APPENDIX D

GEOTECHNICAL REPORT AND NATURAL HAZARD DISCLOSURE REPORT

GEOTECHNICAL INVESTIGATION

HOTEL DEVELOPMENT

1510 S. DE ANZA BOULEVARD

SAN JOSE, CALIFORNIA 95129

Prepared for

Knowhere Holdings

160 Main Street

Los Altos, California 94022

April 2019

Project No. 4684-1

ROMIG ENGINEERS

April 15, 2019
4684-1

Knowhere Holdings
160 Main Street
Los Altos, California 94022

RE: GEOTECHNICAL INVESTIGATION
HOTEL DEVELOPMENT
1510 S. DE ANZA BOULEVARD
SAN JOSE, CALIFORNIA

Attention: Ms. Puja Gupta

Ladies and Gentlemen:

As requested, we have performed a geotechnical investigation for the proposed 124 room hotel development to be constructed at 1510 S. De Anza Boulevard in San Jose, California. The accompanying report summarizes the results of our field exploration, laboratory testing, and engineering analysis, and presents geotechnical recommendations for the proposed project.

We refer you to the text of our report for specific recommendations.

Thank you for the opportunity to work with you on this project. If you have any questions or comments about our findings or recommendations for the project, please call.

Very truly yours,

ROMIG ENGINEERS, INC.

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GEOTECHNICAL INVESTIGATION
HOTEL DEVELOPMENT
1510 S. DE ANZA BOULEVARD
SAN JOSE, CALIFORNIA 95129

PREPARED FOR:
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APRIL 2019

ROMIG ENGINEERS

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GEOTECHNICAL INVESTIGATION
FOR
HOTEL DEVELOPMENT
1510 S. DE ANZA BOULEVARD
SAN JOSE, CALIFORNIA

INTRODUCTION

This report presents the results of our geotechnical investigation for the proposed 124 room hotel development to be constructed at 1510 S. De Anza Boulevard, California. The location of the site is shown on the Vicinity Map, Figure 1. The purpose of this investigation was to evaluate subsurface conditions at the site and to provide geotechnical recommendations for design and construction of the proposed project.

Project Description

The project consists of constructing a 83,900 square foot four-story hotel building at the referenced site in San Jose. The building is expected to have two levels of basement parking below the entire footprint which will extend to a depth of about 20 feet. The basement will be accessed through a ramp at the north side of the building along Sharon Drive. The ground level of the hotel will include the lobby, business center/meeting rooms, restaurant, fitness center, hotel rooms, porte-cochere, and outdoor patio area. The single-story retail building which currently occupies the site will be demolished. Structural loads are expected to be moderate as is typical for this type of construction.

Scope of Work

Our scope of work for this investigation was presented in our agreement with Knowhere Holdings dated January 18, 2019. In order to complete our investigation, we performed the following work.

- Review of geologic and geotechnical literature in our files pertinent to the general area of the site.
- Subsurface exploration consisting of drilling, sampling, and logging three exploratory borings in the area of the proposed building.

- Laboratory testing of selected soil samples to aid in soil classification and to help evaluate the engineering properties of the soils encountered at the site.

- Engineering analysis and evaluation of the surface and subsurface data to develop earthwork guidelines and foundation design criteria for the proposed building.

- Preparation of this report presenting our findings and geotechnical recommendations for the proposed construction.

Limitations

This report has been prepared for the exclusive use of Knowhere Holdings for specific application to developing geotechnical design criteria for the proposed hotel development to be constructed at 151 S. De Anza Boulevard in San Jose, California. We make no warranty, expressed or implied, except that our services are performed in accordance with the geotechnical engineering principles generally accepted at this time and location. This report was prepared to provide engineering opinions and recommendations only. In the event there are any changes in the nature, design, or location of the project, or if any future improvements are planned, the conclusions and recommendations presented in this report should not be considered valid unless 1) the project changes are reviewed by us, and 2) the conclusions and recommendations presented in this report are modified or verified in writing.

The analysis, conclusions, and recommendations presented in this report are based on site conditions as they existed at the time of our investigation; the currently planned improvements; review of previous reports relevant to the site conditions; and laboratory test results. In addition, it should be recognized that certain limitations are inherent in the evaluation of subsurface conditions, and that certain conditions may not be detected during an investigation of this type. Changes in the information or data gained from any of these sources could result in changes in our conclusions or recommendations. If such changes occur, we should be advised so that we can review our report in light of those changes.

SITE ENVIRONMENTAL DOCUMENTATION

The property was previously occupied by Kelly Moore Paints until 2017. The Phase 1 Environmental Site Assessment Report, dated April 5, 2017, prepared by AEI consultants did not identify any environmental concerns at the site that would impact the development.

SITE EXPLORATION AND RECONNAISSANCE

Site reconnaissance and subsurface exploration were performed on March 16, 2017. Subsurface exploration was performed using a Mobile B-56 truck-mounted drill equipped with 8-inch diameter hollow-stem augers. Three exploratory borings were advanced to depths ranging between 30 to 40 feet. The approximate locations of the borings are presented on the Site Plan, Figure 2. The boring logs and the results of our laboratory tests are attached in Appendices A and B, respectively.

Surface Conditions

The site is located in a commercial area at the southeast corner of the intersection of S. De Anza Boulevard and Sharon Drive. At the time of our investigation, the site was occupied by a single story commercial building which had brick exterior walls. An asphaltic concrete parking lot surrounded all sides of the building. A concrete walkway extended along the perimeter of the building. A small raised concrete loading dock was located along the east (rear) side of the building. The relatively flat site was landscaped with a few small shrubs and medium trees located within the landscaping areas along the perimeter of the site.

The depth and width of the existing building foundation are unknown. The perimeter stem walls were not visible. The parking lot pavement was in poor condition with extensive hairline to ½-inch wide cracks and areas of alligator cracking. The concrete walkways had hairline to ¼-inch wide cracks. Roof downspouts were not observed.

Subsurface Conditions

At the location of borings, beneath the pavement section, we encountered approximately 2 to 3 feet of surface fill which consisted of hard sandy lean clay of low plasticity underlain by approximately 2 to 3 feet of very stiff to hard sandy fat clay of high plasticity. Beneath the fill and fat clay soil, we encountered approximately 12 feet of hard sandy lean clay of moderate plasticity underlain by 10 to 18 feet of dense to very dense clayey sand. We then encountered hard sandy lean clay of low to moderate plasticity which extended to the maximum depths explored of 30 to 40 feet.

A Liquid Limit of 53 and a Plasticity Index of 31 were measured on a sample of near surface native soil obtained from our Boring EB-2. These test results indicate that the near surface soil generally has high plasticity and a high potential for expansion.

Ground Water

Free ground water was not encountered in our borings during or immediately following our field exploration. The borings were backfilled with grout shortly after drilling, therefore a stabilized ground water level may not have been obtained.

As part of our study, we also researched some of the available the historic ground water data available from nearby monitoring wells and reports available on the State Geotracker website. The quarterly ground water monitoring report prepared by Conestoga-Rovers and Associates., dated July 26, 2011, presented ground water depth measurements from 3 monitoring wells at 1698 S. De Anza Boulevard, located approximately 750 feet south of the site from 2002 through 2011. During that time period, the measurements indicated a high ground water elevation of 261.5 feet in 2006 (datum in mean sea level) and a low ground water elevation of 238.9 feet in 2007. This ground water data corresponds to ground water depths of 38.5 feet and 61.1 feet below the subject site, respectively (assuming a site ground elevation of 300 feet mean sea level).

Information presented in Seismic Hazard Zone Report 068 for the Cupertino Quadrangle (California Geological Survey, 2006) indicates the historical high ground water level in the area of the site is greater than 50 feet below grade. Please be cautioned that fluctuations in the level of ground water can occur due to variations in rainfall, landscaping, surface and subsurface drainage patterns, and other factors. Based on the findings from this investigation, our local experience, and our analysis of the nearby ground water data, it is our opinion that the highest projected future ground water depth at the site would be approximately 32 feet below the existing ground surface (elevation 268 feet mean sea level).

GEOLOGIC SETTING

As part of our investigation, we briefly reviewed our local experience and geologic information in our files pertinent to the general area of the site. Geologic information for the area indicates the site is underlain by Pleistocene-age alluvial fan and fluvial deposits, Qpaf (Brabb, Graymer and Jones, 2000). These alluvial fan and fluvial deposits are generally expected to consist of dense, gravelly and clayey sand or clayey gravel that becomes finer grained upward transitioning into sandy clay. The geology of the general area of the site is shown on the Vicinity Geologic Map, Figure 3.

The lot and immediate site vicinity are located in an area that slopes very gently to the northeast (approximately 10 feet vertically per 1,500 feet laterally, although locally the

topography may be steeper). The site is located at an elevation of approximately 300 feet above sea level.

Faulting and Seismicity

There are no mapped through-going faults within or adjacent to the site and the site is not located within a State of California Earthquake Fault Zone (formerly known as a Special Studies Zone), an area where the potential for fault rupture is considered probable. The closest active fault is the San Andreas fault, located approximately 4.4 miles southwest of the property. Thus, the likelihood of surface rupture occurring from active faulting at the site is remote.

The San Francisco Bay Area is an active seismic region. Earthquakes in the region result from strain energy constantly accumulating because of the northwestward movement of the Pacific Plate relative to the North American Plate. On average about 1.6-inches of movement occur per year. Historically, the Bay Area has experienced large, destructive earthquakes in 1838, 1868, 1906, and 1989. The faults considered most likely to produce large earthquakes in the area include the San Andreas, San Gregorio, Hayward, and Calaveras faults. The San Gregorio fault is located approximately 18 miles southwest of the site. The Hayward and Calaveras faults are located approximately 13 and 16 miles northeast of the site, respectively. These faults and significant earthquakes that have been documented in the Bay Area are listed in Table 1 below and are shown on the Regional Fault and Seismicity Map, Figure 4.

Table 1. Earthquake Magnitudes and Historical Earthquakes
Knowhere Holdings Hotel Development
San Jose California

Fault	Maximum Magnitude (Mw)	Historical Earthquakes		Estimated Magnitude
San Andreas	7.9	1989	Loma Prieta	6.9
		1906	San Francisco	7.9
		1865	N. of 1989 Loma Prieta Earthquake	6.5
		1838	San Francisco-Peninsula Segment	6.8
		1836	East of Monterey	6.5
Hayward	7.1	1868	Hayward	6.8
		1858	Hayward	6.8
Calaveras	6.8	1984	Morgan Hill	6.2
		1911	Morgan Hill	6.2
		1897	Gilroy	6.3
San Gregorio	7.3	1926	Monterey Bay	6.1

In the future, the subject property will undoubtedly experience severe ground shaking during moderate and large magnitude earthquakes produced along the San Andreas fault or other active Bay Area fault zones. Using information from recent earthquakes, improved mapping of active faults, ground motion prediction modeling, and a new model for estimating earthquake probabilities, a panel of experts convened by the U.S.G.S. have concluded there is a 72 percent chance for at least one earthquake of Magnitude 6.7 or larger in the Bay Area before 2043. The Hayward fault has the highest likelihood of an earthquake greater than or equal to magnitude 6.7 in the Bay Area, estimated at 33 percent, while the likelihood on the San Andreas and Calaveras faults is estimated at approximately 22 and 26 percent, respectively (Aagaard et al., 2016).

