

GeoDisclosure Report

A natural and environmental hazard reporting company

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Report Number: 08 - 9752

Date: 8/27/08

Summary Page

This statement applies to the following property: 11530 Empire Grade, Santa Cruz, CA 95060

Transferor: David Hoffman and Heidi Tremblay

APN: 080-021-26

Natural Hazard Disclosures

The subject property:

- | IS | IS NOT | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within a Special Flood Hazard Area caused by rainstorm activity. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within an Area of Potential Flooding caused by dam failure. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within a Very High Fire Hazard Severity Zone, (VHFSZ). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - within a Wild land (Forest) Fire Area, (SRA, State Responsibility Area). |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within an Earthquake Fault Zone, (APZ, Alquist-Priolo Zone). |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - mapped by the State of California Division of Mines and Geology Seismic Mapping Act. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within a potential Santa Cruz County Seismic Hazard Zone. (See page 3). |

Additional Disclosures

The subject property:

- | IS | IS NOT | |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - in a Mello-Roos Special Assessment District. (See page 4 for additional tax information). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - within an Airport Proximity Zone. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within 1 mile of a Former Military Ordinance site, (FUD or BRAC site). |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within 1 mile of an area zoned for commercial or industrial use. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within 1/4 mile of an area zoned for commercial agriculture use. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within 1 mile of a railroad line. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within a Santa Cruz County Critical Fire Hazard Area |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | - within a potential Ultramafic Zone, (naturally occurring asbestos). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | - within a Santa Cruz County Sensitive Habitat Area |

THIS IS ONLY A SUMMARY.

PLEASE READ THE FOLLOWING PAGES FOR THE STATUTORY FORM AND FULL EXPLANATIONS.

GeoDisclosure hereby agrees to indemnify the real estate brokers and agents ordering this report as covered by our Professional Liability Insurance Policy for damages to the extent they are caused by our negligent acts, errors or omissions in the performance of our services and subject to the limitations of this report. The seller nor any listing or selling agent will be liable for any error in this information as long as ordinary care is exercised in transmitting it.(Cal. Civ. Code § 1 102.4).

This statement applies to the following property: 11530 Empire Grade, Santa Cruz, CA 95060Transferor: David Hoffman and Heidi TremblayAPN: 080-021-26

Statutory Natural Hazard Disclosure Statement

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 subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any 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 (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 RISKS 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 X No ___

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 Public Resources Code

(Landslide zone) Yes ___ No ___ (Liquefaction Zone) Yes ___ No ___ Map not released yet by state: X

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

Signature of Transferor(s) _____ Date _____

Signature of Transferor(s) _____ Date _____

Agent(s) _____ Date _____

Agent(s) _____ Date _____

Check only one of the following:

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

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

Third-party Disclosure Provider(s) GeoDisclosure Date 08/27/2008

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

Signature of Transferee(s) _____ Date _____

Signature of Transferee(s) _____ Date _____

This statement applies to the following property: *11530 Empire Grade, Santa Cruz, CA 95060*

Transferor: *David Hoffman and Heidi Tremblay*

APN: *080-021-26*

NFIP FLOOD ZONE DETERMINATION

The subject property is:

NOT in a Special Flood Hazard Area- Located in Zone X. Lenders are not federally required to have homeowners purchase and maintain flood insurance for property in this zone designation.

LOCAL AREA NATURAL HAZARDS

Santa Cruz County Geologic and Seismic Zone Determination Based on the officially adopted county-level Safety Element natural hazard maps, the subject property is: **NOT in a zone of high geologic hazard.**

- **Not Located within any identified county-level fault rupture zone.**
- **Not located within any identified county-level landslide hazard.**
- **Not located within any identified county-level liquefaction zone.**

Explanation of Local Area Natural Hazards: SANTA CRUZ COUNTY GEOLOGIC ZONES

Santa Cruz County has officially produced maps to delineate the following potential geologic and seismic hazards:

Fault zones: There are four types of earthquake fault-risk zones defined by Santa Cruz County.

1. Areas of low potential for surface rupture (ground cracking along the fault during an earthquake) due to faulting.
2. Areas of moderate potential for surface rupture due to faulting.
3. Areas of high potential for surface rupture due to faulting
4. Areas where there is insufficient data to determine potential for ground rupture due to faulting.

