

LOT # _____

TRACT # _____

BUYER _____

EXHIBIT "H"
NILES COURT
DISCLOSURES

1. RESIDENCES UNDER CONSTRUCTION: Seller reserves the right to make modifications in materials, specifications, prices, plans and designs of residences without prior notice. Fully detailed plans and specifications for each residence are available for inspection at the Sales Center during normal business hours. Optional items and prices are subject to change without notice. Seller only agrees to provide those options and prices offered on the date a sales contract is signed by both Buyer and Seller. Buyer should also note, however, that once the construction process of a residence has gone past a certain cut-off point, certain options may increase in cost and other options may no longer be available. Buyer's sales representative can provide such cut-off dates and information regarding additional costs.

2. JOB SITE VISITATION: Entry upon the construction area is dangerous and not permitted unless Buyer has executed the Agreement for Seller entitled "Release, Assumption, Waiver and Indemnity Agreement."

3. VIEWS AND SIGHT LINES: As residences and other improvements are constructed and landscaping is installed and matures, the appearance of Niles Court will change and the views and sight lines from the Property will change. Buyer understands that Seller has made no representation concerning any views or sight lines or the height, size, location or shape of other residences, landscaping or improvements in and around Niles Court.

4. LEASE OF HOMES: Although Seller desires to sell all of the homes to be built in Niles Court, circumstances may force Seller to rent or lease one or more of the homes on a short or long-term basis, subject to the limitations set forth in the CC&R's.

5. DISPLAY HOME: Seller will be using two homes as display homes. These display homes may include extra landscaping and exterior lighting that will not be included

in the Buyer's home. These display homes will generate a measurable amount of traffic. These display homes will also have a security system which will include interior and exterior lighting that may be illuminated 24 hours a day. Seller may relocate these displays or add a new display home or homes as market conditions warrant.

6. DECORATOR ITEMS: Seller has constructed and developed model homes, which were decorated to show prospective homeowners certain features that could be incorporated into the houses. Certain fixtures and furnishings in the model homes are identified as "Decorator Items" and are not available as options from the Seller.

7. EXTERIOR LIGHTING: Exterior recreational and common area lighting has or may be constructed which may affect persons residing in residences within Niles Court.

8. COVENANTS, CONDITIONS & RESTRICTIONS (CC&R's): The homes in the development are subject to the CC&R's which are intended to protect the value, desirability and attractiveness of the project. There are significant provisions which include, but are not limited to, provisions relating to easements, use restrictions, drainage, grading, the construction, alteration and maintenance of improvements and landscaping, Architectural Committee approvals, annexation and other important provisions affecting the property. Buyer acknowledges receipt of a copy of the CC&R's for review.

9. SOILS CONDITIONS: Engeo, Inc. was commissioned to prepare a "Geotechnical Exploration" study for Niles Court/King Avenue subdivision, which was completed on August 25, 1997. A copy of this study is available at the City of Fremont, located at 39700 Civic Center Drive, Fremont, California 94538, in the Engineering Department. In part the study states:

"The soils are typically moderately- to well-drained clays and clay loams situated on nearly-level basins and fans. The soils from the Clear Lake Series are generally fine-textured alluvium formed from sedimentary rock, while the soils from the Danville Series are formed in alluvium from sandstone and shale materials. Both series have slow permeability and slow to medium runoff."

The on-site salesperson also has a copy of this study available for your review. The study reveals that lots contain fill and cut material and some lots contain more

fill and cut than others. You should review a copy of the study for additional information and contact Engeo, Inc. directly if you have questions.

10. EXPANSIVE SOIL: As is the case with many residences constructed in the San Francisco Bay Area, the residences in Niles Court have been constructed on soil which is expansive in nature. What this means is that as the water content of the soil varies, the volume of the soil itself will increase or decrease. All homes in Niles Court will be constructed under the direction of a soils engineer and with special precautions in the engineering and placement of foundations and concrete flatwork. To ensure the maximum effectiveness of these precautions, Seller recommends that rear yard landscaping be installed as quickly as possible to stabilize the moisture content of the soil. Regardless of soil conditions, there are no guarantees that cracks will not occur in concrete flatwork. Minor cracks are to be expected and do not undermine the integrity of concrete.