Earthquake Design Parameters

The State of California currently requires that buildings and structures be designed in accordance with the seismic design provisions presented in the 2016 California Building Code and in ASCE 7-10, "Minimum Design Loads for Buildings and Other Structures." Based on site geologic conditions and on information from our subsurface exploration at the site, the site may be classified as Site Class D, stiff soil, in accordance with Chapter 20 of ASCE 7-10. Spectral Response Acceleration parameters and site coefficients may be taken directly from the U.S.G.S. website based on the longitude and latitude of the site. For site latitude (37.2966), longitude (-122.0317) and Site Class D, design parameters are presented on Table 2.

Table 2. 2016 CBC Seismic Design Criteria
Knowhere Holdings Hotel Development
San Jose, California

Spectral Response Acceleration Parameters			Design Value
Mapped Value for Short Period	-	S_S	2.382
Mapped Value for 1-sec Period	-	S_1	0.842
Site Coefficient	-	F_a	1.0
Site Coefficient	-	F_v	1.5
Adjusted for Site Class	-	S_{MS}	2.382
Adjusted for Site Class	-	S_{M1}	1.264
Value for Design Earthquake	-	S_{DS}	1.588
Value for Design Earthquake	-	S_{D1}	0.842

Geologic Hazards

As part of our investigation, we reviewed the potential for geologic hazards to impact the site and the proposed building, considering the geologic setting and the soils encountered during our investigation. The results of our review are presented below and in the following sections of our report.

- Fault Rupture - The site is not located in a State of California Earthquake Fault Zone or area where fault rupture is considered likely. Therefore, active faults are not believed to exist beneath the site and the potential for fault rupture at the site is considered low.

- Ground Shaking - The site is located in an active seismic area. Moderate to large earthquakes are probable along several active faults in the greater Bay Area over a 30 to 50 year design life. Strong ground shaking should therefore be expected several times during the life of the building, as is typical for sites throughout the Bay Area. The building should be designed in accordance with current earthquake resistance standards.

- Liquefaction - The Seismic Hazard Zones Map of the Cupertino Quadrangle (California Geological Survey, 2002) does not include the site within a State of California liquefaction hazard zone, an area that may be underlain by soils that could be potentially susceptible to liquefaction during a major earthquake. Since a relatively deep ground water level is expected at the site and the soils encountered at the site were very stiff to hard clays and dense to very dense sands which are not considered susceptible to liquefaction, in our opinion, the likelihood of damage from liquefaction occurring at the site is low provided the building is designed and constructed in accordance with the recommendations presented in this report.

- Differential Compaction - Differential compaction can occur during moderate and large earthquakes when soft or loose, natural or fill soils are densified and settle, often unevenly across a site. Since the soils encountered in our borings above the ground water level were generally stiff to hard clays and dense to very dense sands which are not prone to differential compaction, in our opinion, the probability of significant differential compaction at the site is low.

CONCLUSIONS

From a geotechnical viewpoint, the site is suitable for the proposed hotel development provided the recommendations presented in this report are followed during design and construction. Specific geotechnical recommendations for the project are presented in the following sections of this report.

Based on the anticipated depth of the basement, the basement foundation is expected to bear on dense to very dense sands below the surface fill and highly expansive surface soils. In our opinion, the building may be supported on a mat foundation bearing on dense to very dense sands at the basement level. Prior to mat construction, the mat subgrade should be prepared and compacted as recommended in the "Earthwork" section of this report. At this time, building loads are not available. During design, our office should be retained to finalize the foundation design and building settlement criteria presented in this report. However based on the dense/hard consistency of the soil encountered below the depth of the basement, the magnitude of foundation settlement is expected to be relatively low.

Based on the anticipated depth of the basement excavation and the relatively deep ground water condition at the site, it does not appear that dewatering will be necessary during construction of the basement parking.

In our opinion, any existing fill not removed during grading for the building pad should be excavated and recompacted below any at-grade improvements (if any) or pavement during site preparation. The reworking of the fill and subgrade preparation should proceed as recommended in the section of this report titled "Earthwork."

We note that portions of the clayey sand strata encountered in the borings within the basement excavation depth were judged to have limited cohesion and may be prone to sloughing and/or caving if excavated near-vertical. Temporary basement excavation shoring should be designed and installed accordingly. This information should be considered by the contractor when establishing temporary shoring/sloping criteria for basement excavation, as needed.

Because subsurface conditions may vary from those encountered at the location of our borings, and to observe that our recommendations are properly implemented, we recommend that we be retained to: 1) review the grading and foundation plans for conformance with the recommendations presented in this report and; 2) observe and test during earthwork, foundation, shoring, drainage and slab construction.

FOUNDATIONS

Mat Foundation

In our opinion, the proposed building and basement walls may be supported on a reinforced concrete mat foundation bearing in undisturbed dense to very dense native soil.

The mat may be designed for an average allowable bearing pressure of 3,000 pounds per square foot for dead plus live loads with a one-third increase allowed when considering additional short-term wind or seismic loading. A maximum localized bearing pressure of 4,000 pounds per square foot from dead plus live loads may be used at concentrated column or wall loads.

The mat should be reinforced to provide structural continuity and to permit spanning of local irregularities. On a preliminary basis, a modulus of subgrade reaction (Kv1) of 150 pounds per cubic inch may be assumed for the mat subgrade. This value is based on a 1-foot square bearing area and should be scaled to account for mat foundation size effects. Alternatively, once building loads and estimated post construction differential settlement are available, a modulus of subgrade reaction (Kv) may be estimated for the mat subgrade (typically on the order of 30 to 40 pci). The mat should also be designed with sufficient depth and reinforcing to span over localized weak compressible areas.

The bottom of the excavation for the basement mat should be cleaned of all loose to medium dense or relatively soft soil and debris. A member of our staff should observe the excavation and evaluate whether scarification and compaction or proof rolling of the bottom of the excavation is needed. If desired, a 6-inch section of crushed rock or a thin working slab could be placed as a working surface on the prepared and approved mat subgrade.

Lateral Loads for Basement Mat

Lateral loads may be resisted by friction between the bottom of the mat and the supporting subgrade, and by passive soil pressure acting against the mat or basement walls cast neat in foundation excavations or backfilled with properly compacted structural fill. The below values given for coefficient of friction and passive soil resistance are ultimate values. We recommend that a factor of safety of 1.5 be applied.

An ultimate coefficient of friction of 0.4 may be assumed for the mat bearing directly on native soil. An ultimate coefficient of friction of 0.45 may be assumed for the mat foundation bearing directly on a crushed rock section. However, since it is likely that a water-proofing membrane will be installed between the bottom of the mat and subgrade soil, the structural engineer should consult with the water-proofing consultant for the coefficient of friction between the membrane and subgrade soil.

Ultimate passive soil resistance may be simulated by an equivalent fluid pressure of 450 pounds per cubic foot beginning at the ground surface, where appropriate. The ultimate passive soil resistance acting on the mat foundation should be limited to 3,000 pounds per

square foot. This passive pressure assumes lateral deflection at the top of the mat foundation on the order of ¼- to ½-inch.

Basement Water Proofing

We have not provided recommendations regarding the method or details for basement damp-proofing since design of damp-proofing systems is outside of our scope of services and expertise. Installing adequate damp-proofing below and behind the edges of the basement floor and behind the basement walls is essential for the success of the basement structure. Placing concrete with a low water cement ratio should be considered as one step of good damp-proofing as discussed below. The damp-proofing system below the basement mat may be placed directly on a layer of ¾-inch crushed rock or a thin working slab (as discussed previously), prepared soil subgrade, or alternative methods as determined by the water-proofing consultant and/or contractor.

Settlement

On a preliminary basis, 30-year post construction total settlement due to static loads is expected to be approximately ¾-inch across the mat foundation with post construction differential settlement of about ½-inch between interior columns and perimeter basement walls. Once the range of dead and live loads and the foundation configuration have been developed, we should update the magnitude of total and differential foundation settlement to help establish if an adjustment should be made to the allowable bearing capacity values and/or differential settlement.

SLABS-ON-GRADE

General Slab Considerations

The near surface fill soils at this site generally have a low potential for expansion while the native soils below the surface fill have a high potential for expansion. To reduce the potential for movement of the slab subgrade, at least the upper 6-inches of surface soil should be scarified and compacted at a moisture content at least 2 percent above the laboratory optimum. The native or fill soil subgrade should be kept moist up until the time the non-expansive fill and/or aggregate base is placed. Slab subgrades and non expansive fill should be prepared and compacted as recommended in the section of this report titled “Earthwork.” Exterior flatwork should be underlain by a layer of non expansive fill as discussed below. The non expansive fill should consist of aggregate base rock or a clayey soil with a plasticity index of 15 or less.

Considering the potential for some differential movement of the surface and near-surface soils, we expect that reinforced slabs will perform better than unreinforced slabs.

Consideration should be given to using a control joint spacing on the order of 2 feet in each direction for each inch of slab thickness.

Exterior Flatwork

Concrete walkways and exterior flatwork should be at least 4 inches thick and should be constructed on at least 6 inches of Class 2 aggregate base. For improved performance, exterior slabs-on-grade, such as for patios, may constructed with a thickened edge to improve edge stiffness and to reduce the potential for water seepage under the edge of the slabs and into the underlying base and subgrade. Where expansive native soils are exposed, the non-expansive fill layer should be increase to at least 15 inches.

Basement Mat

In our opinion, the basement mat and parking ramp (prior to installation of the water proofing) may be placed directly on a layer of ¾-inch crushed rock or a thin working slab, or alternative methods as determined by the water-proofing consultant and/or contractor. A member of our staff should observe the excavation and evaluate whether or not scarification and compaction or proof rolling of the bottom of the excavation below the basement mat and ramp is needed.

As discussed previously, installing adequate damp-proofing membrane below and behind the edges of the basement floor and behind the basement walls is essential for the success of the basement structure.

Moisture Considerations

The permeability of concrete is affected significantly by the water:cement ratio of the mix, with lower water:cement ratios producing more damp-resistant slabs (or basement retaining walls) and higher strength. Where moisture protection is important and/or where the concrete will be placed directly on the damp-proofing, the water:cement ratio should be 0.45 or less. To increase the workability of the concrete, mid-range plasticizers may be added to the mix. Water should not be added to the mix unless the slump is less than specified and the water:cement ratio will not exceed 0.45. Other steps that may be taken to reduce moisture transmission through concrete slabs-on-grade include moist curing for 5 to 7 days and allowing the slab to dry for a period of two months or longer prior to placing floor coverings. Prior to installation of floor coverings, it may be appropriate to test the slab moisture content for adherence to the manufacturer's requirements to determine whether a longer drying time is necessary.

