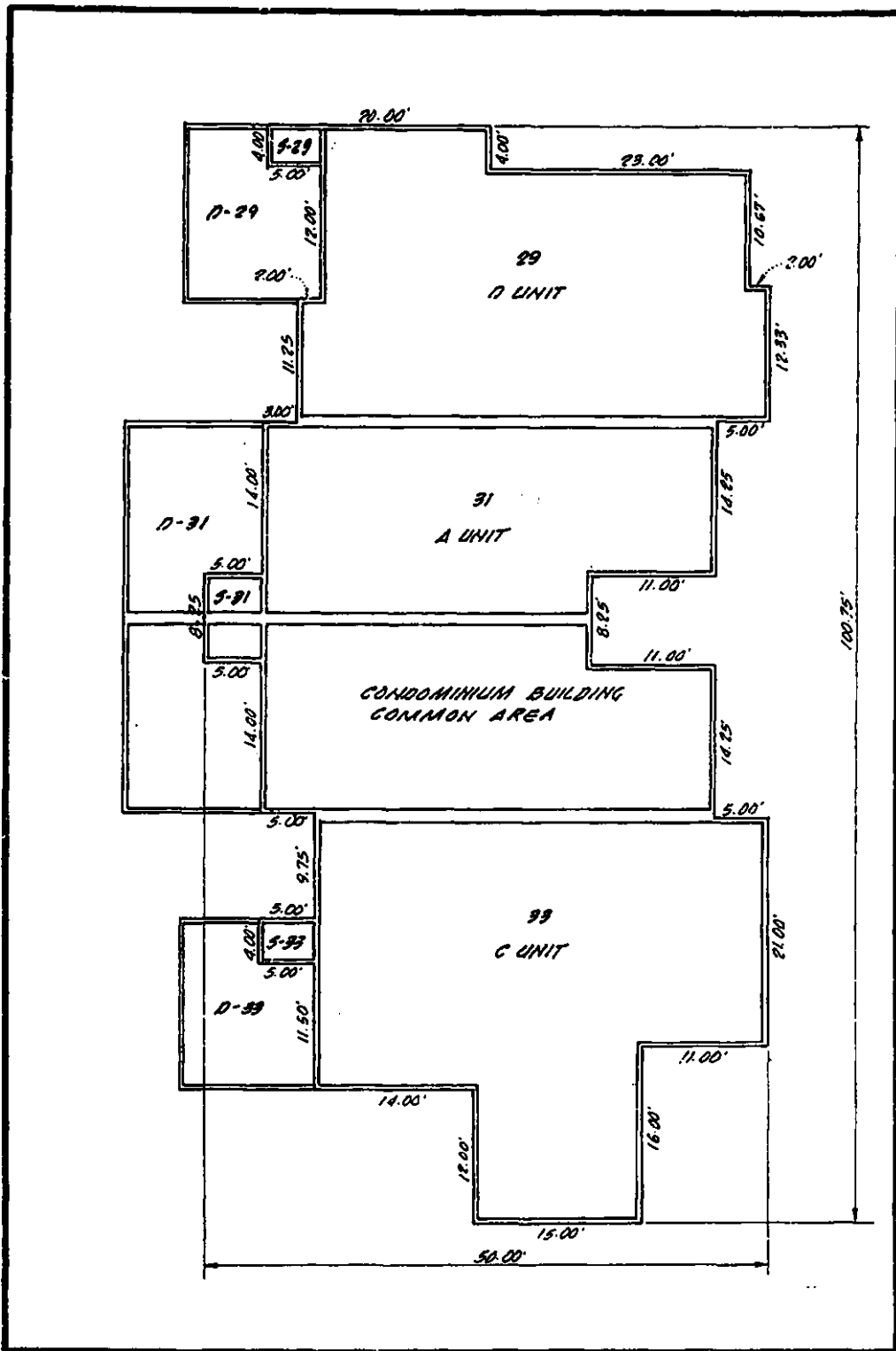


CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
 1041 N. First Street • Suite 290 • San Jose, CA 95112 • (408) 452-1006

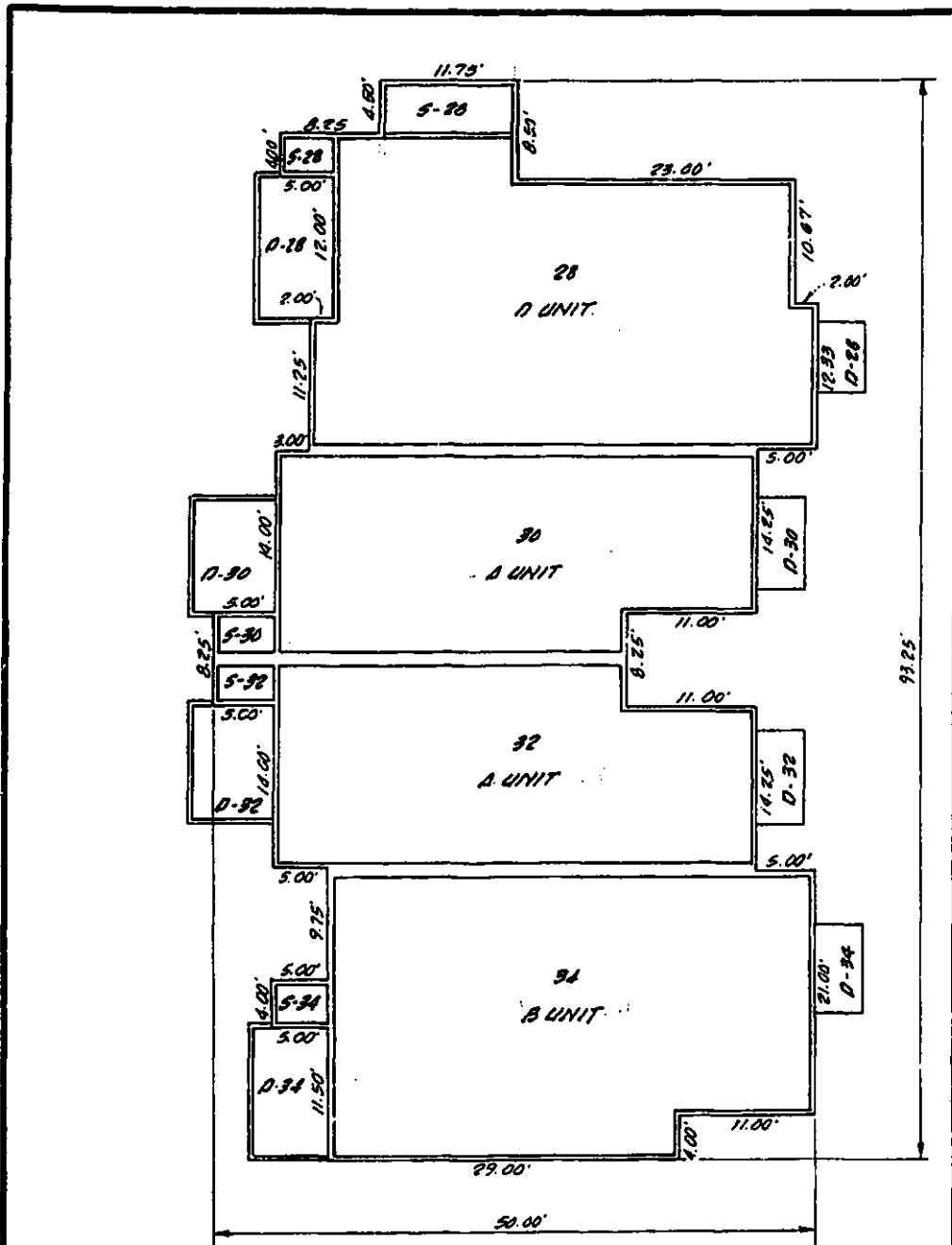
**BUILDING 2 SECOND FLOOR
 UNIT LOCATION PLAN**

**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 16 OF 44 SHTS.

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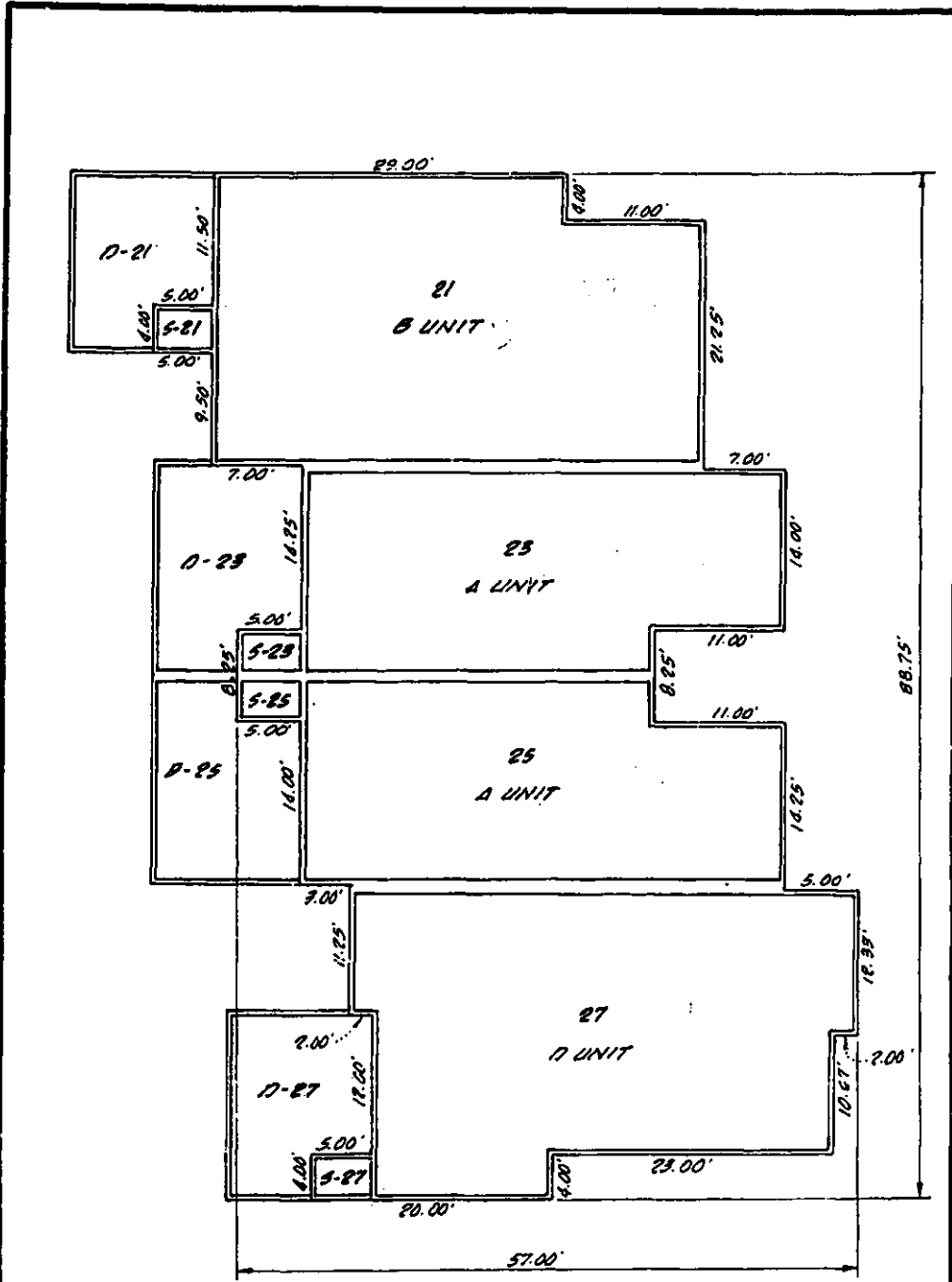
 <p>CIVIL ENGINEERING ASSOCIATES CIVIL ENGINEERS : PLANNERS : SURVEYORS 1041 N. First Street • Suite 280 • San Jose, CA 95112 • (408) 452-1000</p>	<p>BUILDING 3 FIRST FLOOR UNIT LOCATION PLAN</p> <p>A CONDOMINIUM PLAN FOR WYNDHAM OAKS</p> <p>SAN JOSE, CALIFORNIA SHT. 17 OF 44 SHTS</p>
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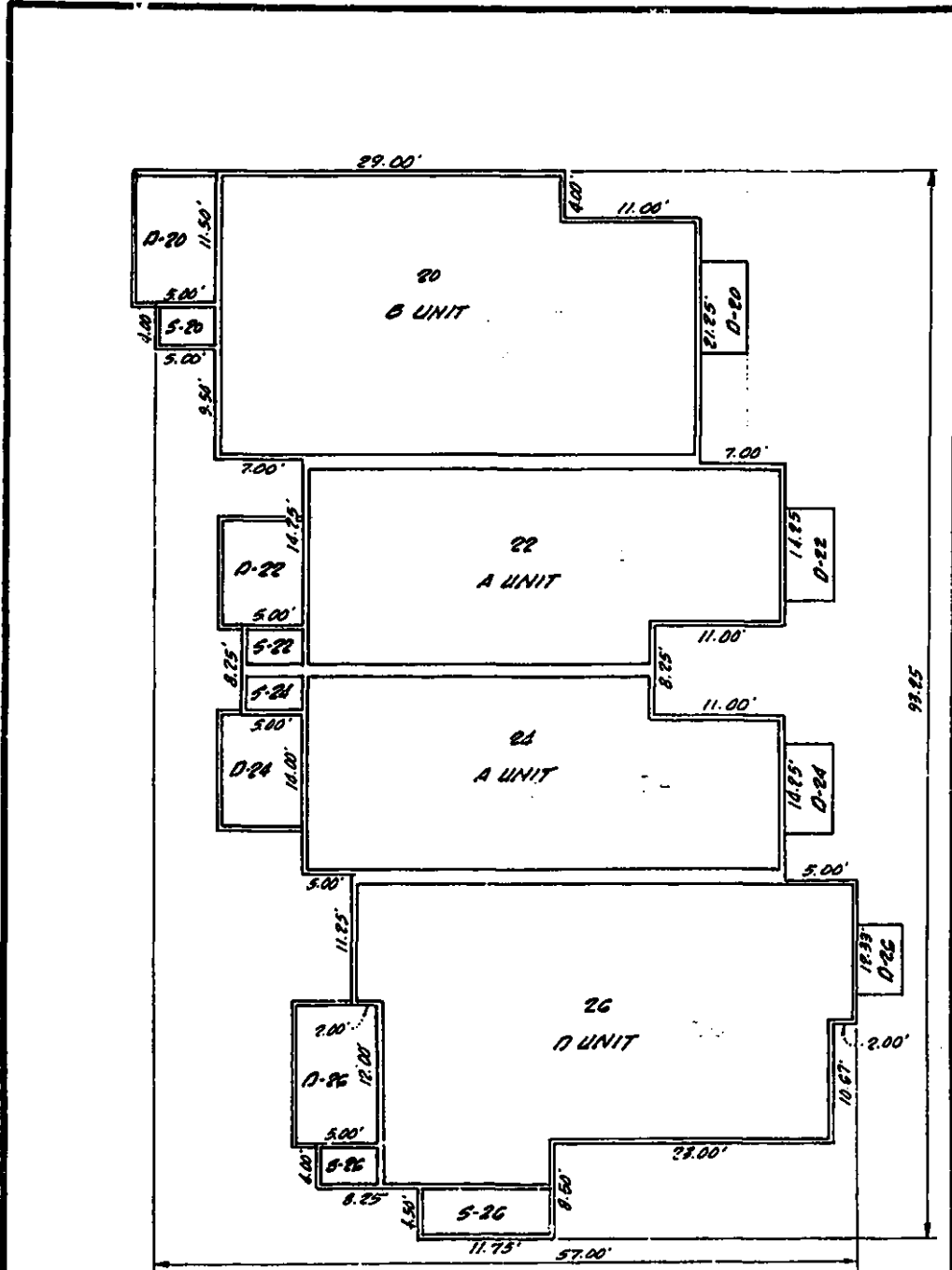
**BUILDING 3 SECOND FLOOR
 UNIT LOCATION PLAN**
**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 18 OF 44 SHTS