Slope stability: Santa Cruz County has delineated slope stability on its map using aerial photo interpretation. Significant limitations to the accuracy of the map do exist. The map indicates the relative certainty of a landslide's location. "Definite" landslides are those with well-defined scarps and landslide topography. "Probable" landslides show typical landslide topography and scarps but have been eroded to some degree. "Questionable" landslides may exhibit typical landslide topography but with no evidence of scarps due to heavy erosion or dense vegetation, or the size of the landslide is not large enough to accurately determine its presence. The County Planning Department does not usually recognize questionable landslide deposits as a constraint for property development.

If the property is located in one of these designated landslide areas or deposits, it does not necessarily mean that a landslide actually exists. However, the potential for landsliding in these areas is higher. It is recommended that you seek the county's opinion prior to new development.

Areas located within a small landslide deposit generally have a somewhat higher potential for slope instability than most hillside areas.

Area of soil creep usually signifies that a deep layer of soil exists on a relatively steep slope. Over time, these soils tend to move downslope due to gravitational pull and alternating wet/dry seasonal cycles.

Liquefaction: Liquefaction is a type of soil settling that can occur during earthquakes. Three conditions must exist for liquefaction to occur: 1) shallow groundwater conditions, 2) the soils must be relatively sandy and granular, and 3) the soils must be relatively loose and porous. These conditions occur most commonly along rivers and sloughs. Four zones of liquefaction potential have been defined on the Santa Cruz County maps: (Zone A) area of high potential for liquefaction, (Zone B) area of moderately high potential for liquefaction, (Zone C) area of moderately low potential for liquefaction, (Zone D) area of low potential for liquefaction. Zone A and Zone B liquefaction potentials may indicate that geotechnical studies are needed before new construction begins.

Additional natural hazards may exist and are delineated on other sources used by the County in its Planning, Engineering, or Building Departments. Such potential sources are not reviewed in this report. To investigate, contact the county Planning or Building Departments. (831) 454-2000. For any general questions regarding these local hazard zone designations, please call GeoDisclosure at (831) 469-4438.

EXPLANATION OF NATURAL HAZARD DISCLOSURE AND ADDITIONAL DISCLOSURES FOLLOW THIS PAGE.

This statement applies to the following property: *11530 Empire Grade, Santa Cruz, CA 95060*

Transferor: *David Hoffman and Heidi Tremblay*

APN: *080-021-26*

NOTICE OF SPECIAL TAX AND ASSESSMENT

These taxes are used to provide public facilities or services that are likely to benefit the property. The facilities financed by this (these) Mello-Roos and / or Special Assessment(s) may not yet have been constructed or acquired and it is possible that some may never be constructed or acquired. **You should take into account this assessment and the benefits from the public facilities for which it pays in deciding whether or not to buy this property. An important feature of the "Mello-Roos" and "1915 Bond Act" assessment districts is that the lien has a priority status. If the assessment tax is not paid on time, the home can be foreclosed upon and sold through an accelerated foreclosure process. Even though a "special" or "supplemental assessment" may appear on the property tax bill, it is not necessarily a "Mello-Roos" or "1915 Bond Act" assessment subject to a property lien or a specific disclosure requirement.**

ANNUAL TAX CHARGES BONDS AND SPECIAL ASSESSMENTS

<u>Tax Year</u>	<u>Tax Amount</u>	<u>Department</u>
2007-2008	\$56.94	COUNTY-REFUSE CSA 9C
	\$56.40	9D1- ROAD REPAIR
	\$6.90	SEPTIC TANK MAINTENANCE CSA 12
	\$18.54	SAN LORENZO SEPTIC MGT CSA 12A
	\$12.58	NO. COUNTY MOSQUITO & DISEASE ASSESSMENT
	\$16.60	COUNTY-HIGHWAY LIGHTING CSA 9
	\$28.00	SC CITY HI SCH DIST PARCEL TAX MEASURE A
	\$6.58	PARKS AND RECREATION CSA 11
	\$117.00	COUNTY FIRE CSA #48
	\$319.54	TOTAL

The property IS NOT subject to Mello-Roos special tax lien.