BASEMENT WALLS

We recommend that retaining walls with level backfill that are not free to deflect or rotate, such as the basement walls, be designed to resist an equivalent fluid pressure of 43 pounds per cubic foot plus an additional uniform lateral pressure of 8H pounds per square foot, where H is the height of the wall in feet. Although a deep ground water conditions is expected, if the basement walls will be designed as undrained, some provision should be made in basement wall design for at least locally undrained wall backfill conditions. To account for approximately 6 feet of perched ground water behind the basement walls, we recommend adding a line load surcharge of 775 pounds per lineal foot behind the basement walls. Since perched water conditions could develop at various depths behind the basement walls, we recommend the line load surcharge be applied at various depths to check the wall design for perched water conditions. Where retaining walls will be subjected to surcharge loads, such as from foundations, construction loading, or traffic on adjacent streets, the walls should also be designed for an additional uniform lateral pressure equal to one-half of the surcharge pressure.

Based on the site peak ground acceleration (PGA), on Seed and Whitman (1970); Al Atik and Sitar (2010); and Lew et al. (2010); seismic loads on retaining walls that can yield may be simulated by a line load of $6H^2$ (in pounds per foot, where H is the wall height in feet). Seismic loads on walls that cannot yield may be subjected to a seismic load as high as about $12H^2$. This seismic surcharge line load should be assumed to act at 1/3H above the base of the wall (in addition to the active wall design pressure of 43 pounds per cubic foot).

As noted above, a reliable water-proofing system should be installed below and around the edges of the foundation and slab floor as well as behind the basement walls.

If the basement is designed for drained conditions, in order to prevent buildup of water pressure from surface water infiltration, a subsurface drainage system should be installed behind the walls (and the perched ground water condition recommended above may be eliminated). The drainage system should consist of a 4-inch diameter perforated pipe (perforations placed down) embedded in a section of 1/2- to 3/4-inch, clean, crushed rock at least 12 inches wide. Backfill above the perforated drain line should also consist of 1/2- to 3/4-inch, clean, crushed rock to within about 1½ to 2 feet below exterior finished grade. A filter fabric should be wrapped around the crushed rock to protect it from infiltration of native soil. The upper 1½ to 2 feet of backfill should consist of compacted native soil. The perforated pipe should discharge into a sump that pumps to a suitable

location. Damp-proofing of the walls should be included in areas where wall dampness and efflorescence would be undesirable.

Miradrain, Enkadrain or other drainage fabrics approved by our office may also be used for wall drainage as an alternative to the gravel drainage system described above. If used, the drainage fabric should extend from a depth of about 1 foot below the top of the wall backfill down to the drain pipe or to a manufacturer specified collector pipe at the base of the wall. If a perforated drainpipe is installed, a minimum 12-inch wide section of ½-inch to ¾-inch clean crushed rock and filter fabric should be placed around the drainpipe, as recommended previously.

Backfill (if any) behind the retaining walls should be compacted to at least 90 percent relative compaction using light compaction equipment. If heavy equipment is used for compaction of wall backfill, the walls may need to be temporarily braced.

The basement retaining walls should be supported on a structural mat foundation designed in accordance with the recommendations presented previously.

TEMPORARY BASEMENT EXCAVATION SHORING

Stitch piers with wood lagging possibly with tie-backs, as needed, will likely be used for support of the temporary basement excavation. The following preliminary geotechnical design parameters are provided for the conventional concrete filled soldier beams and lagging basement shoring and support. The shoring engineer and contractor who are responsible for performance of the shoring system may recommend alternative values based on their experience and the allowable deflection needed for the site, adjacent structures, and surface features.

In our opinion, the temporary stitch piers may be designed to support an active lateral soil pressure of at least 40 pounds per cubic foot across the entire vertical excavation cut. This design soil pressure assumes that drainage can occur between shimmed wood lagging resulting in a drained soil pressure on the shoring system. Where vehicle traffic or construction loads, will be applied on the soil surface behind the back of the shoring, a lateral surcharge pressure equal to 50 percent of the vertical surcharge pressure should be included in the shoring design.

Passive soil resistance of 400 pounds per cubic foot may be assumed to act on the stitch piers over 2 pier diameters when calculating the minimum depth of the piers required to resist lateral loads; at least the upper foot of passive resistance should be neglected in

design. A skin friction of 450 pounds per square foot may be assumed for the stitch piers when calculating the allowable vertical capacity of the piers.

Some vertical and lateral deflection of the temporary shoring should be expected to occur in the planned cantilever shoring system which could result in ground settlement adjacent to the shoring. The amount of vertical and lateral deflection at the shoring face is typically on the order of ½ to 1½-percent of the total excavation depth (H) (reducing to ground settlement on the order of about ⅛ to ¼ percent of H within a lateral distance of about twice the total excavation depth). If this amount of deflection and settlement is not tolerable, the shoring system should be designed for a higher active or at-rest pressure in order to limit the potential deflections.

Larger deflections than estimated above are possible depending upon how the shoring is constructed and/or backfilled. The contractor should monitor vertical and lateral deflections as the basement excavation, shoring installation and building construction proceeds and modify the design as needed to control deflections to acceptable amounts. In addition, it should be the contractor's responsibility to undertake a preconstruction survey with benchmarks and photographs of the adjacent properties.

Concrete should be placed in the pier excavations as soon as practical after drilling. Ground water seepage may be encountered during pier drilling and it is possible that ground water seepage could cause some sloughing or caving of the pier holes. This can be further evaluated during drilling of the initial piers. If ground water cannot be effectively pumped from the pier holes, concrete will need to be placed in the pier holes by the tremie method.

Tie Backs

Tie backs may be installed to laterally support the shoring system as needed. The tie backs may be designed with allowable bond strength between the native soil and the anchors of 1,200 pounds per square foot. This bond strength (with a factor of safety of at least 1.5) should be confirmed in the field during the initial stages of construction with proof load testing as required by the shoring designer. The actual bond strength and pull-out capacity of the tie back is dependent upon the installation method and should be confirmed in the field during construction with performance and proof load testing; our representative should observe the testing to verify that the needed capacities are obtained.

The design bond length will depend on the anchor spacing and desired capacity, however we suggest a minimum bond length of 10 feet beyond the active soil wedge behind the shoring walls would generally be appropriate. We suggest that the minimum unbonded

length within the active zone of the tie-backs may be assumed to be the length in front of a 60 degree slope (from horizontal) projected up from the base of the retaining wall.

VEHICLE PAVEMENTS

Asphalt Concrete Pavements

Based on the anticipated composition of the surface soils, and an estimated traffic index for the proposed pavement loading conditions, we developed the minimum pavement sections presented in Table 2 below based on Procedure 630 of the Caltrans Highway Design Manual.

The Traffic Indices used in our pavement thickness calculations are considered reasonable values for this development and are based on engineering judgment rather than on detailed traffic projections. Asphalt concrete and aggregate base should conform to and be placed in accordance with the requirements of the Caltrans Standard Specifications, latest edition, except that compaction should be based on ASTM Test D1557.

Table 2. Pavement Sections
Knowhere Holdings Hotel Development
San Jose, California

Traffic Loading Condition	Design Traffic Index	Asphalt Concrete (inches)	Aggregate Base* (inches)	Total Thickness (inches)
Automobile Parking	4.0	3.0	6.0	9.0
Automobile Access	4.5	3.0	7.0	10.0
Light Truck Traffic	5.0	3.0	9.0	12.0
Moderate Truck Traffic	6.0	4.0	11.0	13.0
Heavy Truck Traffic	7.0	4.0	14.0	18.0

*Caltrans Class 2 Aggregate Base (minimum R-value = 78).

We recommend that measures be taken to limit the amount of surface water that seeps into the aggregate base and subgrade below vehicle pavements, particularly where the pavements are adjacent to landscape areas. Seepage of water into the pavement base material tends to soften the subgrade, increasing the amount of pavement maintenance that is required and shortening the pavement service life. Deepened curbs extending 4-inches below the bottom of the aggregate base layer are generally effective in limiting

excessive water seepage. Other types of water cutoff devices or edge drains may also be considered to maintain pavement service life.

Portland Cement Concrete Pavements

If Portland Cement Concrete (PCC) pavements are to be used on portions of the site, the minimum required thickness of the PCC pavements should be based on the anticipated traffic loading, the modulus of rupture of the concrete that will be used for pavement construction, and the composition and supporting characteristics of the soil subgrade below the pavement section.

To provide a general guideline for the minimum required thickness of PCC pavements, we used information in the Portland Cement Association publication titled "Thickness Design for Concrete Highway and Street Pavements." We assumed "low" subgrade support from the on-site soils, considering typical residential street traffic (up to 25 daily trucks with maximum single axle loads of 22 kips and maximum tandem axle loads of 36 kips), aggregate-interlock joints (i.e. no dowels), no concrete shoulder or curb, a modulus of rupture of concrete of 550 psi (which correlates to a concrete compressive strength of approximately 3,700 psi), at least 10 inches of Class 2 aggregate base below the PCC pavement, and 20-year pavement service life. Sufficient control joints should be incorporated in the design and construction to limit and control cracking.

Based on the design assumptions described above, a PCC pavement with a thickness of at least 6 inches would be adequate for average daily truck traffic (ADTT) of one; a thickness of at least 6.5 inches would be adequate for ADTT of 13; and a thickness of at least 7 inches would be adequate for ADTT of 110.

EARTHWORK

Clearing and Subgrade Preparation

All deleterious materials, such as existing foundations, pavements, flatwork, utilities to be abandoned, vegetation, root systems, surface fills, topsoil, etc. should be cleared from areas of the site to be built on or paved. The actual stripping depth should be determined by a member of our staff in the field at the time of construction. Excavations that extend below finished grade should be backfilled with structural fill that is water-conditioned, placed, and compacted as recommended in the section of this report titled "Compaction."

After the site has been properly cleared, stripped, and excavated to the required grades, exposed soil surfaces in areas to receive structural fill or slabs-on-grade should be

scarified to a depth of 6 inches, moisture conditioned, and compacted as recommended for structural fill in the section of this report titled "Compaction."

On-site soils, slab and pavement subgrades, and foundation excavations should be kept in a moist condition throughout the construction period to help mitigate the potential effects of the expansive on-site soils on the proposed surface improvements.

A member of our staff should observe the basement excavation to evaluate whether scarification and compaction or proof rolling of the excavation bottom is needed.

If a temporary ramp is constructed to access portions of the basement excavation, the ramp should be properly backfilled with compacted on-site soil as recommended in this report for structural fill. A member of our staff should observe and test during backfilling of the temporary entrance ramp and basement walls.