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 CIVIL ENGINEERS : PLANNERS : SURVEYORS
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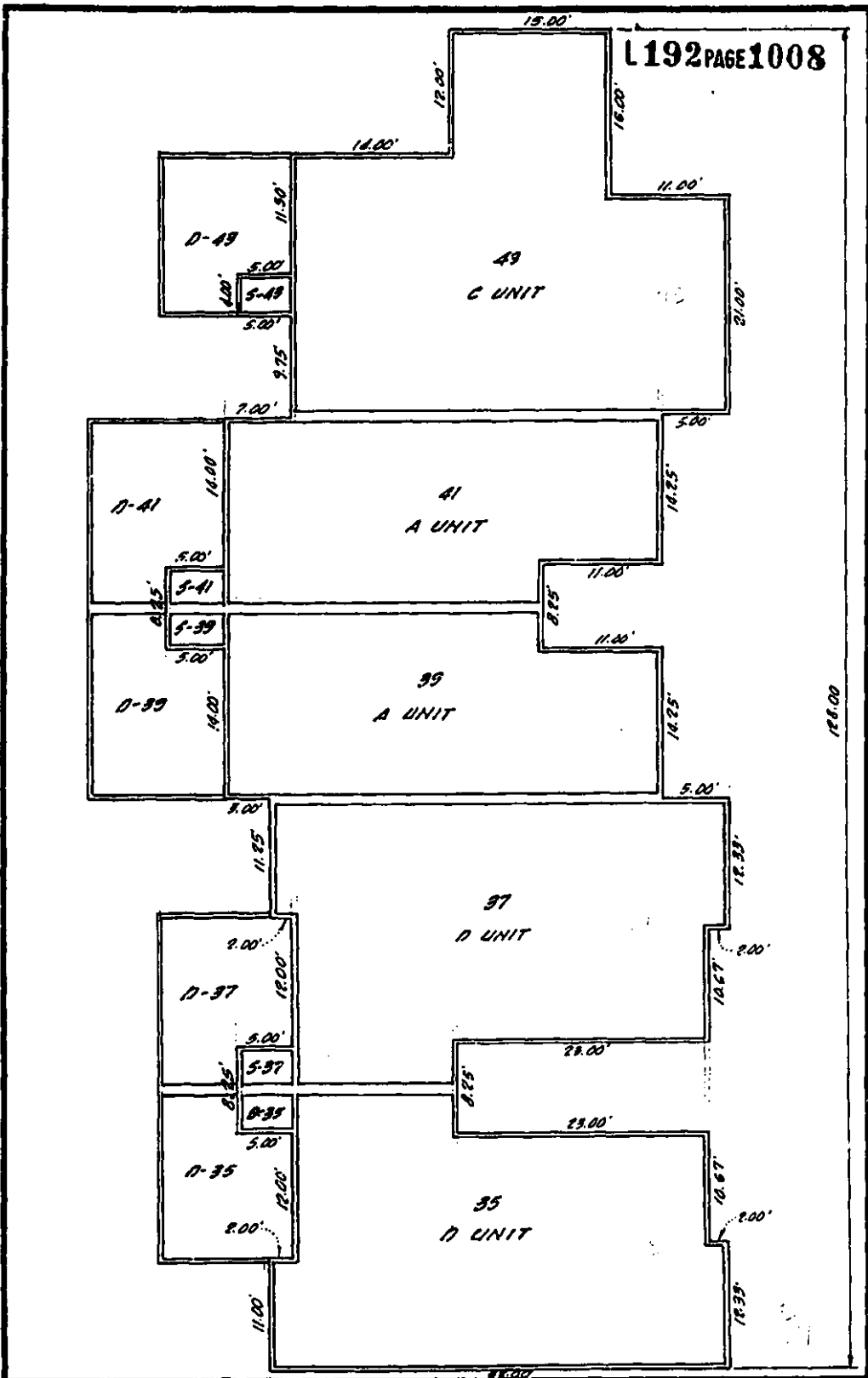
**BUILDING 4 FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 19 OF 44-SHTS



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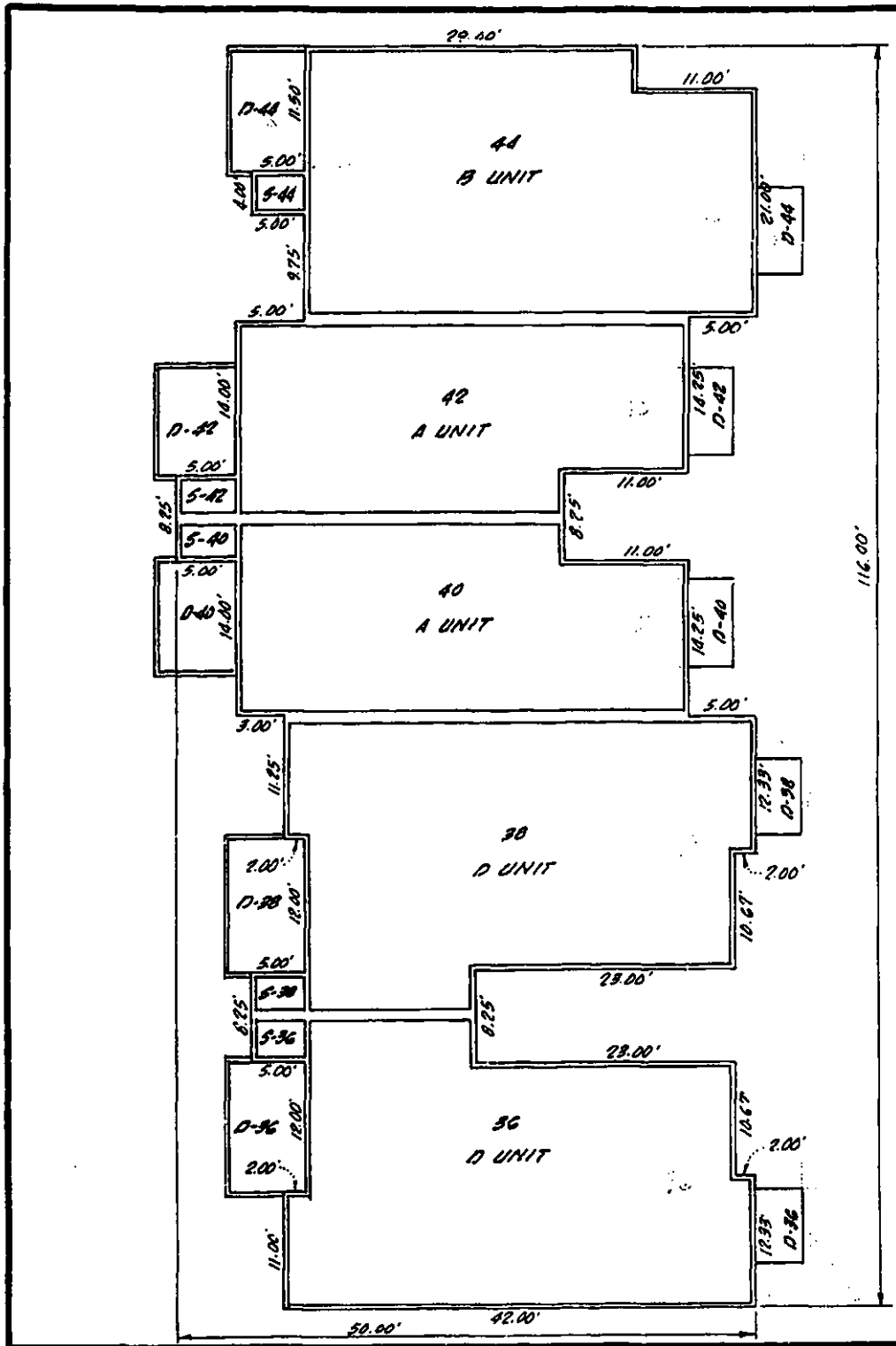
**BUILDING 4 SECOND FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 25 OF 44 SHTS.

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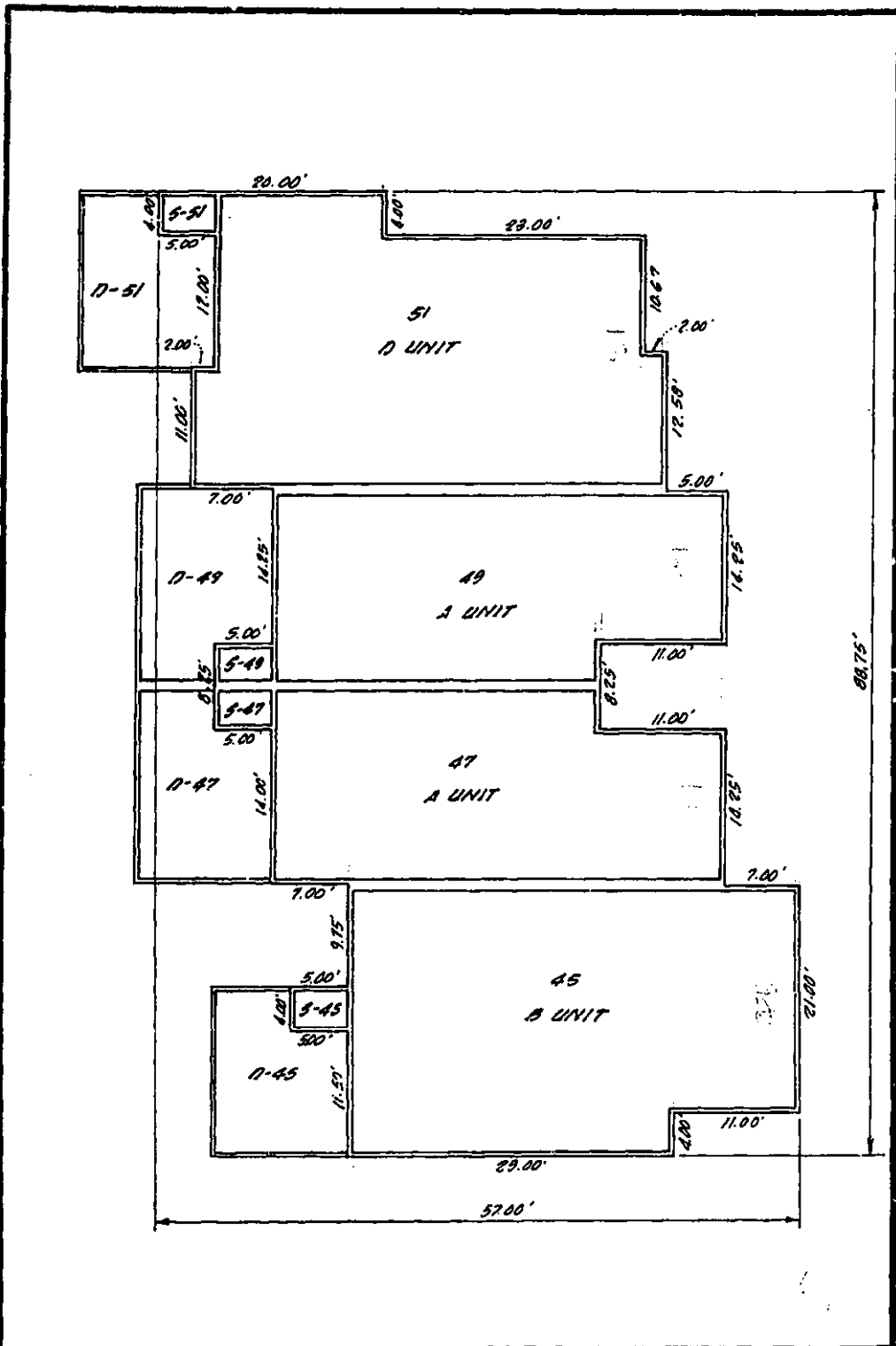
**BUILDING 5 FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 21 OF 44 SHTS



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**BUILDING 5 SECOND FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 22 OF 44 SHTS.