11. SITE DRAINAGE: The subdivision, including all residential lots contained therein, has been designed by State of California licensed and registered civil and geotechnical engineers. The engineers have utilized the geotechnical study to design foundations, grading, and site drainage for the residential development and appurtenant roadways. The Buyer should not make any changes to the grading and/or drainage systems installed without first obtaining written recommendations from a qualified and registered licensed engineer. Altering or failure to maintain Seller installed grading and/or drainage systems may result in damaging your house or lot or that of your neighbors, for which you may be solely responsible.

It is important to regulate water distributed in landscaped areas and prevent ponding and/or saturation of foundation soils within 5 feet of the walls or under structures. Ponding or saturation of foundation soils causes soil swell, consequent loss of strength, and movement of the foundation and slabs. The Buyer should select landscaping within 5 feet of the structures, which requires little or no watering.

Please review your "Homeowners Warranty Manual," produced by Braddock & Logan Group, L.P., which provides additional information regarding "Site Drainage," "Landscaping," and "Concrete." This Manual further defines and explains the designs as well as some of the precautions to which the Buyer must adhere.

The National Pollution Discharge Elimination System ("NPDES"), which is found at Section 5650 of the California Fish and Game Code, as well as local laws and regulations, prohibits discharging any other material or substance into the storm drainage system other than natural rain water. These laws and regulations were put into effect to protect the water quality of the San Francisco Bay and its tributaries.

12. PHASE 1 ENVIRONMENTAL SITE ASSESSMENT: Engeo, Inc. was commissioned to prepare a "Phase 1 Environmental Site Assessment" for Niles Court/King Avenue. The report was completed and dated December 30, 1996. In part the study states:

* "The subject properties are located along the south side of King Avenue, west of Mission Boulevard, in Fremont, California. The study area includes five parcels totaling ±2.4 acres. The properties are currently under private ownership. Improvements on the parcels include a ±4,000 ft² truck maintenance building, along with a mobile office trailer and various storage containers. The parcels are used for truck/equipment storage, truck/equipment maintenance, and limited residential use. A review of available historical data found the site was open space or orchard, with some limited residential use, prior to the existing activities.

The site reconnaissance and records review did not find documentation or physical evidence of significant soil or ground-water impairments associated with the use of the property. A review of regulatory databases maintained by county, state and federal agencies found no documentation of hazardous materials violations or discharge on the property.

A review of regulatory agency records and available databases identified 11 contaminated properties within ½ mile of the subject site. Given the distances and the reported direction of ground-water flow, these contaminated sites would not be expected to affect the subject parcels.

Laboratory testing of two composite soil samples from the fill material located on Parcels 1 and 2, found detectable levels of petroleum hydrocarbons and slightly elevated lead concentrations. No

other metals were reported about state guideline concentrations. No volatile or semivolatile organic compounds were reported for the samples. Based on the results of the sampling and laboratory testing, this material doesn't pose a significant environmental concern.

ENGEO has performed a modified Phase One Environmental Site Assessment of the subject property following the guidelines of ASTM Practice E-1527-94. This assessment has revealed no evidence of significant environmental conditions in connection with the property.

ENGEO recommends that the property be viewed by an environmental professional during demolition and pre-grading activities to observe those areas which may have been obscured by existing structures, debris or vehicles. The scarifying and removal of areas of petroleum hydrocarbon soil staining noted on the parcels should also be observed. The scarified material, along with the fill stockpiles on Parcel 62 and 63, could most likely be used as placed fill outside of proposed residential pad areas."

A copy of this report is available for your review at the Sales Office. Please contact Engeo, Inc. directly if you have questions regarding the content of this report.

13. SITE SEISMICITY: Engeo, Inc. was commissioned to prepare a "Geotechnical Exploration" study for the subject subdivision, which was completed on August 25, 1997. In part the study states:

"The southern boundary of the site encroaches approximately 50 feet into the Alquist-Priolo Earthquake Fault Zone for the Hayward Fault. Historically, large (>M7) earthquakes have occurred in the Bay Area and many earthquakes of low magnitude occur every year.

The Hayward Fault is considered capable of causing a maximum probable peak acceleration of approximately 0.61g at the site, according to attenuation relationships by Idriss (1994). Other active faults in the area capable of producing significant ground shaking at the site include the Calaveras Fault, 7 miles to the east; and the San

Andreas Fault, 19 miles west. The parcel should expect to experience ground shaking from an earthquake within the design life of the development."