Building Pad Recommendations

In general, the existing fill should be excavated and recompacted below exterior flatwork, pavements, and other site improvements, where possible. The fill should be excavated down to stiff native soil and compacted under our direction. Imported backfill materials should be approved by a member of our staff prior to delivery to the site. The backfill should be moisture conditioned, and compacted as recommended in the section of this report titled "Compaction." A member of our staff should observe and test during re-working of the building pad, as required.

Material For Fill

All on-site soil containing less than 3 percent organic material by weight (ASTM D2974) may be suitable for use as structural fill (but not for non-expansive fill). Structural fill should not contain rocks or pieces larger than 6 inches in greatest dimension and no more than 15 percent larger than 2.5 inches. Imported, non-expansive fill should have a Plasticity Index no greater than 15, should be predominately granular, and should have sufficient binder so as not to slough or cave into foundation excavations or utility trenches. Recycled aggregate base should not be used for non-expansive fill at building interior. A member of our staff should approve proposed import materials prior to their delivery to the site.

Compaction

Scarified soil surfaces and all structural fill should be compacted in uniform lifts no thicker than 8-inches in uncompacted thickness, conditioned to the appropriate moisture content, and compacted as recommended for structural fill in Table 3 on the following

page. The relative compaction and moisture content recommended in Table 3 is relative to ASTM Test D1557, latest edition.

Table 3. Compaction Recommendations
Knowhere Holdings Hotel Development
San Jose, California

	Relative Compaction*	Moisture Content*
General		
• Scarified subgrade in areas of existing fill.	90 percent	Above optimum
• Scarified subgrade in areas of expansive soil.	87 to 92 percent	At least 3 percent above optimum
• Structural fill composed of non-expansive fill.	90 percent	Above optimum
• Structural fill below a depth of 5 feet.	92 percent	Above optimum
Pavement Areas		
• Upper 6-inches of soil below aggregate base.	95 percent	Near optimum
• Aggregate base.	95 percent	Near optimum
Utility Trench Backfill		
• On-site soil.	90 percent	Near optimum
• Imported sand	95 percent	Near optimum

* Relative to ASTM Test D1557, latest edition.

Temporary Slopes and Excavations

The contractor should be responsible for the design and construction of all temporary slopes and any required shoring. Shoring and bracing should be provided in accordance with all applicable local, state, and federal safety regulations, including current OSHA excavation and trench safety standards.

Temporary excavations and slopes less than 4 feet deep excavated in the native soils should be capable of standing near-vertical for short construction periods with minimal bracing. Due to the potential for variation of the on-site soil, field modification of temporary cut slopes may be required. Unstable materials encountered on excavations and slopes during and after excavation should be trimmed off even if this requires cutting the slopes back to a flatter inclination.

Portions of the clayey sands encountered at the site were judged to have limited cohesion and will be prone to sloughing and/or caving if excavated near-vertical. This information should be considered by the contractor when establishing temporary shoring/sloping criteria for basement excavation.

Protection of existing structures near cuts or excavations should also be the responsibility of the contractor. In our experience, a preconstruction survey is generally performed to document existing conditions prior to construction, with intermittent monitoring of the structures during construction.

Surface Drainage

Finished grades should be designed to prevent ponding and to drain surface water away from foundations and edges slabs and pavements, and toward suitable collection and discharge facilities. Slopes of at least 2 percent are recommended for flatwork and pavement areas with 5 percent preferred in landscape areas within 8 feet of the structures, where possible. At a minimum, splash blocks should be provided at the ends of downspouts to carry surface water away from perimeter foundations. Preferably, downspout drainage should be collected in a closed pipe system that is routed to a storm drain system or other suitable discharge outlet.

Drainage facilities should be observed to verify that they are adequate and that no adjustments need to be made, especially during first two years following construction. We recommend that an as-built plan be prepared to show the locations of all surface and subsurface drain lines and clean-outs. Drainage facilities should be periodically checked to verify that they are continuing to function properly. The drainage facilities will probably need to be periodically cleaned of silt and debris that may build up in the lines.

FUTURE SERVICES

Plan Review

Romig Engineers should review the completed grading and foundation plans for conformance with the recommendations presented in this report. We should be provided with these plans as soon as possible upon their completion in order to limit the potential for delays in the permitting process that might otherwise be attributed to our review. In addition, it should be noted that many of the local building and planning departments now require “clean” geotechnical plan review letters prior to acceptance of plans for their final review. Since our plan reviews typically result in recommendations for modification of

the plans, our generation of a "clean" review letter often requires two iterations. At a minimum, we recommend the following note be added to the plans.

"Earthwork, foundation construction, shoring pier drilling, tie-back and/or soil nail installation, mat subgrade preparation, utility trench backfill, basement wall drainage and backfill, pavement construction, and site drainage should be performed in accordance with the geotechnical report prepared by Romig Engineers, Inc., dated April 15, 2019. Romig Engineers should be notified at least 48 hours in advance of any earthwork or foundation construction and should observe and test during earthwork and foundation construction as recommended in the geotechnical report."

Construction Observation and Testing

The earthwork and foundation phases of construction should be observed and tested by us to 1) confirm that subsurface conditions are compatible with those used in the analysis and design; 2) observe compliance with the design concepts, specifications, and recommendations; and 3) allow design changes in the event that subsurface conditions differ from those anticipated. The recommendations presented in this report are based on a limited amount of subsurface exploration. The nature and extent of variation across the site may not become evident until construction. If variations are exposed during construction, it will be necessary to reevaluate our recommendations.

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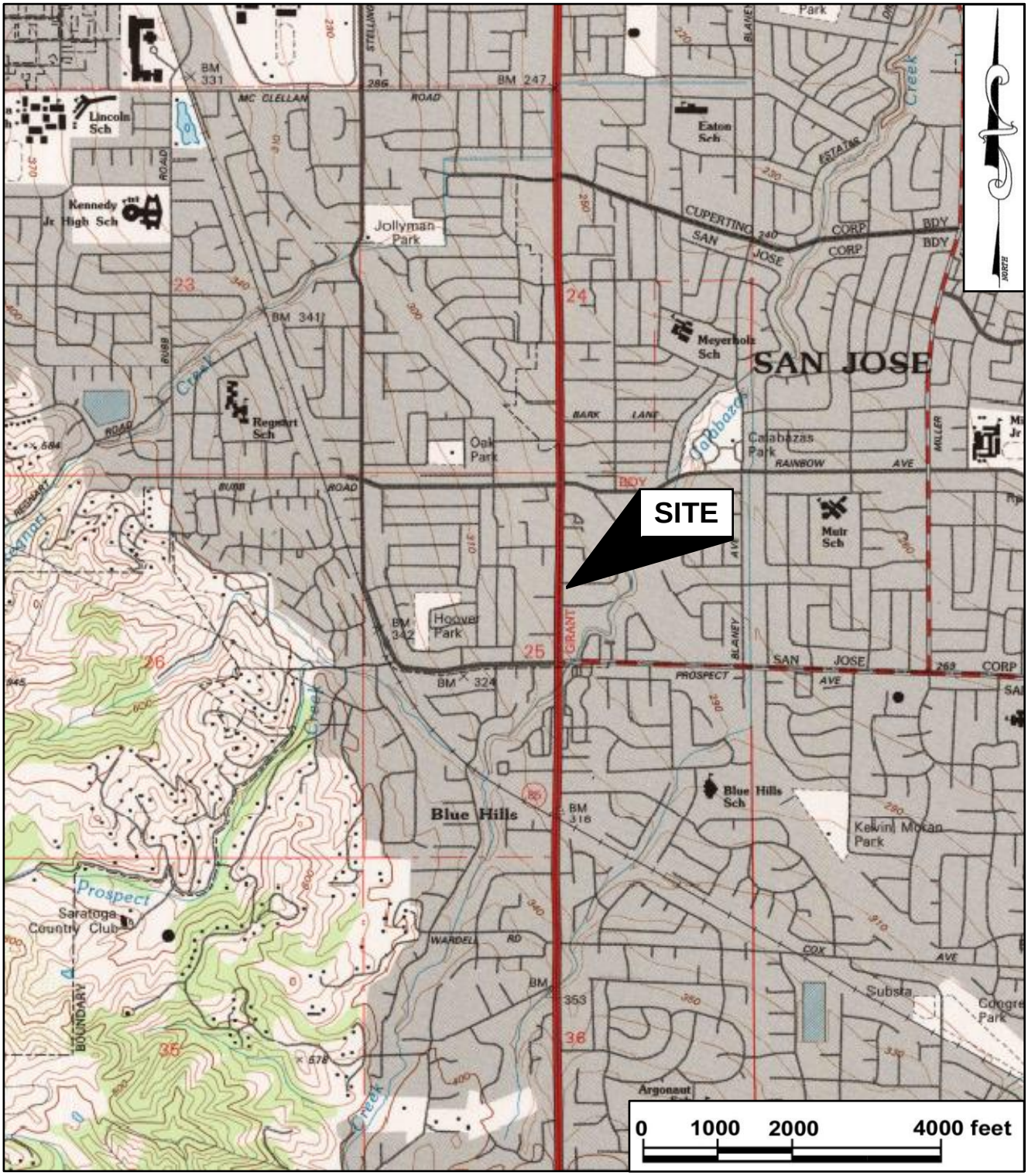