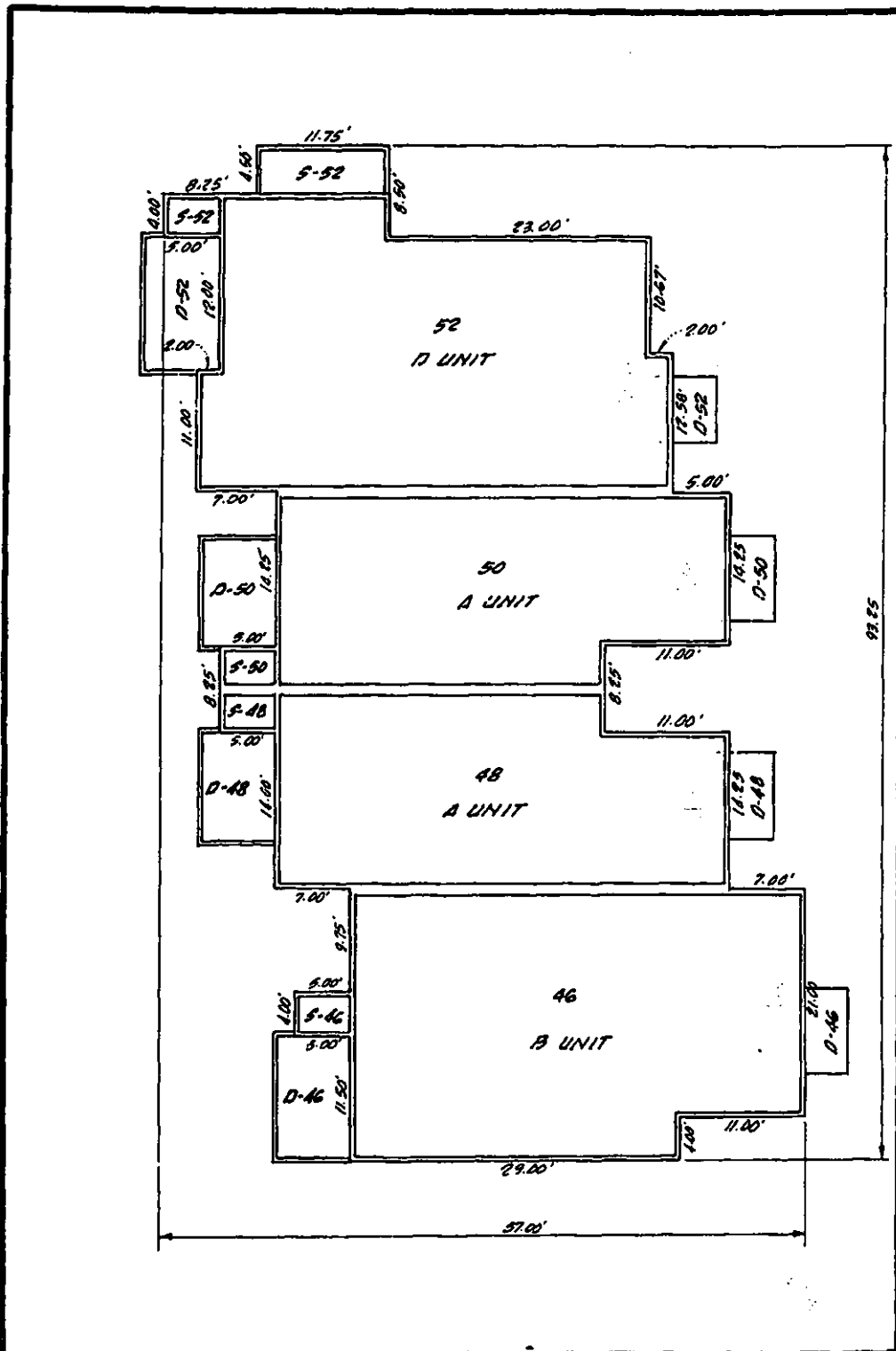
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CIVIL ENGINEERING ASSOCIATES
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 1041 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 432-1006

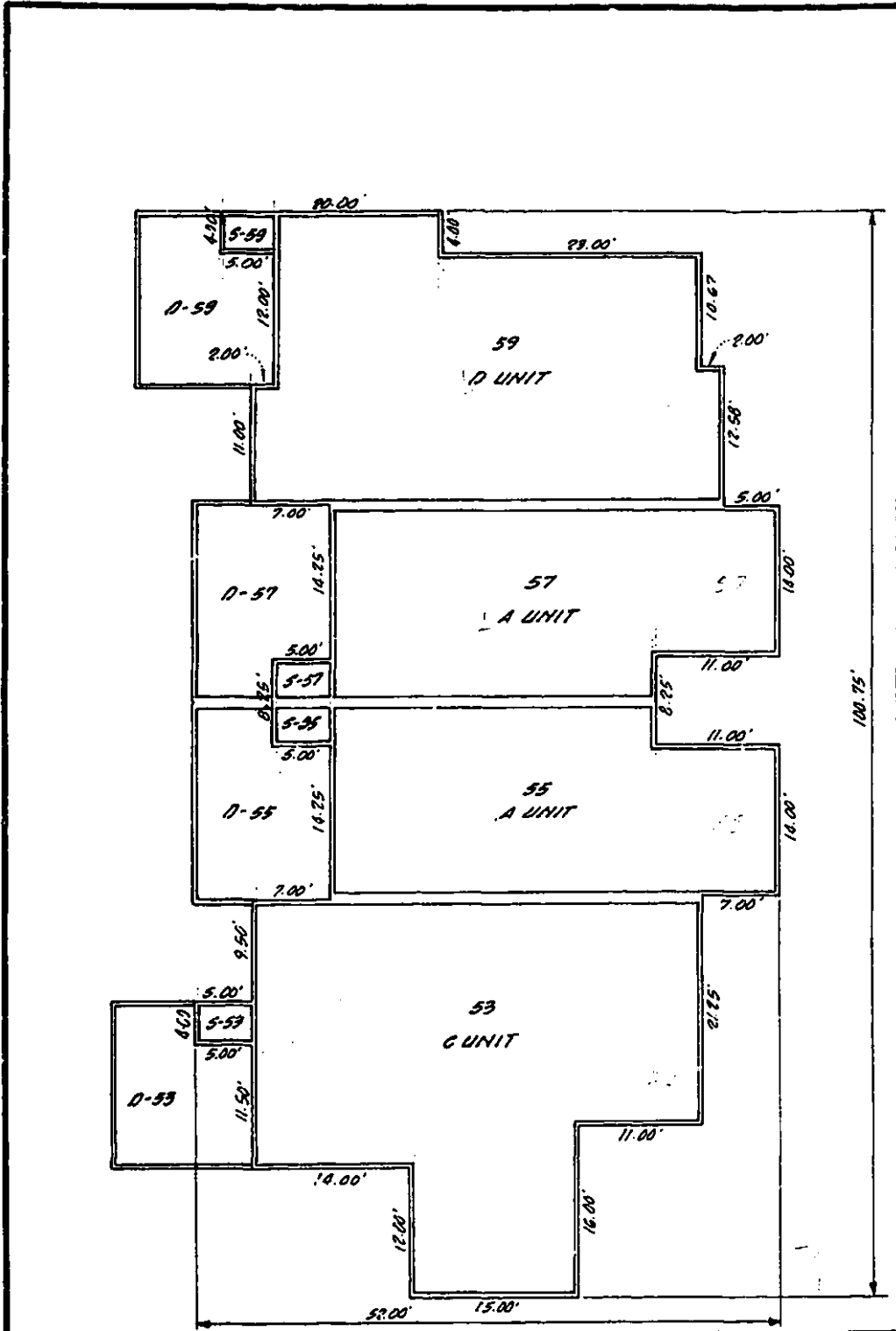
**BUILDING 6 FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. OF SHTS

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 CIVIL ENGINEERING ASSOCIATES CIVIL ENGINEERS • PLANNERS • SURVEYORS 1641 N. First Street • Suite 280 • San Jose, CA 95112 • (408) 452-1006	BUILDING 6, SECOND FLOOR UNIT LOCATION PLAN
	A CONDOMINIUM PLAN FOR WYNDHAM OAKS SAN JOSE, CALIFORNIA SHT. 24 OF 44 SHTS

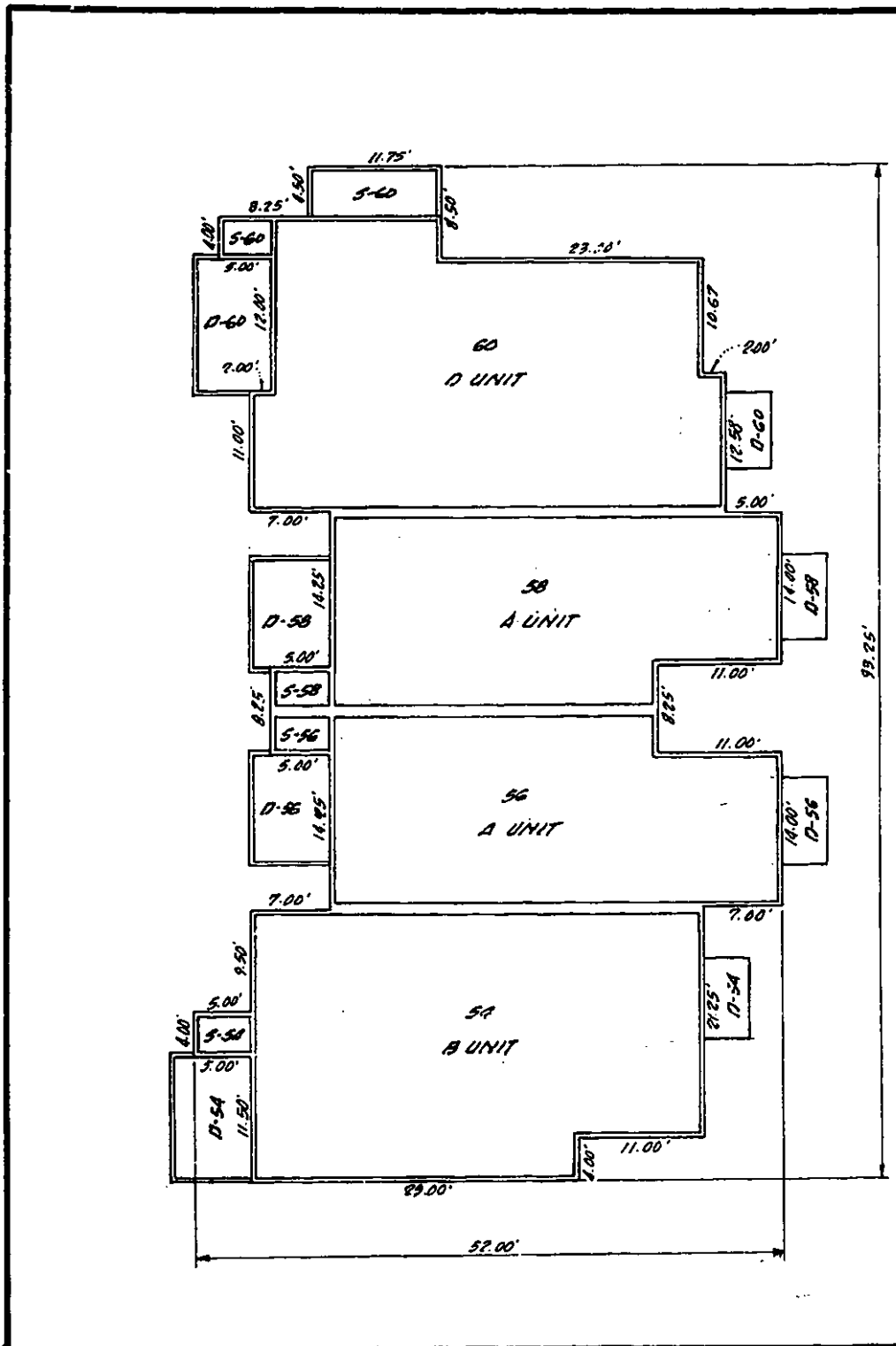
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 CIVIL ENGINEERS : PLANNERS : SURVEYORS
 1041 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 432-1066