"No faults are known to be mapped under the King Avenue properties and the data research during this preliminary study indicates that the location of the Hayward fault in the vicinity of the subject sites is well documented to the east of Mission Boulevard, at least 100 feet from the subject properties; therefore, no fault exploration is recommended. Based on the data reviewed during this study, it is our opinion that the potential for primary fault ground rupture at the subject site is low.

Because of the proximity to the Hayward fault, it is our opinion that the site may be subject to very strong ground acceleration (shaking), estimated at up to 0.6 g, as a result of a maximum probable earthquake on the Hayward fault. To mitigate the effects of strong ground shaking, the design of all structures should, as a minimum, consider the maximum probable site ground acceleration and use sound engineering judgment and the latest Uniform Building Code requirements."

Please, note portions of Lots 1, 3 and 4 lie within the Alquist-Priolo fault zone.

A copy of this study is available for your review at the sales office. There is also a copy at the City of Fremont, located at 39700 Civic Center Drive, Fremont, California 94538, in the Engineering Office. Please contact Engeo, Inc. directly if you have questions regarding the content of this report.

14. REAL PROPERTY TAX: The purchase of a lot constitutes a "change of ownership" for real property tax assessment purposes, which will cause a reassessment of the lot by the Alameda County Assessor. The result will be a real property tax increase based upon the purchase price, and/or improvements to the lot, effective as of the date of Closing. After the Closing, Buyer will receive a supplemental real property tax bill for taxes accruing from the Closing. These supplemental taxes are the responsibility of Buyer. Annual real property taxes are the responsibility of Buyer. Such tax payments are due November

1st and March 1st and are delinquent after December 10th and April 10th. Taxes are due even if a bill is not received by Buyer. Seller has no obligation to forward tax bills to Buyer. Please contact the County Tax Collector's office for more information.

15. DEPOSITS: Any earnest money deposit may be held in a non-interest bearing account until Closing.

16. POSSESSION: Until Closing, the home and lot being purchased remain the property of Seller and Seller may show the property to other prospective Buyers.

17. PROPOSITION #65: Pursuant to State of California law (Proposition 65), a warning is required to inform Buyers of certain substances known to cause cancer, birth defects or other reproductive harm which may have been used in the construction of the homes and improvements of Niles Court. These substances may be found in common construction materials used in the construction of the Property, such as roofing materials, paint, paving materials, plywood and glass.

18. LAND USES: Niles Court is located within an area that has multiple land uses. Those uses include, but are not limited to the following: industrial, institutional, agricultural, residential, school use and BART. Prospective purchasers who are interested in adjacent land uses, as well as proposed land uses, should familiarize themselves with the surrounding areas, as well as contact the Planning Department at the City of Fremont, located at 30700 Civic Center Drive, Fremont, California 94538, (408) 494-4440 regarding surrounding uses. Seller makes no representations about the surrounding property uses or future uses.

19. MISSION AVENUE (STATE HIGHWAY 238) and ALVARADO NILES are considered major roadways in the City of Fremont. Mission Boulevard is State Highway 238, which is under CALTRANS jurisdiction. As such, these roads were constructed to accommodate high capacity traffic volumes. As development continues in and about the City of Fremont, these streets are likely to incur increased traffic volumes. As a consequence of the present traffic, as well as future traffic volume, you can expect certain level of noise generated from traffic and can expect the level to increase as traffic increases. This traffic will produce significant odor, dust and pollution.

20. EASEMENTS: Please consult the Title Report issued for each lot regarding easements for public and private

utilities, storm drains, landscaping, fire protection, sanitary sewer, and other purposes that affect the Property. The Title Report will describe the purposes of the easements as well as define their locations.

21. SALES PRICE: Seller is offering this home for sale and purchase for purposes of shelter and not as an investment. Seller makes no representation or warranty that the price of the home or adjacent homes may increase or decrease over a period of time. Market conditions dictate sales price.

Seller retains the full right in its sole discretion to establish sales prices for homes sold by Seller in this community or any other community developed by Seller. Accordingly, Seller may increase or decrease prices and/or incentives as the market warrants. Seller also retains the right in its sole discretion to reduce or increase the size of homes or discontinue the construction of any specific home or homes in this or any community developed by Seller. Seller also retains the right to change the materials, plans and specifications for any future homes in this and other communities developed by Seller.