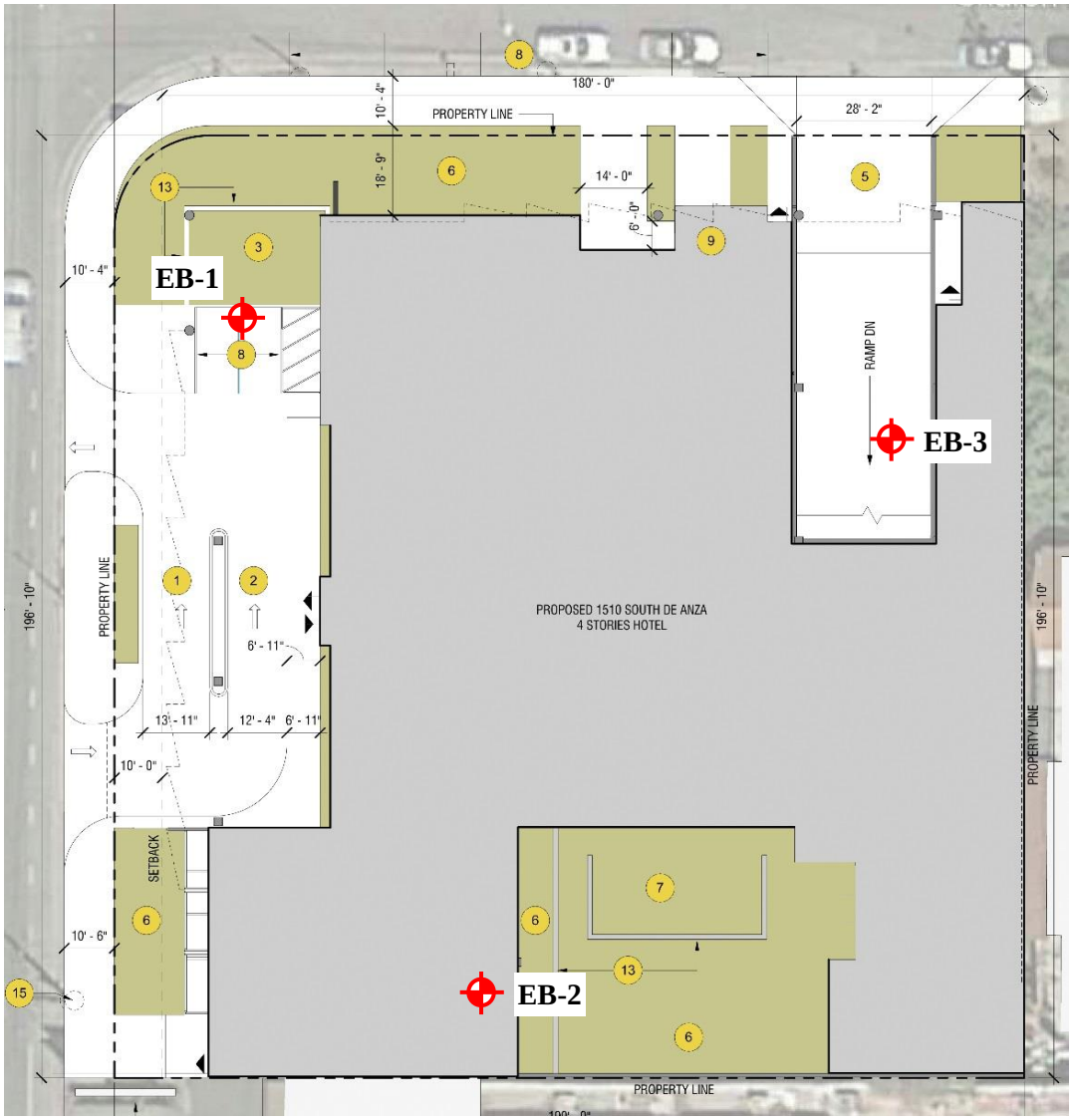
Scale: 1 inch = 2000 feet
Base is United States Geological Survey Cupertino 7.5 Minute Quadrangle, dated 1991.

VICINITY MAP **FIGURE 1**
KNOWHERE HOLDINGS HOTEL DEVELOPMENT APRIL 2019
SAN JOSE, CALIFORNIA PROJECT NO. 4684-1

ROMIG ENGINEERS

SHARON DRIVE

DE ANZA BOULEVARD



LEGEND

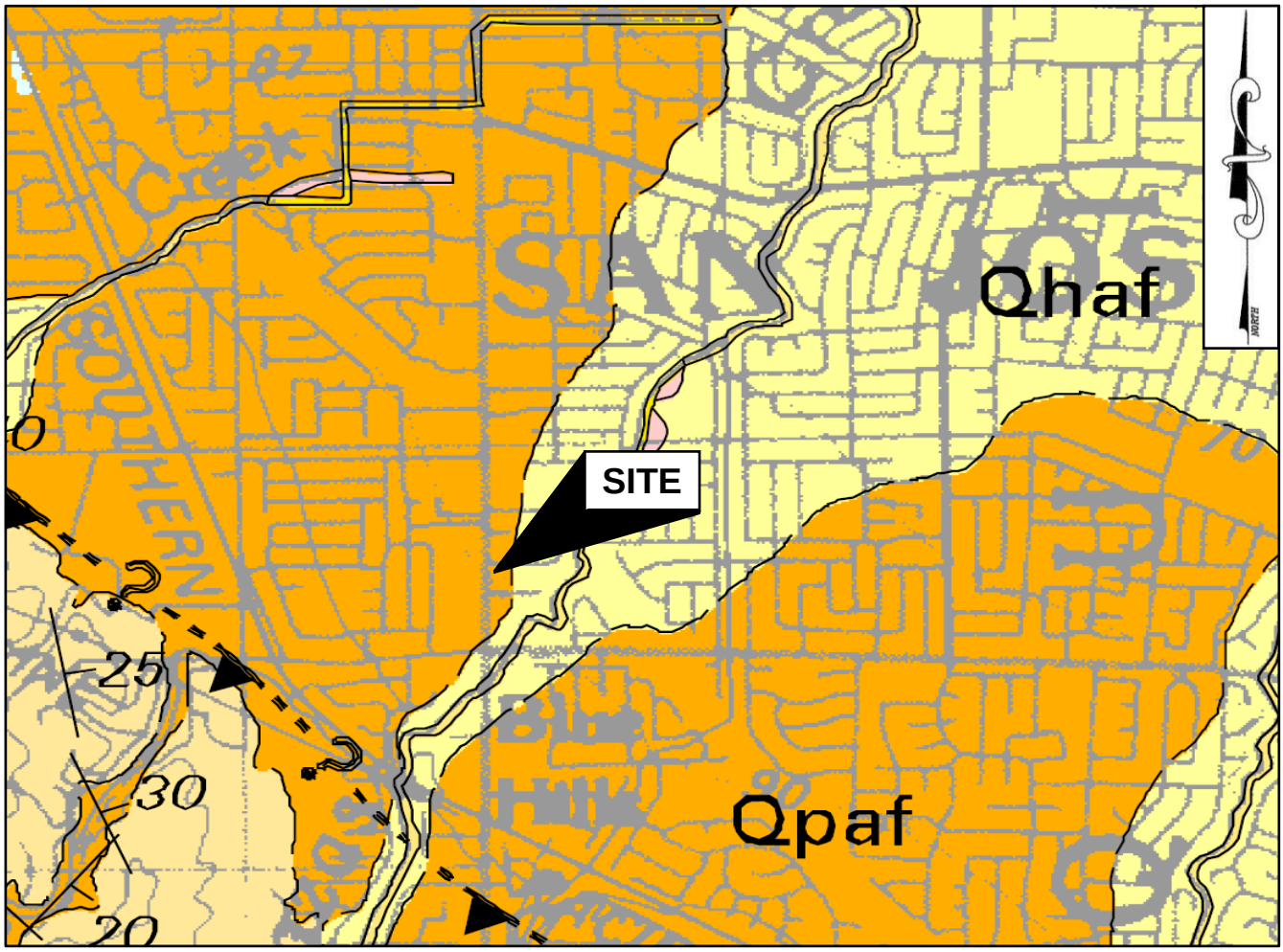
EB-2 Approximate Locations of Exploratory Borings.
Approximate Scale: 1 inch = 40 feet.
Base is site plan prepared by Lowney Architects, dated April 23, 2019.

0 20 40 80 feet

SITE PLAN
KNOWHERE HOLDINGS HOTEL DEVELOPMENT
SAN JOSE, CALIFORNIA

FIGURE 2
APRIL 2019
PROJECT NO. 4684-1

ROMIG ENGINEERS



LEGEND

af	Artificial fill		Geologic Contact - dashed where approximate, dotted where inferred.
Qhaf	Alluvial fan and fluvial deposits		Fault - dashed where approximate, dotted where inferred.
Qpaf	Alluvial fan and fluvial deposits		Fault - thrust or reverse
		35	Strike and dip of bedding

0 1000 2000 4000 feet

Scale: 1 inch = 2000 feet

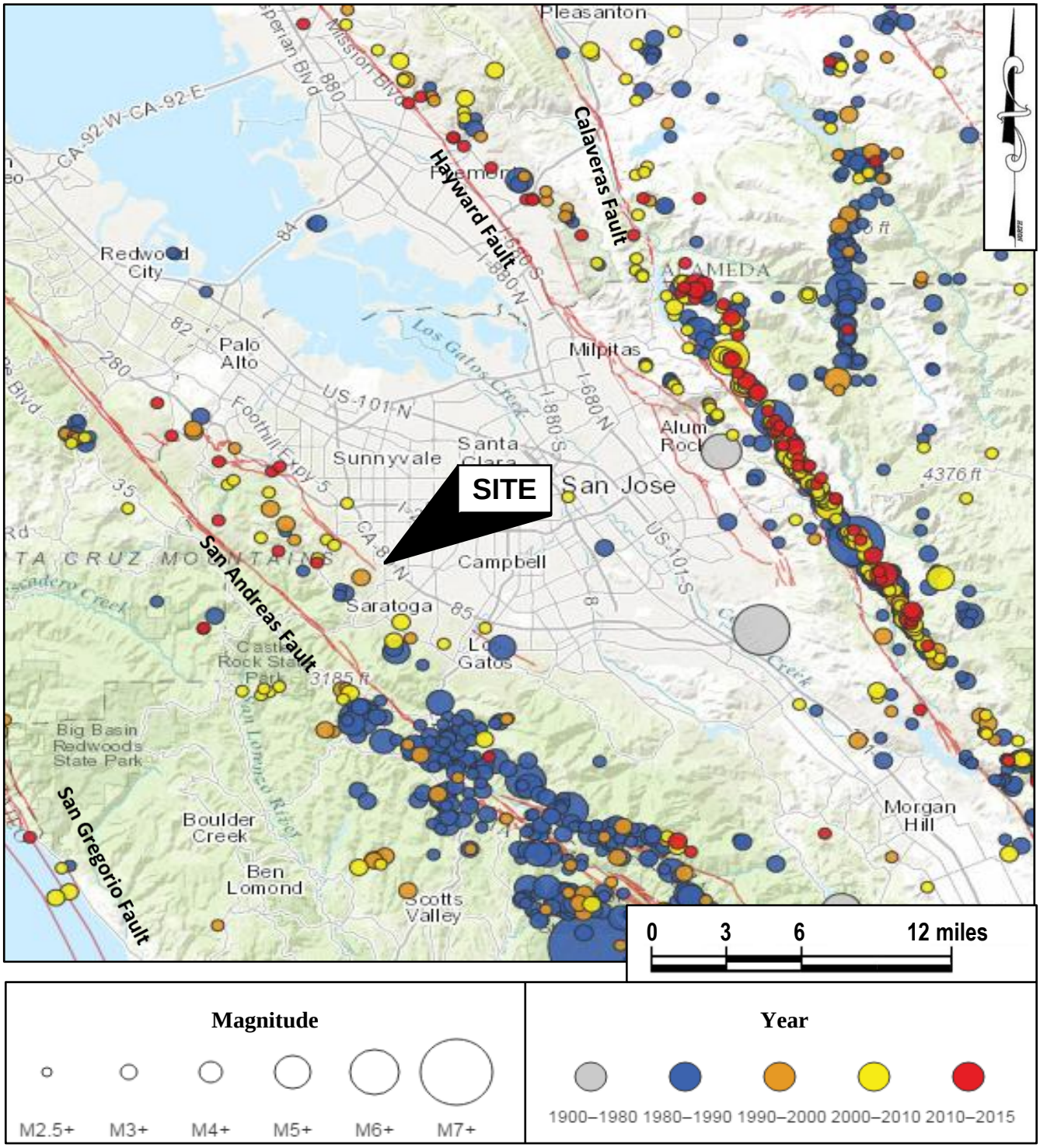
Base is Geologic Map of Palo Alto 30 x 60 Minute Quadrangle (Brabb, Graymer, and Jones, 2000).