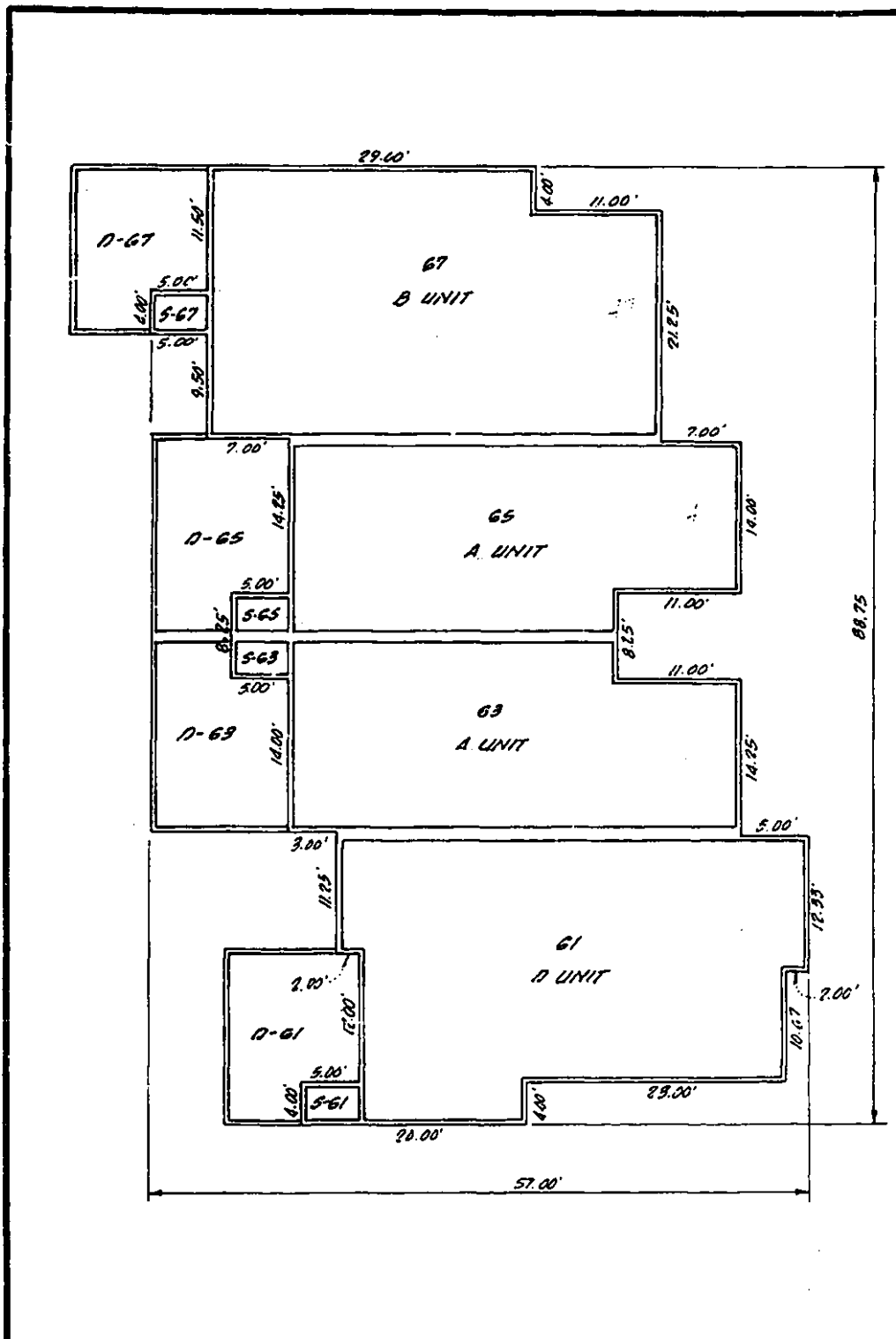
**BUILDING 7 FIRST FLOOR
 UNIT LOCATION PLAN**

**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 25 OF 44 SHTS



 <p>CIVIL ENGINEERING ASSOCIATES CIVIL ENGINEERS • PLANNERS • SURVEYORS 1641 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 452-1026</p>	<p>BUILDING 7 SECOND FLOOR UNIT LOCATION PLAN</p>
	<p>A CONDOMINIUM PLAN FOR WYNDHAM OAKS SAN JOSE, CALIFORNIA SHT. 2G OF 44 SHTS.</p>

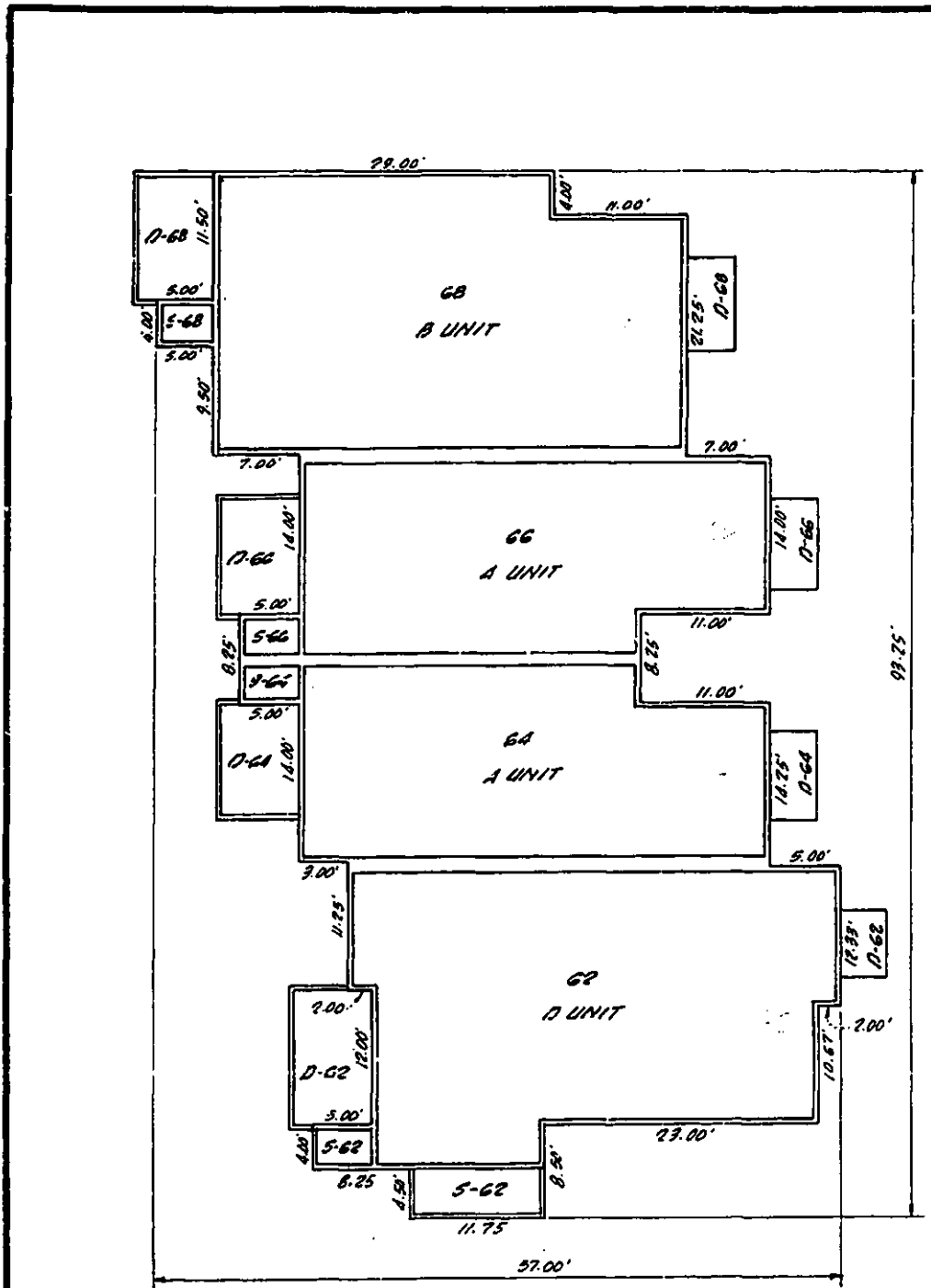
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**BUILDING 8 FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 27 OF 44SHTS.

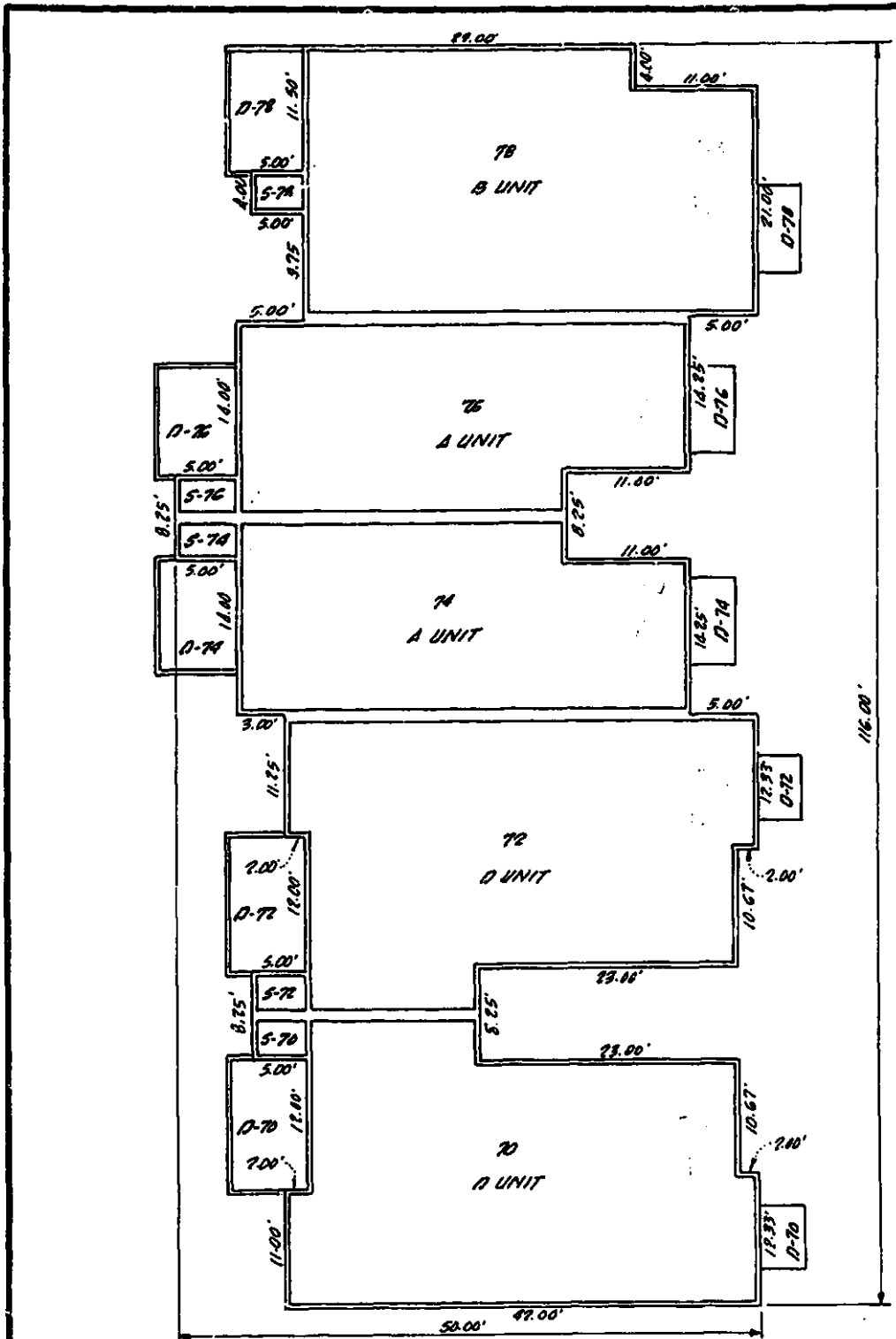
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**BUILDING 8 SECOND FLOOR
 UNIT LOCATION PLAN**
**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 28 OF 44 SHTS.