22. OPTIONS: The on-site sales person has a list of options available to the Buyer. These options may include, but are not limited to, carpet selection, cabinet selection, appliances, light fixtures, stair railings, tile, air conditioning, security, sound systems, countertops, and electrical options. Items that are not on the option list provided by the sales person are not available to the Buyer. For instance, roof colors, exterior home colors, exterior materials including masonry, plotting of houses, fencing and landscaping are typically determined by an architect or professional designer, and if the option list does not provide for Buyer selection, these changes or options would not be available.

23. MAILBOXES: The location and type of mailboxes is determined by governmental agencies and the United States Postal Service. Seller makes no representation as to the future location of Buyer's mailbox.

24. FINANCING: Seller may assist the Buyer in obtaining financing from a lender, however, the terms and conditions of any such financing are determined by the lender. No representation or warranty is made by Seller with respect to the interest rate or other terms of financing obtained from any lender or when or if Buyer will qualify for such financing.

25. LOCATION OF UTILITY FACILITIES ON LOTS: The location of certain above-ground utility structures for power, cable television and other utilities is determined by the utilities and governmental entities and not Seller. Seller make no representation as to the location of these facilities. Seller will have no obligation to relocate facilities to accommodate Buyer.
26. ABANDONED SEWER EASEMENT: Lots 7, 15 and 16 have a Sewer Easement that will be abandoned at the time of the installation of the new sanitary sewer line. The sewer line located in the easement will remain and be pressure grouted as per the City of Fremont specifications.
27. TRAFFIC SIGNAL MODIFICATION: The traffic signal at King Avenue and Mission Boulevard will be modified to include an additional signal leg for traffic traveling from King Avenue onto Mission Boulevard.
28. CONSTRUCTION HOURS: The City of Fremont has authorized construction hours as follows: 7:00 a.m. to 7:00 p.m. Monday through Friday, 9:00 a.m. to 6:00 p.m. Saturday and Sunday.
29. SANITARY SEWER EASEMENT: Between Lot 6 and Lot 7 is a Sanitary Sewer Easement as shown on the Preliminary Title Report for each of these lots. The Sanitary Sewer Easement is 5 feet into the sideyard of Lot 6 and 10 feet into the sideyard of Lot 7.
30. ACCESS GATES: The backyard fence of Lot 7 will include two 6-foot gates that will provide access from Williams Court for monitoring and maintenance of the two manholes within the 10 foot backyard easement. Two manholes and turf block will be installed along the back 10 feet of Lot 7.
31. PRIVATE STORM DRAIN EASEMENT: A private Storm Drain Easement is recorded on Lot 2 along the back fence line for drainage from the backyard of Lot 3.
32. LANDSCAPE MAINTENANCE AREAS: Homeowners cannot make any alterations within a Landscape Maintenance Area without first obtaining approval from the Board of the Niles Court Homeowner's Association.
33. SOUNDWALLS: The Homeowner' Association shall maintain, repair and replace all soundwalls situated on or immediately adjacent to Niles Court on King Avenue and Mission Boulevard, except the surface of the soundwall facing an

Owner's lot which each such Owner will be responsible for maintaining.

34. SUMMER SWITCH: The City of Fremont requires that Lots 3 and 4 be built with standard air conditioning and that Lots 1, 2, 5, 6, 7 and 16 be equipped with a ventilation system that will circulate air in these homes. Seller has installed a Summer Switch to accommodate this condition for those homes.

35. POST TENSION FOUNDATION: If a post tension system is used to build the foundation of your home, **DO NOT** cut, core, drill, chip, jack hammer or make any alteration to the post tension concrete foundation. Any of the above activities may cause damage to the structural integrity of the foundation and/or personal injury.

The on-site sales people are not qualified Engineers. Consequently, they are not qualified to make any representations with regard to soils conditions, geological conditions, environmental or structural conditions.

BY SIGNING BELOW, BUYER HEREBY REPRESENTS THAT BUYER HAS READ AND UNDERSTANDS ALL OF THE DISCLOSURES SET FORTH ABOVE.

Date: _____, 1998

BUYER:

DISCLOSURE.Niles Court.doc