VICINITY GEOLOGIC MAP **FIGURE 3**

KNOWHERE HOLDINGS HOTEL DEVELOPMENT APRIL 2019

SAN JOSE, CALIFORNIA PROJECT NO. 4684-1

ROMIG ENGINEERS



Earthquakes with M5+ from 1900 to 1980, M2.5+ from 1980 to January 2015. Faults with activity in last 15,000 years. Based on data sources from Northern California Earthquake Data Center and USGS Quaternary Fault and Fold Database, accessed May 2015.

REGIONAL FAULT AND SEISMICITY MAP **FIGURE 4**
KNOWHERE HOLDINGS HOTEL DEVELOPMENT APRIL 2019
SAN JOSE, CALIFORNIA PROJECT NO. 4684-1

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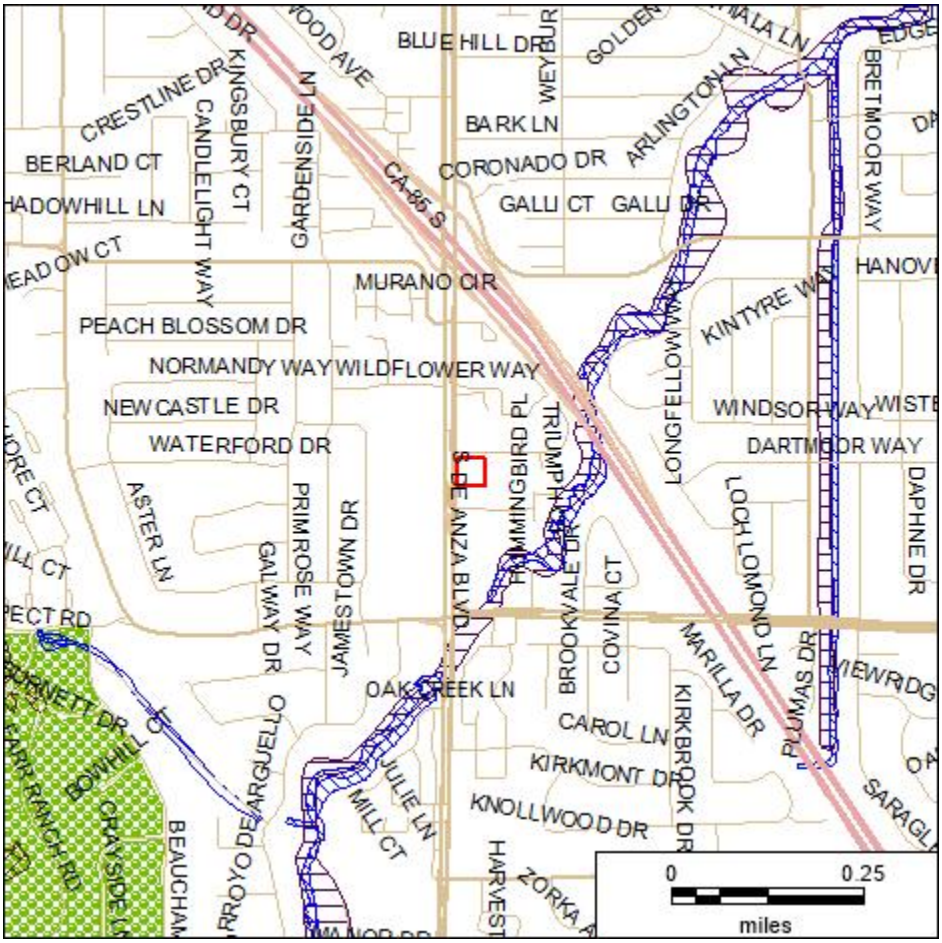
FANHD Commercial Resale Property Disclosure Reports

Map of Statutory Natural Hazards For SANTA CLARA County

Property Address: 1510 S DE ANZA BLVD
SAN JOSE, SANTA CLARA COUNTY, CA 95129
("Property")

APN: 372-21-002
Report Date: 11/20/2019
Report Number: 2578632



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

- 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 COMMERCIAL PROPERTY DISCLOSURE REPORT contains

THIS REPORT PROVIDES THE STATUTORY DISCLOSURES MANDATED BY CALIFORNIA LAWS SPECIFIED HEREIN 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 RESPONSIBLITIES FOR CERTAIN DISCLOSURES WITHIN THEIR ACTUAL KNOWLEDGE.

First American
Natural Hazard Disclosures™

FANHD Commercial Resale Property Disclosure Reports

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SAN JOSE, SANTA CLARA COUNTY, CA 95129
("Property")

APN: 372-21-002
Report Date: 11/20/2019
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Natural Hazard Disclosure ("NHD") Statement and Acknowledgment of Receipt

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

The following are representations made by the transferor and his or her agent(s) or a third-party consultant 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)___

No X Map not yet released by state___

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

Signature of Transferor(s)	Date	Signature of Transferor(s)	Date
Signature of Agent	Date	Signature of Agent	Date

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

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

Third-Party Disclosure Provider(s) FIRST AMERICAN PROFESSIONAL REAL ESTATE SERVICES, INC. OPERATING THROUGH ITS FANHD DIVISION.
Date 20 November 2019

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

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

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

A. Commercial Natural Hazard Disclosure Report .
B. Additional Property-specific Statutory Disclosures: Former Military Ordnance Site, Airport Influence Area, Airport Noise, San Francisco Bay Conservation and Development District Jurisdiction (in S.F. Bay counties only).
C. Additional County and City Regulatory Determinations as applicable: Airports, Avalanche, Blow Sand, Coastal Zone, Dam/Levee Failure Inundation, Debris Flow, Erosion, Flood, Fault Zone, Fire, Groundwater, Landslide, Liquefaction, Methane Gas, Mines, Naturally Occurring Asbestos, Redevelopment Area, Right to Farm, Runoff Area, Seiche, Seismic Shaking, Seismic Ground Failure, Slope Stability, Soil Stability, Subsidence, TRPA, Tsunami.
D. General advisories: Methamphetamine Contamination, Mold, Radon, Endangered Species Act, Abandoned Mines, Oil & Gas Wells, Tsunami Maps (coastal only), Non-residential Building Energy Use, Wood-burning fireplaces.
E. Government Guides in Combined Booklet with Report. Refer to Booklet: Commercial Property Owner's Guide to Earthquake Safety. Government Guides are also available on the Company's "Electronic Bookshelf" at http://wwww.disclosures.com/.

FANHD Commercial Resale Property Disclosure Reports

The Natural Hazard Disclosure Report For SANTA CLARA County

Property Address: 1510 S DE ANZA BLVD
SAN JOSE, SANTA CLARA COUNTY, CA 95129
("Property")

APN: 372-21-002
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PROPERTY DISCLOSURE SUMMARY - READ FULL REPORT

Statutory NHD Determinations	IN	NOT IN	Map N/A*	Property is:	NHD Report page:
Flood		X		NOT IN a Special Flood Hazard Area. The Property is IN a FEMA-designated Flood Zone(s) X, X500.	6
Dam		X		NOT IN an area of potential dam inundation.	6
Very High Fire Hazard Severity		X		NOT IN a very high fire hazard severity zone.	7
Wildland Fire Area		X		Not in a wildland-state responsibility area.	7
Fault		X		NOT IN an earthquake fault zone designated pursuant to the Alquist-Priolo Act.	8
Landslide		X		NOT IN an area of earthquake-induced land sliding designated pursuant to the Seismic Hazard Mapping Act.	8
Liquefaction		X		NOT IN an area of potential liquefaction designated pursuant to the Seismic Hazard Mapping Act.	8

County-level NHD Determinations	IN	NOT IN	Map N/A*	Property is:	NHD Report page:
Compressible Soils		X		NOT IN a county-designated compressible soils hazard zone	10
Dike Failure		X		NOT IN a county-designated dike failure flooding hazard zone	10
Fault	X			IN a county-designated fault rupture hazard zone	10
Landslide		X		NOT IN a county-designated landslide hazard zone	10
Liquefaction		X		NOT IN a county-designated liquefaction hazard zone	10

City-level NHD Determinations	IN	NOT IN	Map N/A*	Property is:	NHD Report page:
Fault			X	IN an area where a map is not available for Fault hazard area.	11
Landslide	X			IN a mapped area of Least, Low, or Low to Moderate Landslide Susceptibility. Please see City of San Jose Regulatory Zones Discussion for more information.	11
Redevelopment Area			X	IN an area where a map is not available for Redevelopment Area hazard area.	11
Special Geologic Hazard Study Area		X		NOT IN for Special Geologic Hazard Study Area hazard area.	11

Additional Statutory Disclosures	IN	NOT IN	Map N/A*	Property is:	NHD Report page:
Former Military Ordnance		X		NOT WITHIN one mile of a formerly used ordnance site.	13
Airport Influence Area		X		NOT IN an airport influence area.	14
Airport Noise Area for 65 Decibel		X		NOT IN a delineated 65 dB CNEL or greater aviation noise zone.	15
Bay Conservation and Development Commission		X		NOT IN an area that is within the jurisdiction of the San Francisco Bay Conservation and Development Commission.	16

General Advisories	Description	NHD Report page:
Methamphetamine Contamination	Provides an advisory that a disclosure may be required pursuant to the "Methamphetamine Contaminated Property Cleanup Act of 2005".	17
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.	18
Radon	Provides an advisory on the risk associated with Radon gas concentrations.	19
Endangered Species	Provides an advisory on resources to educate the public on locales of endangered or threatened species.	19

FANHD Commercial Resale Property Disclosure Reports

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General Advisories	Description	NHD Report page:
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.	20
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.	20
Tsunami Map Advisory	Provides an advisory about maximum tsunami inundation maps issued for jurisdictional emergency planning.	21
Residential Fireplace Disclosure	Provides disclosure of restrictions on the use of wood-burning fireplaces imposed by the Bay Area Air Quality Management District.	22

Determined by First American Professional Real Estate Services, Inc.

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

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Natural Hazard Disclosure Report

Part 1. State Defined Natural Hazard Zones

Statutory Natural Hazard Disclosures

Section 1103 of the California Civil Code mandates the disclosure of six (6) natural hazard zones if the Property is located within any such zone. Those six "statutory" hazard zones, disclosed on the **Natural Hazard Disclosure Statement** ("NHDS") on Page one of this Report, are explained below. Note that the NHDS does not provide for informing buyers if a property is only partially within any of the delineated zones or provide additional flood zone information which could be very important to the process. The following summary is intended to give buyers 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 require homeowners to maintain flood insurance for buildings 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. 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.
Zone A99: An “adequate progress” determination for flood control system construction projects that, once completed, may significantly limit the area of a community that will be included in the Special Flood Hazard Area (SFHA). Such projects reduce but do not eliminate, the risk of flooding to people and structures in “levee-impacted” areas, and allow mandatory flood insurance to be available at a lower cost.
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.
Zone N: Area Not Included, no flood zone designation has been assigned or not participating in the National Flood Insurance Program.