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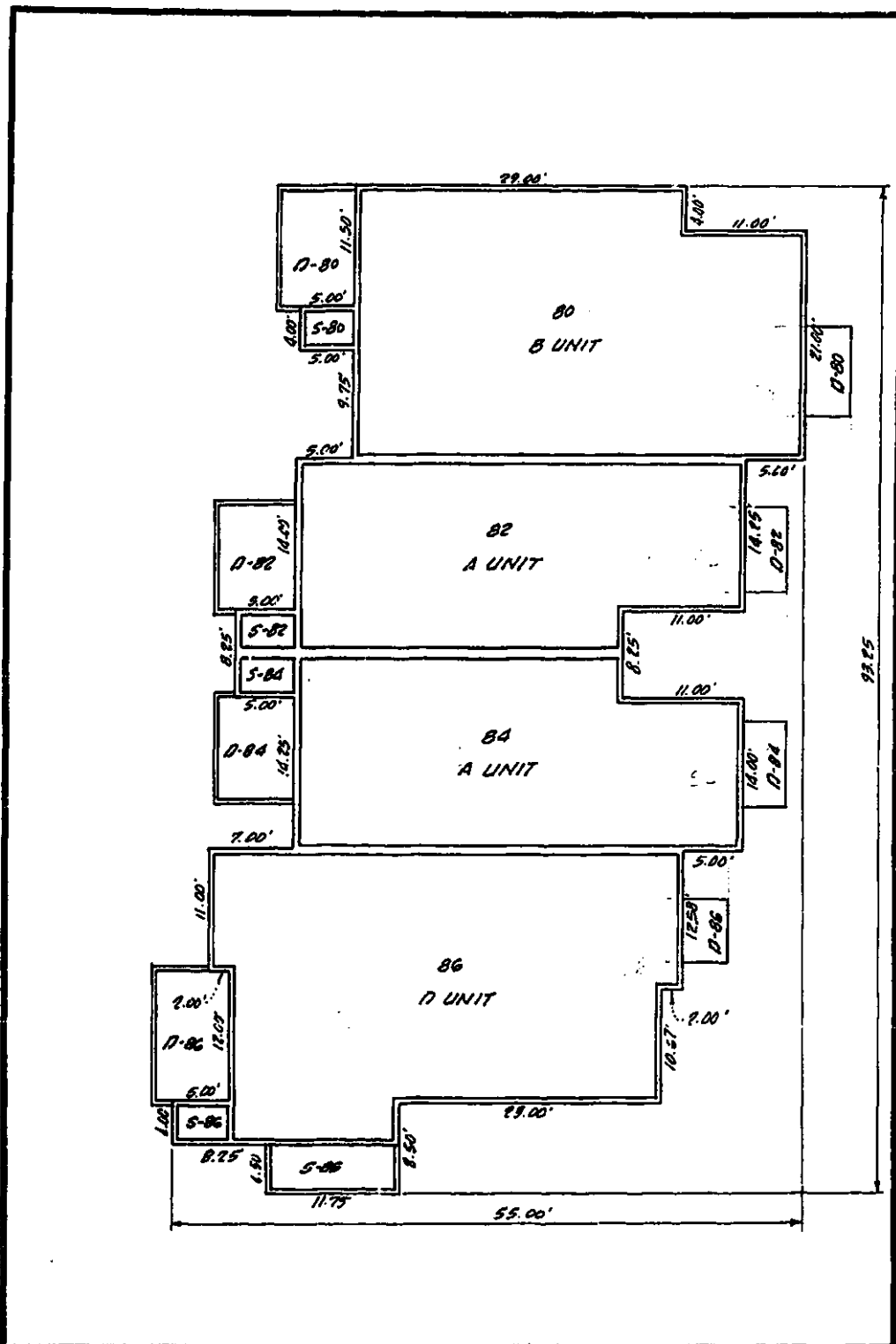
CIVIL ENGINEERS : PLANNERS : SURVEYORS

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**BUILDING 9 SECOND FLOOR
UNIT LOCATION PLAN**

**A CONDOMINIUM PLAN FOR
WYNDHAM OAKS**

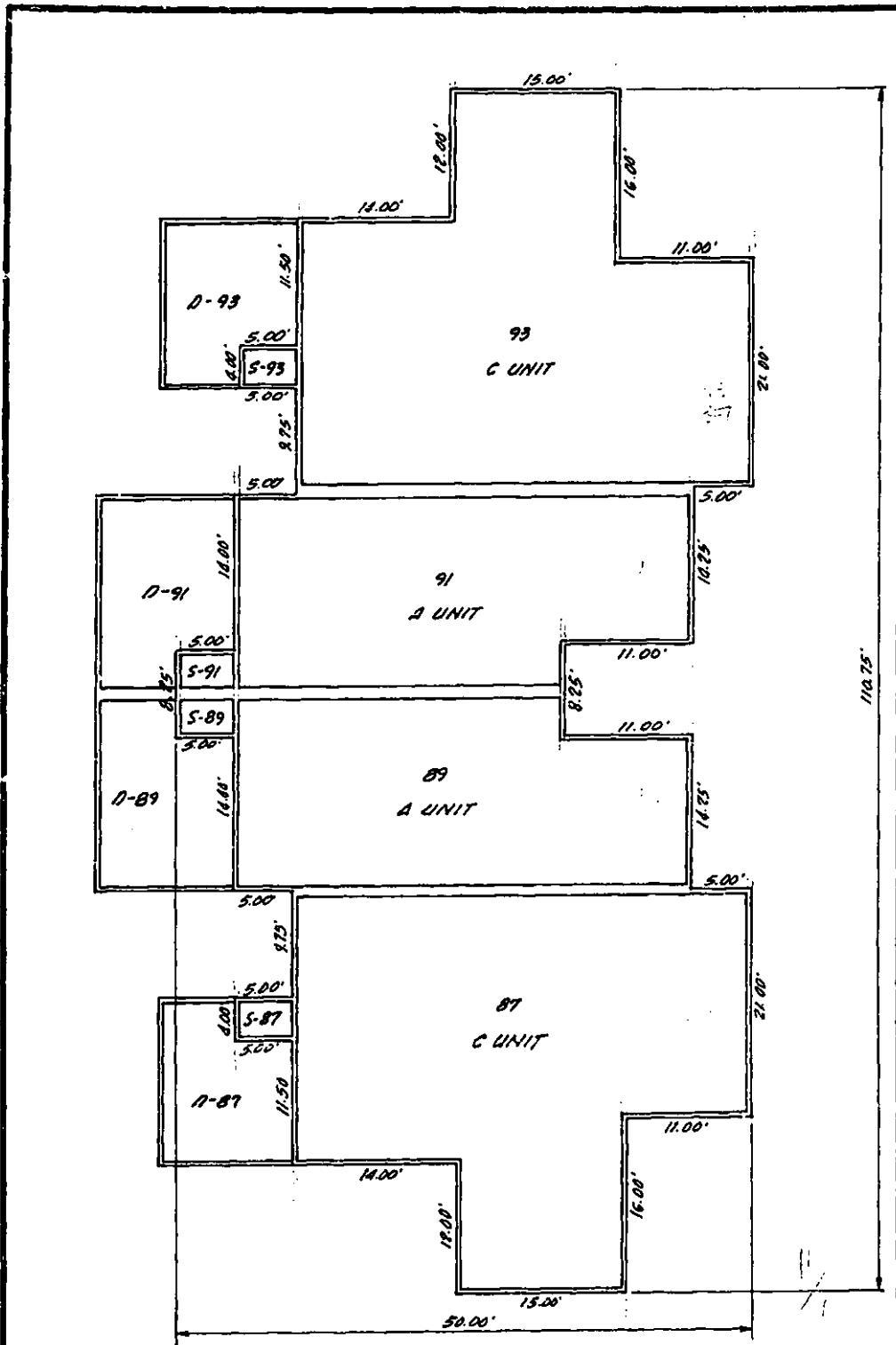
SAN JOSE, CALIFORNIA SHT. 600F44SHTS.



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BUILDING 10 SECOND FLOOR
 UNIT LOCATION PLAN
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 52 OF 44SHTS.

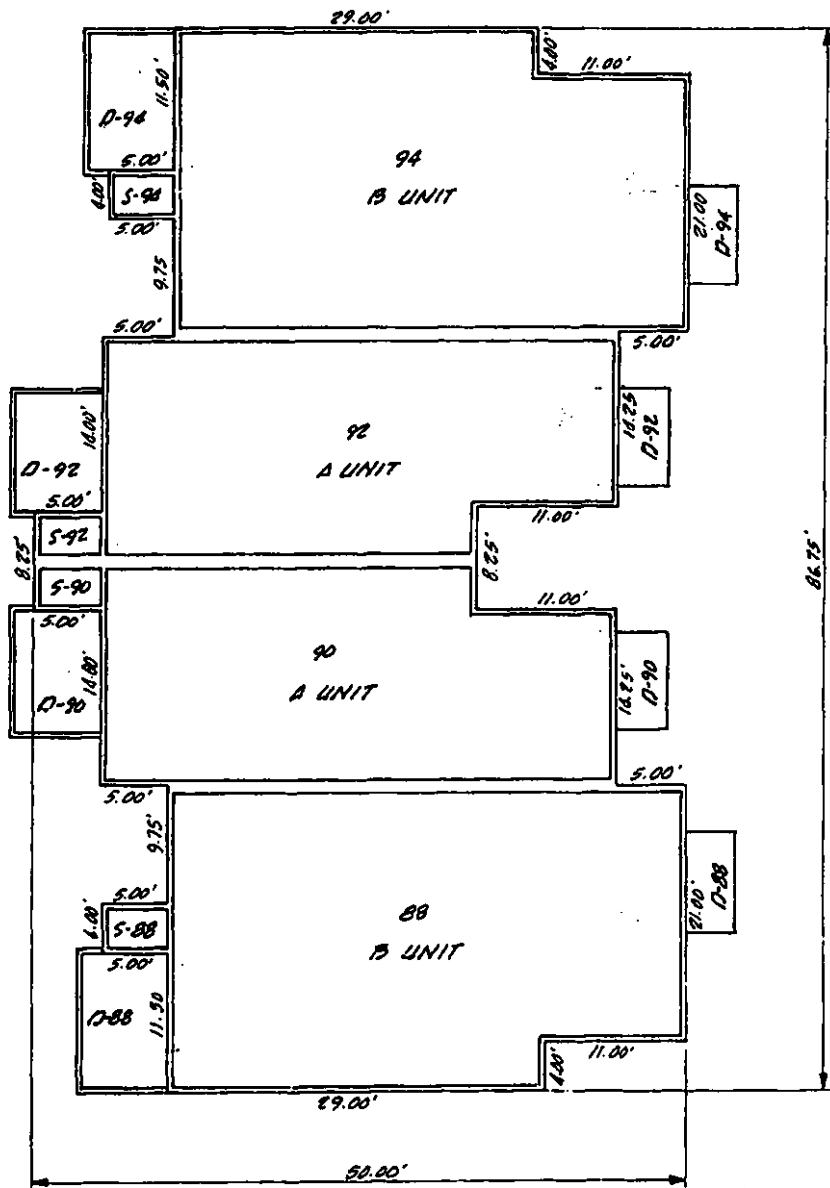
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**BUILDING 11 FIRST FLOOR
 UNIT LOCATION PLAN**
**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 93 OF 44 SHTS.

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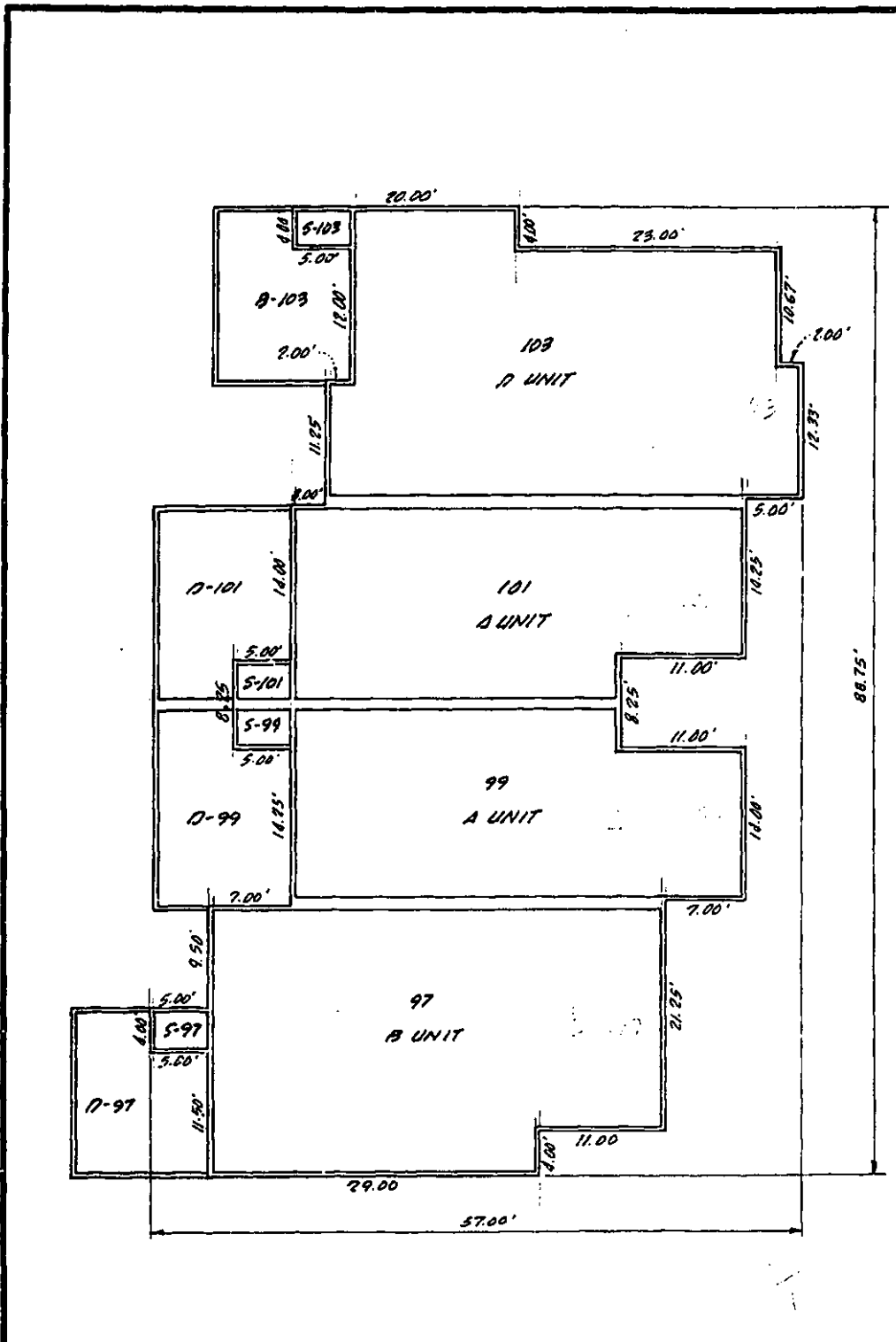
CIVIL ENGINEERING ASSOCIATES
 CIVIL ENGINEERS : PLANNERS : SURVEYORS
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**BUILDING II SECOND FLOOR
 UNIT LOCATION PLAN**