Notice: The Company is not always able to determine if the Property is subject to a FEMA Letter of Map Revision ("LOMR") or other FEMA letters of map change. If Seller is aware that the Property is subject to a LOMR or other letters of map change, the Seller shall disclose the map change and attach a copy of the FEMA letter(s) to the Report. Contact FEMA at http://msc.fema.gov for additional information.

For more information about flood zones, visit:
https://efotg.sc.egov.usda.gov/references/public/NM/FEMA_FLD_HAZ_guide.pdf

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)

Since 1998 California law has required seller disclosure of areas of potential inundation due to sudden or total dam failure as delineated on inundation maps submitted by dam owners to the California Office of Emergency Services (“OES”) for review and approval; however, as of June 27, 2017, the date on which Senate Bill 92 (SB 92) became operative, the review and approval of inundation maps prepared by licensed civil engineers and submitted by dam owners became the statutory responsibility of the California Department of Water Resources (“DWR”) Division of Safety of Dams (“DSOD”) as required by California Water Code Section 6161. These inundation maps are a component of emergency action plans submitted by dam owners to comply with statutory requirements set forth under the California Water Code for extremely high, high, and significant hazard dams and their critical appurtenant structures. Inundation maps are not required by the California Water Code for low hazard dams. SB 92 further requires dam owners to update the emergency action plan, including an inundation map, no less frequently than every 10 years or sooner.

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To date DWR has yet to review, approve, and make publicly available inundation maps and data for many facilities with inundation areas that are subject to disclosure requirements. Inundation maps will continue to be posted and updated maps will replace outdated maps as they are approved by DSOD. In the absence of DSOD-approved data, inundation maps previously approved by the OES will be used by the Company to facilitate compliance with specified statutory real estate transfer disclosure requirements. These include inundation maps for federally owned dams over which DSOD has no jurisdictional authority and for which inundation maps are not available from DSOD. These dams include, among others, Folsom Dam, Isabella Dam, Hansen Dam, Prado Dam, and Seven Oaks Reservoir (owned by the U.S. Army Corps of Engineers) as well as Monticello Dam, New Melones Dam, and Shasta Dam (owned by the U.S. Bureau of Reclamation). The Company may also use OES-approved maps should the mapped inundation area for a given facility be greater than that depicted on a DSOD-approved map.

PUBLIC RECORD: (1) Official dam inundation maps made publicly available prior to June 27, 2017 by the State of California Office of Emergency Services ("OES") pursuant to California Government Code §8589.5; (2) Official inundation boundary digital data made publicly available since June 28, 2017 by the State of California Department of Water Resources (DWR) pursuant to California Water Code §6161. DWR states that its inundation boundary data typically includes flooding depths greater than one foot but some information may be redacted for security purposes.

VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHSZ)

DISCUSSION: VHFHSZs can be defined by the California Department of Forestry and Fire Protection ("Calfire") as well as by 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: Maps issued by Calfire pursuant to California Government Code § 51178 recommending VHFHSZs to be adopted by the local jurisdiction within its Local Responsibility Area, or VHFHSZs adopted by the local jurisdiction within the statutory 120-day period defined in California Government Code § 51179.

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 ("Calfire") pursuant to California Public Resources Code § 4125.

SRA Fire Prevention Benefit Fee Advisory

In 2011, the California Legislature and Governor enacted a "Fire Prevention Fee" on habitable structures in the State's wildland fire responsibility area. The yearly fee, levied on property owners, paid for various activities to prevent and suppress wildfires in the SRA, and was most recently at the rate of $152.33 per habitable structure on the property.

Effective July 1, 2017, as authorized by Assembly Bill 398 and signed by the Governor, that fire prevention fee is suspended until 2031.

For more information, please refer to "Part 6. State Responsibility Area Fire Prevention Fee" in the FANHD Property Tax Report.

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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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Part 2. County and City Defined Natural Hazard Zones

HAZARD MAPS IN THE LOCAL GENERAL PLAN

General Plan regulates property development. There are currently over 530 incorporated cities and counties in California. The state Government Code (Sections 65000 et seq.) requires each of those jurisdictions to adopt a comprehensive, long-term "General Plan" for its physical development. That General Plan regulates land uses within the local jurisdiction in order to protect the public from hazards in the environment and conserve local natural resources. The General Plan is the official city or county policy regarding the location of housing, business, industry, roads, parks, and other land uses.

Municipal hazard zones can affect the cost of ownership. Each county and city adopts its own distinct General Plan according to that jurisdiction's unique vegetation, landscape, terrain, and other geographic and geologic conditions. The "Safety Element" (or Seismic Safety Element) of that General Plan identifies the constraints of earthquake fault, landslide, flood, fire and other natural hazards on local land use, and it delineates hazard zones within which private property improvements may be regulated through the building-permit approval process, which can affect the future cost of ownership. Those locally regulated hazard zones are in addition to the federal and state defined hazard zones associated with statutory disclosures in the preceding section.

City and/or County natural hazard zones explained below. 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.

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)

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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.sanjoseca.gov/index.aspx?NID=1745
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.

END OF LOCAL AREA DISCLOSURES AND DISCUSSIONS SECTION

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Part 3. 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 Section 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.

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AIRPORT INFLUENCE AREA DISCLOSURE

DISCUSSION:
Certain airports are not disclosed in this Report. FANHD 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 the Report Date. FANHD 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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APN: 372-21-002
Report Date: 11/20/2019
Report Number: 2578632

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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Part 4. General Advisories

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.

The Natural Hazard Disclosure Report
For SANTA CLARA County

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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 https://archive.cdph.ca.gov/programs/IAQ/Pages/IndoorMold.aspx or by calling (510) 620-3620.

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 *Residential 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 VII 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, FANHD 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://www2.lbl.gov/Science-Articles/Archive/radon-risk-website.html). Based on this recent assessment, FANHD 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: FANHD 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*.

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.

U.S. Fish & Wildlife Service Endangered Species Database (TESS)
http://ecos.fws.gov/tess_public/

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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, ***"Many old and abandoned mines are not recorded in electronic databases, and when they are, the information may not be detailed enough to accurately define, differentiate or locate the mine feature, such as a potentially hazardous vertical shaft or horizontal adit or mine waste." (See reference below.)***

Accordingly, this Report does not contain an abandoned mines disclosure from any government database or map or any other source, in order to protect the seller from liability for non-disclosure of unrecorded abandoned mines.

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/Pages/index.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 230,000 oil and gas wells have been drilled in California and around 105,000 are still in use. The majority of remaining wells have been sealed ("capped") under the supervision of the DOC's Division of Oil, Gas and Geothermal Resources. A smaller number 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, while the DOC database is the most comprehensive source available for California oil and gas well information, the DOC makes no warranties that the database is absolutely complete, or that reported well locations are known with absolute accuracy.

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 FANHD Residential Environmental 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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TSUNAMI MAP ADVISORY

DISCUSSION: The California Emergency Management Agency (CalEMA), the University of Southern California Tsunami Research Center (USC), and the California Geological Survey (CGS) have prepared maps that depict areas of maximum tsunami inundation for all populated areas at risk to tsunamis in California (20 coastal counties). The maps were publicly released in December 2009 with the stated purpose that the maps are to assist cities and counties in identifying their tsunami hazard and developing their coastal evacuation routes and emergency response plans only.

These maps specifically contain the following disclaimer:

Map Disclaimer: This tsunami inundation map was prepared to assist cities and counties in identifying their tsunami hazard. It is intended for local jurisdictional, coastal evacuation planning uses only. This map, and the information presented herein, ***is not a legal document and does not meet disclosure requirements for real estate transactions nor for any other regulatory purpose.*** The California Emergency Management Agency (CalEMA), the University of Southern California (USC), and the California Geological Survey (CGS) make no representation or warranties regarding the accuracy of this inundation map nor the data from which the map was derived. Neither the State of California nor USC shall be liable under any circumstances for any direct, indirect, special, incidental or consequential damages with respect to any claim by any user or any third party on account of or arising from the use of this map.

A tsunami is a series of ocean waves or surges most commonly caused by an earthquake beneath the sea floor. These maps show the maximum tsunami inundation line for each area expected from tsunamis generated by undersea earthquakes and landslides in the Pacific Ocean. Because tsunamis are rare events in the historical record, the maps provide no information about the probability of any tsunami affecting any area within a specific period of time.

Although these maps may not be used as a legal basis for real estate disclosure or any other regulatory purpose, the CGS has, however, provided diagrams of the maps online which the public can view. To see a maximum tsunami inundation map for a specific coastal community, or for additional information about the construction and/or intended use of the tsunami inundation maps, visit the websites below:

State of California Emergency Management Agency, Earthquake and Tsunami Program:
http://myhazards.calema.ca.gov/

University of Southern California -- Tsunami Research Center:
http://www.usc.edu/dept/tsunamis/2005/index.php

State of California Geological Survey Tsunami Information:
http://www.conservation.ca.gov/cgs/geologic_hazards/Tsunami/index.htm

National Oceanic and Atmospheric Agency Center for Tsunami Research (MOST model):
http://nctr.pmel.noaa.gov/time/background/models.html

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RESIDENTIAL FIREPLACE DISCLOSURE

Residential wood burning is the leading source of wintertime air pollution in the Bay Area and studies have confirmed there are significant health impacts from exposure to fine particulate matter found in wood smoke. The Bay Area Air Quality Management District ("BAAQMD") established the Wood Burning Devices (Wood Smoke Rule), Regulation 6, Rule 3 to reduce wintertime smoke pollution and protect public health. The Wood Smoke Rule requires anyone selling, renting or leasing a property in the Bay Area to disclose the potential health impacts from air pollution caused from burning wood. Fine particulate matter, also known as PM2.5, can travel deep into the respiratory system, bypass the lungs and enter the blood stream. Exposure may cause short term and long term health effects, including eye, nose and throat irritation, reduced lung function, asthma, heart attacks, chronic bronchitis, cancer and premature deaths. Exposure to fine particulates can worsen existing respiratory conditions. High PM2.5 levels are associated with increased respiratory and cardiovascular hospital admissions, emergency department visits, and even deaths. Children, the elderly and those with pre-existing respiratory or heart conditions are most at risk from negative health effects of PM2.5 exposure. The Buyer should consult with a licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace insert according to manufacturer's specifications to help reduce wood smoke pollution. The Air District encourages the use of cleaner and more efficient, non-wood burning heating options such as gas-fueled or electric fireplace inserts to help reduce emissions and exposure to fine particulates.

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

END OF NATURAL HAZARD DISCLOSURE REPORT SECTION
See Terms and Conditions at end of this Report.

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TERMS and CONDITIONS

ACCEPTANCE OR USE OF THIS REPORT CONSTITUTES APPROVAL AND ACCEPTANCE OF THE TERMS, CONDITIONS, AND LIMITATIONS STATED HEREIN.

The Report ("Report") is subject to each of the following Terms and Conditions. Each Recipient (defined below) of the Report agrees that the Report is subject to the following Terms and Conditions, and each Recipient agrees to be bound by such. Use of this Report by any Recipient constitutes acceptance of the Terms and Conditions to the Report. The Terms and Conditions below are incorporated by this reference into the Report. **This Report is not an insurance policy.**

This Report is made for the real property specifically described in the Report (the “Property”) and solely for the transaction for which it was originally purchased ("Transaction"). The Property shall not include any property beyond the boundaries of the real property described in the Report. The Property shall not include any structures (whether located on the Property, or not), easements, or any right, title, interest, estate, or easement in any abutting streets, roads, alleys, lanes, ways, or waterways.

IMPORTANT NOTICE: Transferor(s) and transferee(s) shall read the complete Report in its entirety before the close of escrow. A "Signature Page" or "Summary Pages" document may be included in the electronic delivery of this Report. Those documents do not replace the complete Report or remove the need to read the complete Report, and do not remove the requirement to disclose. The Signature Page and Summary Pages documents are subject to the Terms and Conditions of the complete Report.

A. **No Third Party Reliance on This Report.** Only the transferor(s) and transferee(s), and their agents/brokers, if any, involved in the Transaction (collectively, the "Recipients") may use and rely on this Report and only after they have paid in full for the Report. While disclosures made on the Natural Hazard Disclosure Statement in the Report may indicate certain risks to the Property, the disclosures are only "…between the transferor, the transferor's agents, and the transferee, and shall not be used by any other party, including, but not limited to, insurance companies, lenders, or governmental agencies, for any purpose." Cal. Civil Code section 1103.2, subdivision (g).

B. **Seller and Seller’s Agent’s Responsibility of Full Disclosure.** Recipients are obligated to make disclosures, and always disclose material facts, that are within their actual knowledge.

C. **Scope of Report.** This Report is limited to determining whether the Property is in those specified natural hazard zones and property tax districts, and in proximity to those specified environmental sites (depending on the report product ordered), as defined in the Report. The Report is not a geologic report or a land survey and no site inspection has been made in producing the Report. FANHD makes no determination, expresses no opinion or view, and assumes no responsibility in this Report concerning the right, entitlement, or ability to develop or improve the Property. FANHD has no information concerning whether the Property can be developed or improved. No determination is made and no opinion is expressed, or intended, by this Report concerning structures or soils on or outside of the Property, including, without limitation, habitability of structures or the Property, suitability of the Property for construction or improvement, potential for soil settlement, drainage, soil subsidence, or other soil or site conditions. The Recipient(s) is advised to consult the local Planning Department to determine whether factors beyond the scope of this Report may limit the transferee(s) ability to use or improve the Property.

   The Report is not a title report, and no determination is made and no opinion is expressed, or intended, by this Report as to title to the Property or liens against the Property, recorded or otherwise, or whether the Property is comprised of legal lots in conformance with the California Subdivision Map Act or local ordinances. The Report is not a property inspection report, and no determination is made and no opinion is expressed, or intended, by this Report concerning architectural, structural, mechanical, engineering, or legal matters, or the marketability or value of the Property. FANHD has not conducted any testing or physical or visual examination or inspection of the Property, nor is this Report a substitute for any such testing, physical or visual examination, or inspection.

D. **Tax and Environmental Disclosures (if included in Report).** No determination is made and no opinion is expressed, or intended, by the Report concerning the existence of property tax liabilities, or the existence of hazardous or toxic materials or substances, or any other defects, on, under, or in proximity to the Property, unless specifically described in the Report. FANHD's total liability for any error or omission in its disclosures relating to taxes and/or environmental matters shall be limited to actual proven damages not to exceed the price paid for this Report.

E. **FANHD Database Updates.** 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. FANHD maintains an update schedule and makes reasonable efforts to use updated information. For these reasons, FANHD reports information as of the date when the database was last updated by FANHD. That date is specified as the "Database Date" for each database.

F. **Statutory and Additional Disclosures, Advisories, and Local Addenda (if included in Report).** No determination is made and no opinion is expressed, or intended, by this Report concerning the need to purchase earthquake or flood insurance for the Property. In preparing the Report, FANHD accurately reported on information contained in Government Records. FANHD reviewed and relied upon those Government Records specifically identified and described in the Report. FANHD has not reviewed or relied upon any Government Records that are not specifically identified in the Report. FANHD also has not reviewed any plat maps, survey maps, surveyor maps, assessor maps, assessor parcel maps, developer maps, or engineering maps, whether or not such maps have been recorded. No determination is made and no opinion is expressed, or intended, by the Report concerning any matters identified in Government Records that were not reviewed by FANHD. Local Addenda, where applicable, are included "AS IS" as an accommodation to the local real estate board that provided the content; FANHD assumes no responsibility for the accuracy of any information included in the Local Addenda.

G. **FEMA Flood Determination Certificate (if accompanying the Report).** No determination is made and no opinion is expressed, or intended, by the Report concerning the requirement for or cost of flood insurance on the Property. Recipient(s) understands that a lender may require flood insurance to secure its loan collateral independent of whether FEMA may require flood insurance under the National Flood Insurance Program on a federally backed mortgage. The FEMA Flood Determination Certificate ("Flood Certificate"), which may accompany the Report, is produced by a third-party expert certified by FEMA to provide Flood Certificates. FANHD assumes no liability for errors in that third-party flood determination.

H. **Changes to Government Record after Report Date.** This Report is issued as of the Report Date identified in the Report. FANHD shall have no obligation to advise any Recipient of any information learned or obtained after the Report Date even if such information would modify or otherwise affect the Report. Subsequent to FANHD acquisition of Government Records, changes may be made to said Government Records and FANHD is not responsible for advising the Recipients of any changes. FANHD will update this Report upon request and at no charge during the transaction process for which this Report was issued, but not to exceed one year from the date of the Report. Likewise, FANHD is not liable for any impact on the Property that any change to the Government Records may have.

First American
Natural Hazard Disclosures℠

FANHD Commercial Resale Property Disclosure Reports
Terms and Conditions

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I. **Government Record Sources.**FANHD relies upon the Government Records specifically identified in the Report without conducting an independent investigation of their accuracy. FANHD assumes no responsibility for the accuracy of the Government Records identified in the Report. FANHD makes no warranty or representation of any kind, express or implied, with respect to the Report. FANHD expressly disclaims and excludes any and all other express and implied warranties, including, without limitation, warranties of merchantability or fitness for a particular purpose. The FANHD Report is "AS IS".

J. **Limitation of FANHD's Liability**

1. FANHD 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 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.

2. FANHD's total liability and responsibility to all Recipients collectively for any and all liabilities, causes of action, claim or claims, including but not limited to claims for breach of contract or negligence, shall be limited to the price paid for the Report. FANHD expressly disclaims any liability for Recipients indirect, incidental and/or consequential damages, including without limitation lost profits even if such damages are foreseeable. In the event of any error, omission or inaccuracy in the FANHD Report for which FANHD is liable, FANHD shall have no duty to defend or pay any attorneys' fees, costs or expenses incurred by the Recipients, or any of them. The Recipients, and each of them, expressly waive the benefits of California Civil Code Section 2778. FANHD has not conducted an independent investigation of the accuracy of the information provided by the Recipient. FANHD assumes no responsibility for the accuracy of information provided by the Recipient. FANHD shall be subrogated to all rights of any 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 Recipients in writing prior to the close of escrow.

K. **Reporting of Risk Elements for Condominium Projects, Planned Unit Developments, and Other Properties with Common or Undivided Interests ("Common Interests")** Unless otherwise noted, this report is based solely on the real Property referenced by the Property's Assessor's Parcel Number ("APN"). An APN whose boundary does not include all Common Interests associated with the parcel will generate a report which does not identify the natural hazards relating to the Common Interests that extend beyond the APN parcel boundary. Accordingly, it is imperative that you consult with the property's homeowners association(s) to determine those risks.

L. **Governing Law.** The Report shall be governed by, and construed in accordance with, the laws of the State of California.

M. **Small Claims or Arbitration.** This provision constitutes an agreement to arbitrate disputes on an individual basis. Any party may bring an individual action in small claims court instead of pursuing arbitration, so long as the action remains in that court. All disputes and claims arising out of or relating to the Website, Customer Service, or any Report, must be resolved by binding arbitration. This agreement to arbitrate includes, but is not limited to, all disputes and claims between Company, transferor(s) and transferee(s) and claims that arose prior to purchase of the Report. This agreement to arbitrate applies to transferor(s) and transferee(s) successors in interest, assigns, heirs, spouses, and children. As noted above, a party may elect to bring an individual action in small claims court instead of arbitration, so long as the dispute falls within the jurisdictional requirements of small claims court.

Any arbitration must take place on an individual basis. Company, transferor(s) and transferee(s) agree that they are waiving any right to a jury trial and to bring or participate in a class, representative, or private attorney general action, and further agree that the arbitrator lacks the power to grant relief affecting anyone other than the individual claimant. If a court decides that any of the provisions of this paragraph are invalid or unenforceable as to a particular claim or request for a particular remedy (such as a request for public injunctive relief), then that claim or request for that remedy must be brought in court and all other claims and requests for remedies must be arbitrated in accordance with this agreement

The arbitration is governed by the Consumer Arbitration Rules (the "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. Company will pay all AAA filing, administration and arbitrator fees for any arbitration it initiates and for any arbitration initiated by another party for which the value of the claims is $75,000 or less, unless an arbitrator determines that the claims have been brought in bad faith or for an improper purpose, in which case the payment of AAA fees will be governed by the AAA Rules #A COPY OF THESE RULES IS AVAILABLE FROM THE AAA'S WEB SITE AT WWW.ADR.ORG OR ON REQUEST FROM THE COMPANY. THE ARBITRATION AWARD MAY INCLUDE ATTORNEY'S FEES IF ALLOWED BY FEDERAL, STATE, OR OTHER APPLICABLE LAW AND MAY BE ENTERED AS A JUDGMENT IN ANY COURT OF PROPER JURISDICTION.

The arbitration will take place in the same county in which the property covered by the Report is located. The Federal Arbitration Act will govern the interpretation, applicability and enforcement of this arbitration agreement. This arbitration agreement will survive the termination of the Report.

N. **Severability.** If any provision of the Terms and Conditions to this Report is determined to be invalid or unenforceable for any reason, then such provision shall be treated as severed from the remainder of the Terms and Conditions, and shall not affect the validity and enforceability of all of the other provisions of the Terms and Conditions.

O. **Other Agreements.** This Report constitutes the entire, integrated agreement between FANHD and Recipients, and supersedes and replaces all prior statements, representations, negotiations, and agreements.

END OF REPORT