**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**

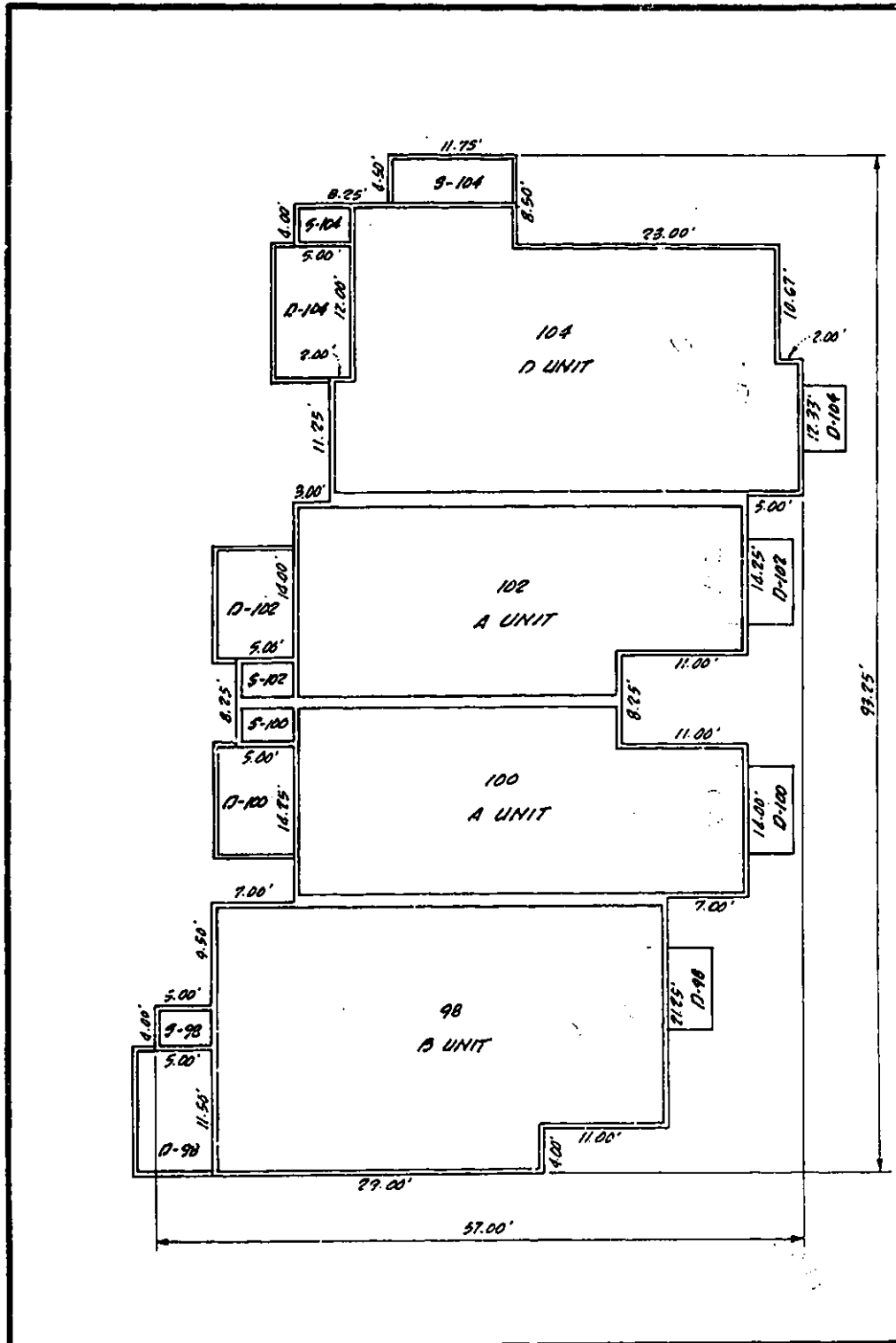
SAN JOSE, CALIFORNIA SHT. 24 OF 44 SHTS.

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 1611 N. First Street • Suite 200 • San Jose, CA 95112 • (408) 452-1000

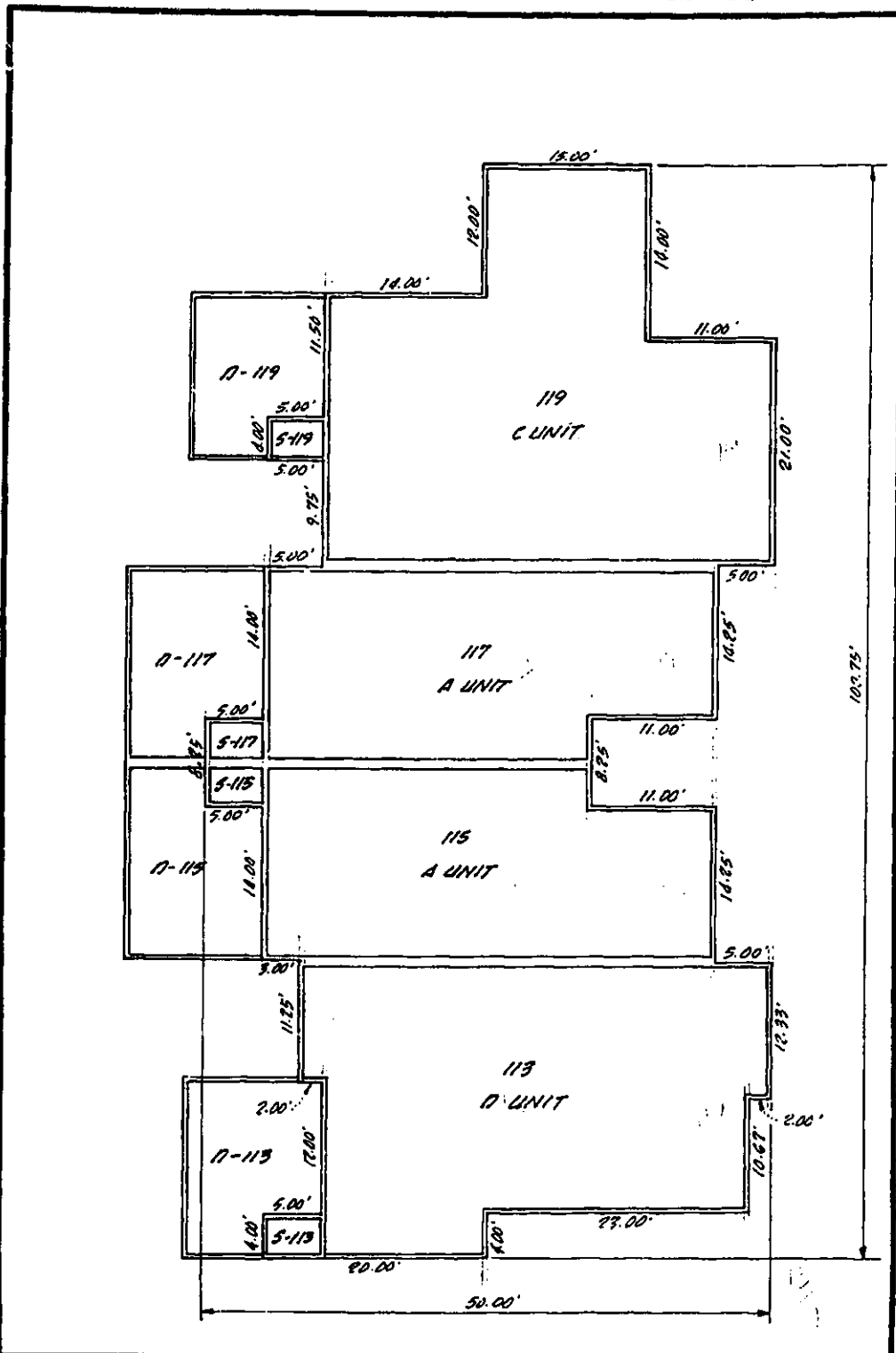
**BUILDING 12 FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 99 OF 44 SHTS.



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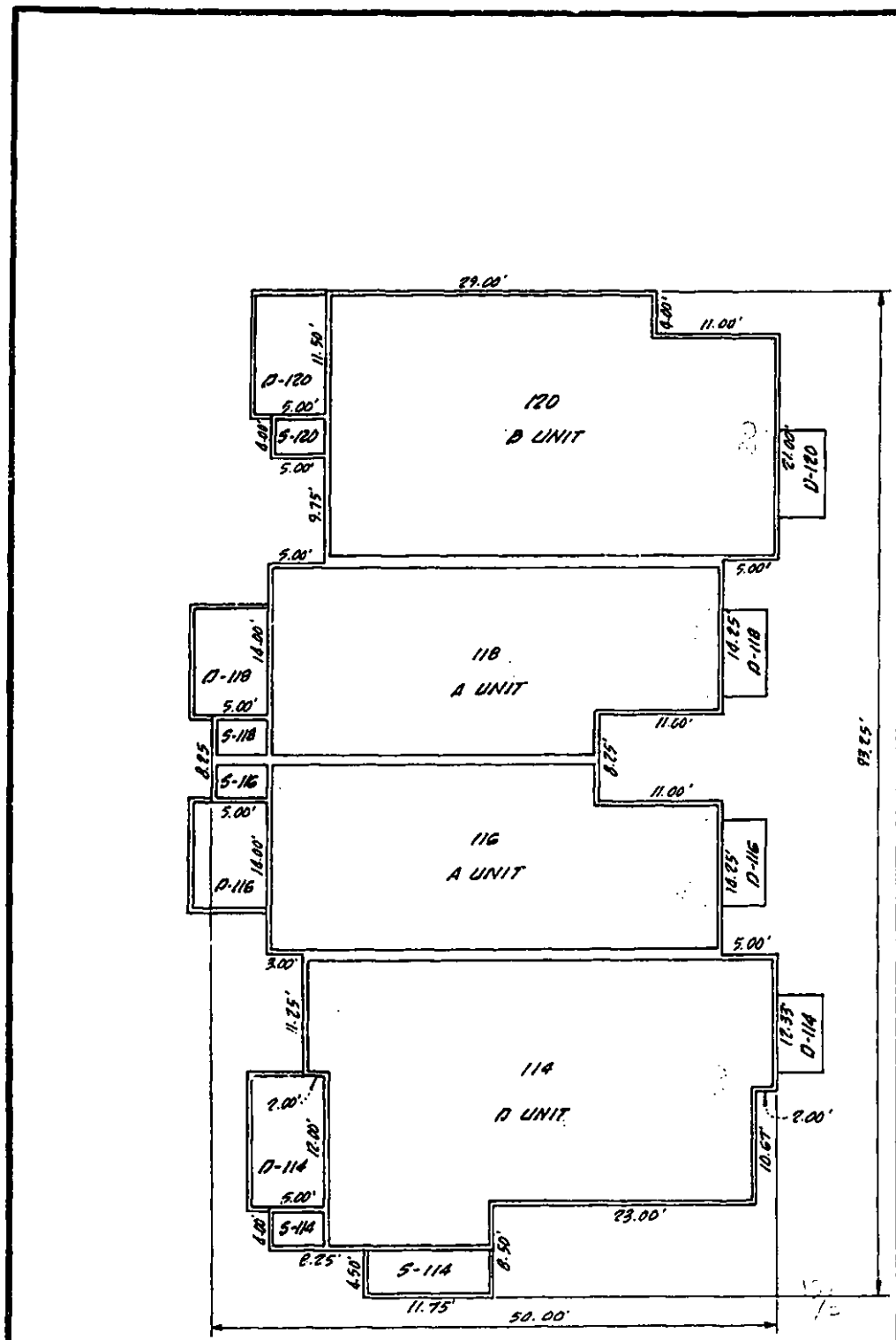
**BUILDING 12 SECOND FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 2 OF 4 SHTS.

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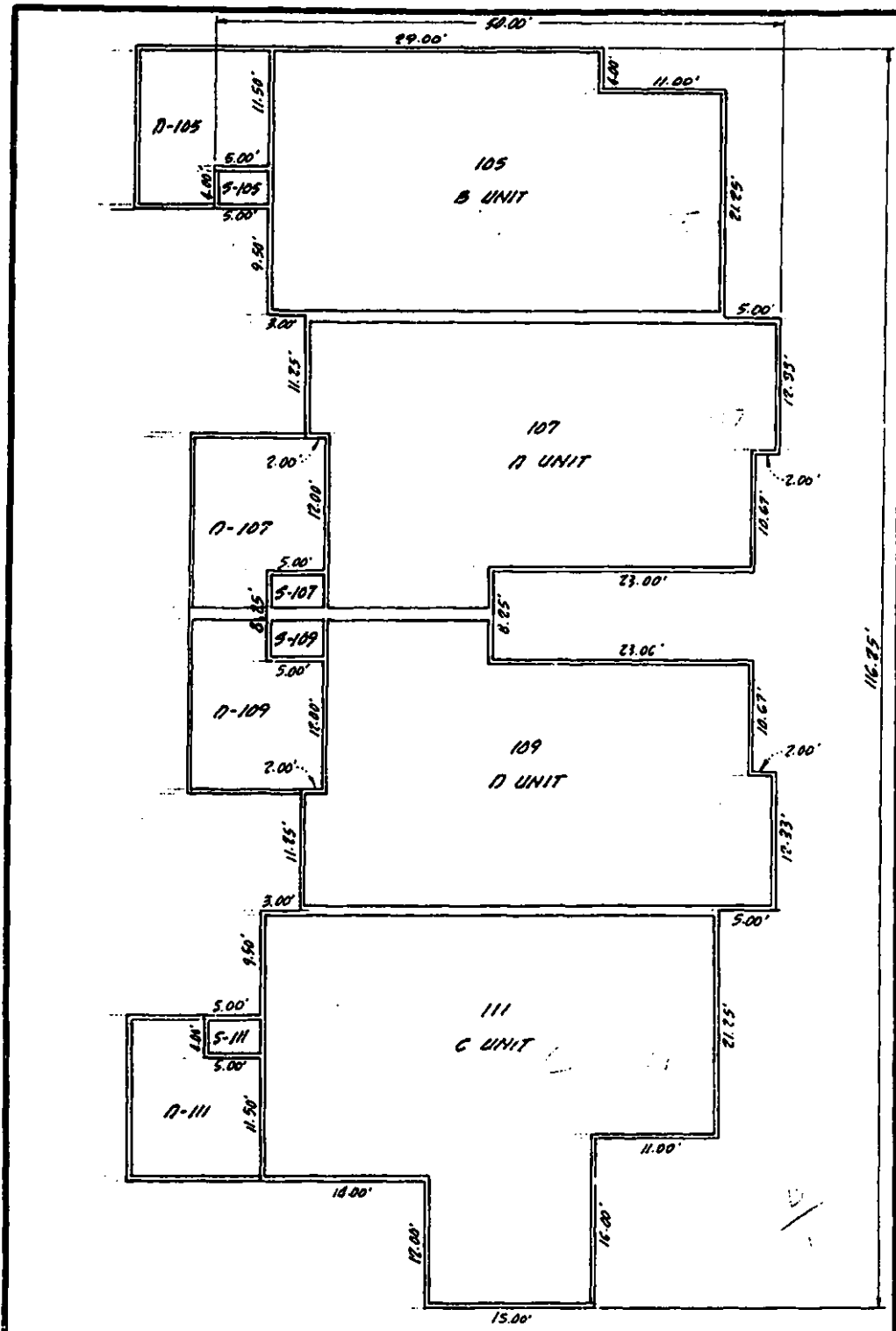
CIVIL ENGINEERING ASSOCIATES
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**BUILDING 13 FIRST FLOOR
 UNIT LOCATION PLAN**
**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 27 OF 44 SHTS.



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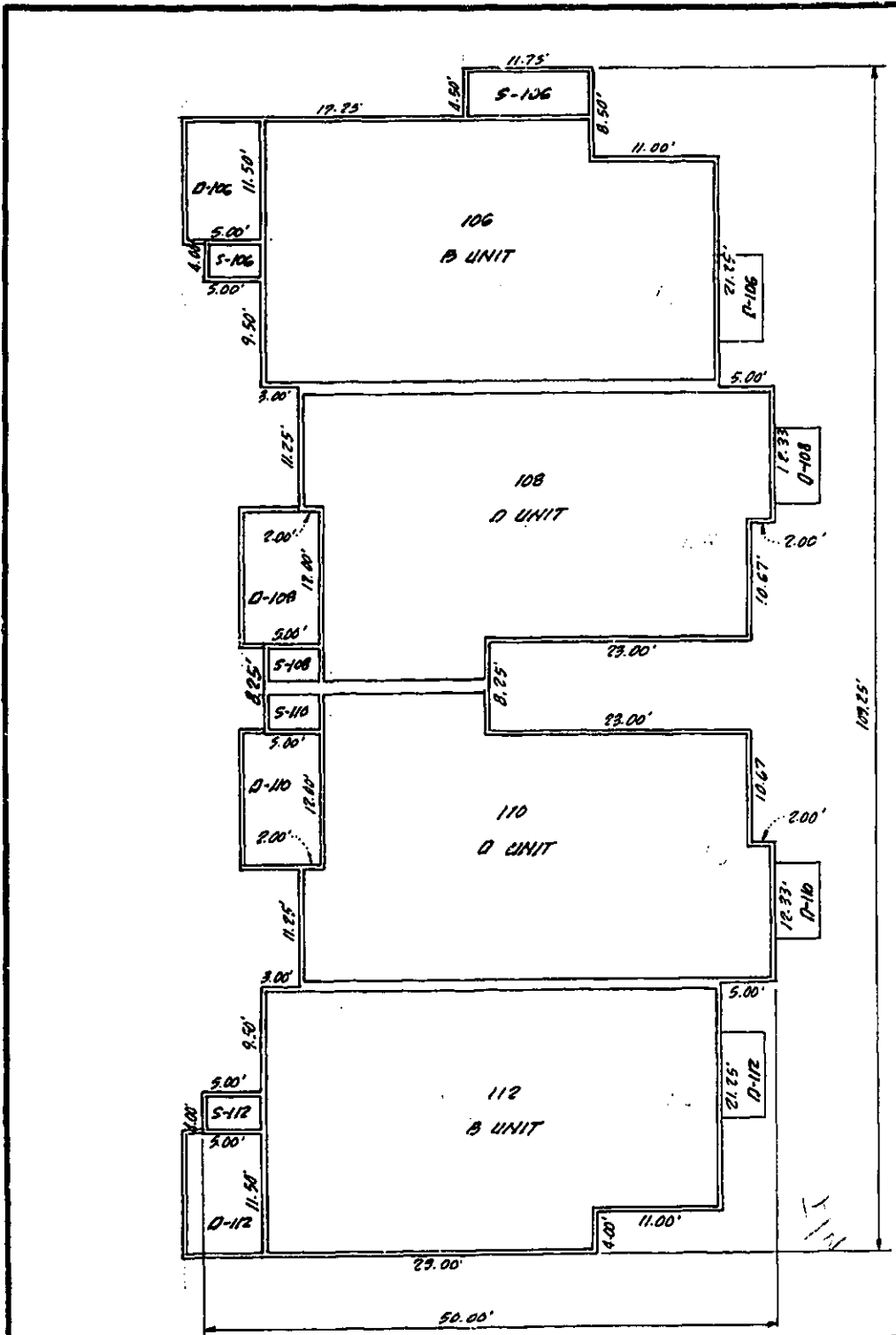
**BUILDING 13 SECOND FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 38 OF 44 SHTS.



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**BUILDING 14 FIRST FLOOR
 UNIT LOCATION PLAN**
 A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 39 OF 44 SHTS.

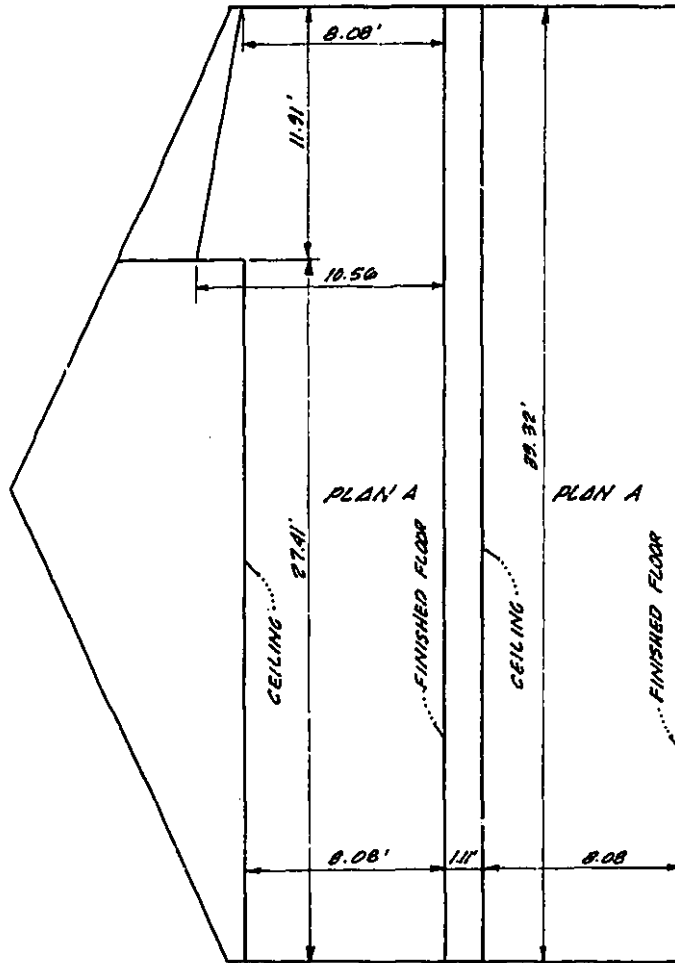
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 1041 K. Pitt Street • Suite 200 • San Jose, CA 95117 • (408) 457-1036

**BUILDING 14 SECOND FLOOR
 UNIT LOCATION PLAN**

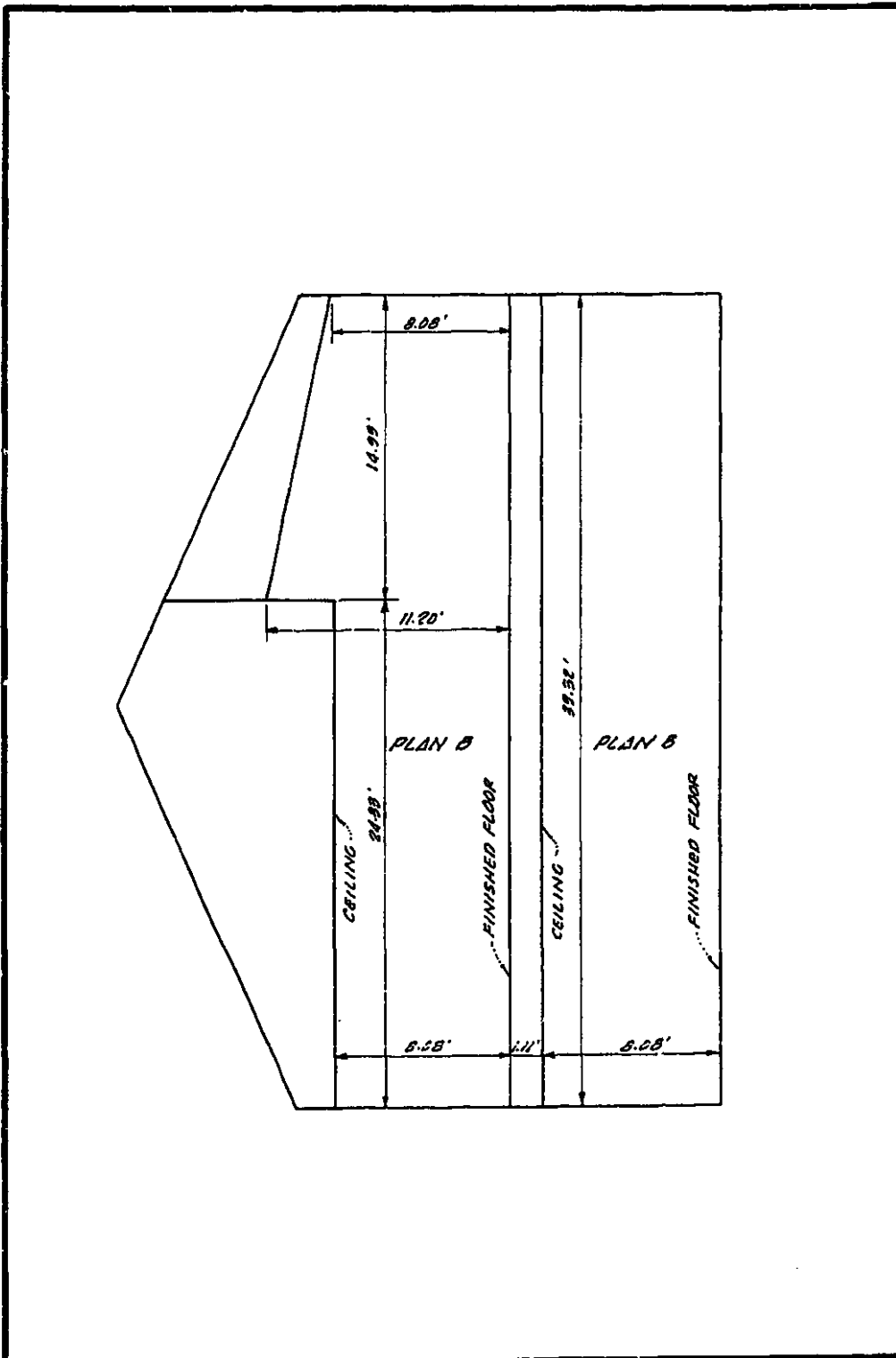
**A CONDOMINIUM PLAN FOR
 WYNDHAM OAKS**
 SAN JOSE, CALIFORNIA SHT. 40 OF 44 SHTS.



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SECTION A-A

A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
SAN JOSE, CALIFORNIA SHT. 41 OF 44 SHTS.



CIVIL ENGINEERING ASSOCIATES

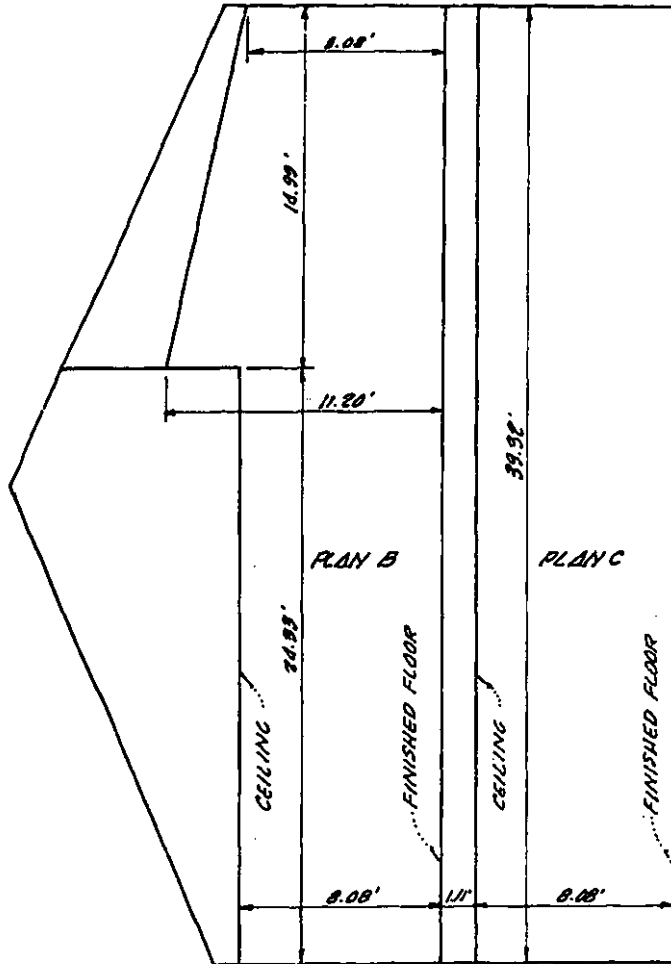
CIVIL ENGINEERS : PLANNERS : SURVEYORS

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SECTION B-B

A CONDOMINIUM PLAN FOR
WYNDHAM OAKS

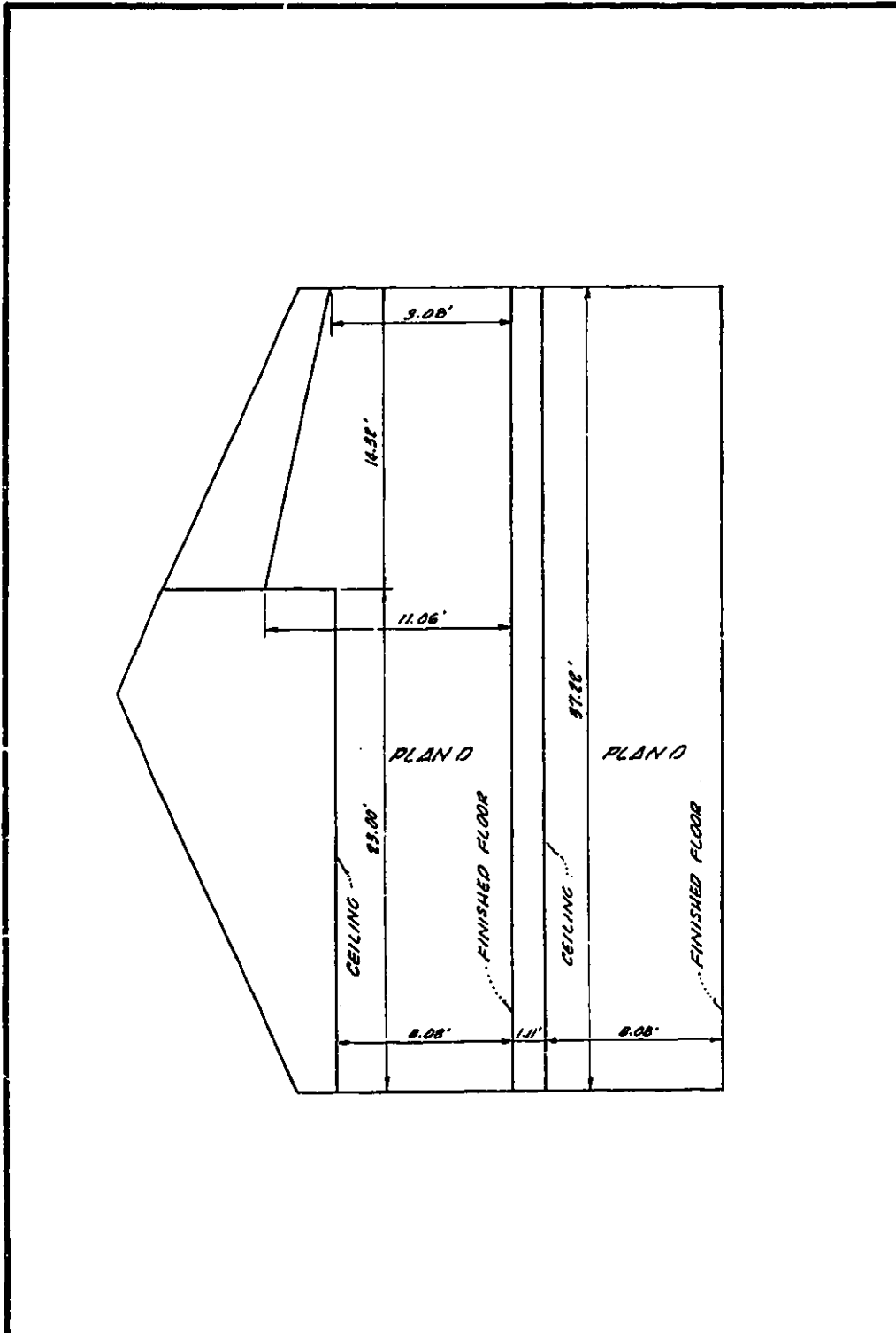
SAN JOSE, CALIFORNIA SHT. 42 OF 44 SHTS.



CIVIL ENGINEERING ASSOCIATES
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SECTION C-C

A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 43 OF 44 SHTS.



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SECTION D-D

A CONDOMINIUM PLAN FOR
WYNDHAM OAKS
 SAN JOSE, CALIFORNIA SHT. 44 OF 44 SHTS.

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Civil Engineering Associates

Civil Engineers • Planners • Surveyors

Peter B. McMorrow, P.E.
Donald V. Utz

EXHIBIT "B"

UNIT NO	FLOOR PLAN	PERCENTAGE OF PRORATABLE ITEMS OF ASSESSMENTS PER UNIT
1	C	1.1509
2	B	0.9658
3	D	0.9902
4	D	0.9902
5	D	0.9902
6	D	0.9902
7	B	0.9658
8	B	0.9658
9	C	1.1509
10	B	0.9658
11	A	0.6733
12	A	0.6733
13	A	0.6733
14	A	0.6733
15	D	0.9902
16	D	0.9902
20	B	0.9658
21	B	0.9658
22	A	0.6733
23	A	0.6733
24	A	0.6733
25	A	0.6733
26	D	0.9902
27	D	0.9902
28	D	0.9902
29	D	0.9902
30	A	0.6733
31	A	0.6733
32	A	0.6733
33	C	1.1509
34	B	0.9658
35	D	0.9902
36	D	0.9902
37	D	0.9902
38	D	0.9902
39	A	0.6733
40	A	0.6733
41	A	0.6733

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EXHIBIT "B"

UNIT NO	FLOOR PLAN	PERCENTAGE OF PRORATABLE ITEM OF ASSESSMENTS PER UNIT
42	A	0.6733
43	C	1.1509
44	B	0.9658
45	B	0.9658
46	B	0.9658
47	A	0.6733
48	A	0.6733
49	A	0.6733
50	A	0.6733
51	D	0.9902
52	D	0.9902
53	C	1.1509
54	B	0.9658
55	A	0.6733
56	A	0.6733
57	A	0.6733
58	A	0.6733
59	D	0.9902
60	D	0.9902
61	D	0.9902
62	D	0.9902
63	A	0.6733
64	A	0.6733
65	A	0.6733
66	A	0.6733
67	B	0.9658
68	B	0.9658
69	D	0.9902
70	D	0.9902
71	D	0.9902
72	D	0.9902
73	A	0.6733
74	A	0.6733
75	A	0.6733
76	A	0.6733
77	C	1.1509
78	B	0.9658
79	B	0.9658

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EXHIBIT "B"

UNIT NO	FLOOR PLAN	PERCENTAGE OF PRORATABLE ITEMS OF ASSESSMENTS PER ITEM
80	B	0.9658
81	A	0.6733
82	A	0.6733
83	A	0.6733
84	A	0.6733
85	D	0.9902
86	D	0.9902
87	C	1.1509
88	E	0.9658
89	A	0.6733
90	A	0.6733
91	A	0.6733
92	A	0.6733
93	C	1.1509
94	B	0.9658
97	B	0.9658
98	B	0.9658
99	A	0.6733
100	A	0.6733
101	A	0.6733
102	A	0.6733
103	D	0.9902
104	D	0.9902
105	B	0.9658
106	B	0.9658
107	D	0.9902
108	D	0.9902
109	D	0.9902
110	D	0.9902
111	C	1.1509
112	B	0.9658
113	D	0.9902
114	D	0.9902
115	A	0.6733
116	A	0.6733
117	A	0.6733
118	A	0.6733
119	C	1.1509
120	B	0.9658

100%

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EXHIBIT "B"

FLOOR PLAN	TOTAL EACH FLOOR PLAN	PERCENT OF PRORATABLE ITEMS ASSESSMENTS PER ITEM	TOTAL PERCENTAGE EACH FLOOR PLAN
A	47	0.6733	31.6450
B	24	0.9658	23.1792
C	10	1.1509	11.5090
D	34	0.9902	<u>33.6668</u>
TOTAL	115		100%

10389333

When recorded, mail to:

Barry R. Lipman
Goldfarb & Lipman
1 Montgomery Street
Telesis Tower, 23rd floor
San Francisco, CA 94104

REC FEE	49
RMF	27
MC*RO	1
LIEN NOT	
SMPF	
PCOR	

Recorded at the request of
TICOR Title Insurance Company
of California

JAN 16 1990

8:00 AM
Laurie Kane, Recorder
SANTA CLARA COUNTY, OFFICIAL RECORDS

AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ESTABLISHING A PLAN FOR CONDOMINIUM
OWNERSHIP OF WYNDHAM OAKS

1227 PAGE 1152

THIS AMENDMENT OF DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP
OF WYNDHAM OAKS is made this 11th day of January, 1990.

WHEREAS:

1. Summerhill Oaks Associates, a California Limited Partnership, filed for record in the Office of the Recorder of the County of Santa Clara, State of California on December 11, 1989 as Instrument No. 10354307, the Declaration of Covenants, Conditions and Restrictions Establishing a Plan for Condominium Ownership of Wyndham Oaks (hereinafter "Declaration"). Attached as Exhibit A to the Declaration is a Condominium Plan for Wyndham Oaks.

2. Subsequent to the recordation of the Declaration, it was discovered that the Condominium Plan for Wyndham Oaks is incorrect in that the parking stalls described thereon were inadvertently misnumbered and that Building 11, as shown on pages 33 and 34 of the Condominium Plan, was inadvertently misdesignated.

3. The undersigned is one hundred percent (100%) of the record owners of Wyndham Oaks.

4. It is the desire of the undersigned that the corrected Condominium Plan for Wyndham Oaks be attached as Exhibit A to the Declaration in the place and stead of the original Condominium Plan for Wyndham Oaks.

RESOLVED:

1. Exhibit A to the Declaration is hereby removed and replaced with A Condominium Plan for Wyndham Oaks, attached hereto as Exhibit A.

2. Each and every other term and provision of the Declaration shall remain in full force and effect as though set forth herein.

IN WITNESS WHEREOF, this Amendment of Declaration of Covenants, Conditions and Restrictions Establishing a Plan for Condominium Ownership of Wyndham Oaks is executed as of the date first above written at Red Bluff, County of Santa Clara, State of California.

SUMMERHILL OAKS ASSOCIATES, a California Limited Partnership

By: Summerhill Development Co., a California Corporation, General Partner

By: Roger Swanson, Its Vice President

01/10/90
#B012/B54403

CAT. NO. NN00038
TO 1984 CA (B-84)

(Corporation as a Partner of a Partnership)

STATE OF CALIFORNIA

COUNTY OF Santa Clara

TICOR TITLE INSURANCE

On January 11th, 1990 before me, the undersigned, a Notary Public in and for said State, personally appeared Roger L. Swanson personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President, and

Summerhill Development Company personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Secretary of

the corporation that executed the within instrument on behalf of Summerhill Oaks Associates

the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



~~Covenants or Restrictions based on race, color, religion, sex, handicap, familial status, or national origin, if any, contained herein, are hereby omitted from this document, in whole and only to the extent that such covenant or restriction is prohibited under chapter 42 Section 55 of the United States Code or (c) relates to handicap but does not discriminate against handicapped persons.~~