The property IS NOT subject to 1915 Bond Act special tax lien.

The information provided in this report was prepared by GeoDisclosure and is subject to the terms and conditions contain herein. The purpose of this report is to assist the seller in fulfilling his or her legal disclosure requirement . This report was compiled using information obtained from the county, various governmental agencies, and third parties. GeoDisclosure is not responsible for any inaccuracies or omission in the public records of the County, various governmental agencies or for information provided by third parties. **This report is not a substitute for a title report or title insurance and may not be relied upon as such.**

Buyer has read, understands and has received a copy of this Notice of Special Tax and Assessment.

Buyer's (Transferee) Signature _____ Date _____

NOTICE OF YOUR "SUPPLEMENTAL" TAX BILL

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. **If you have arranged payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.** If you have any questions concerning this matter, please contact your local Tax Collector's Office. Pursuant to Civil Code 1102.6c, Seller or his or her agent is providing this "Notice of your 'Supplemental' Property Tax Bill. This notice is general in nature and is not a substitute for the actual supplemental tax bill you will receive from the County Tax Collector

Buyer has read, understands and has received a copy of this "Notice of Your "Supplemental Property" Tax Bill".

Buyer's (Transferee) Signature _____ Date _____

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APN: *080-021-26*

DESCRIPTION OF SPECIAL TAX ASSESSMENTS

There are 4 basic types of special assessments levied by the County of Santa Cruz. They include: CSA's (County Service Areas), Sanitation and Sewer, Bonds (the majority of which are 1915 Bond Acts), and Miscellaneous (which is a catch-all of a variety of assessments). Every neighborhood is unique in what types of assessments are levied. The assessments levied on this property are listed on the previous page.

1915 Bond Act Assessment Districts

1915 Bond Act Assessment is a special assessment district created upon majority approval of the property owners during an assessment balloting procedure. A 1915 Act Assessment District may be formed by a local government in order to finance certain designated facilities that benefit the properties within the district. A 1915 Act Assessment District must provide special benefit to the properties within the district in order to levy special assessments. A 1915 Act Assessment District will include the ability to issue municipal bonds to finance facilities and the debt is paid over time from the levy of special assessments.

Mello-Roos Community Facilities Districts

A Mello-Roos Community Facilities District, known as a CFD, is a special tax district formed by a local government in order to finance certain facilities and/or services which benefit the properties within the CFD. Often a CFD will include the ability to issue municipal bonds to finance facilities and the debt is paid over time from the levy of the special tax. The levy of the special tax may also be used to directly finance facilities and/or services. There are currently three Mello-Roos Community Facility Districts in Santa Cruz County: 1) Live Oak School District, 2) City of Scotts Valley, and 3) Felton Water System Acquisition.

County Service Areas (CSAs)

Purpose: Service areas can be formed to provide residents in rural areas with services that are not generally provided by existing business or government agencies. Residents organize to form the service area and determine the benefit assessment rate that they wish to assess themselves to finance a specific service, such as road maintenance. One of the major reasons to form a CSA is that it provides an effective mechanism to collect benefit assessments from all property owners in an area that benefits from the specific services provided. The annual benefit assessment appears on each parcel's property tax bill.

TRANSFER FEE/TAX ADVISORY

PRIVATE TRANSFER FEE (PAYMENT OF TRANSFER FEE REQUIRED NOTICE)

Effective January 1, 2008, a seller has an obligation to make specific disclosures if the property being sold is subject to a Private Transfer Fee. These fees typically originated from an agreement between a developer and a government entity or interest group. As a result of this law, any person or entity who will impose or has in the past imposed a Private Transfer Fee must, in order to continue to receive payment of the fee, record both the instrument creating the transfer fee and a separate notice of "Payment of Transfer Fee Required" in the county recorder's office in the county where the property is located. (Private transfer fees are typically created by developers to be used for environmental compliance or to mitigate ongoing costs incurred with the development of a property). All sellers who have properties subject to a transfer fee will have to provide a separate disclosure statement, called a Notice of Transfer Fee (NTF), regarding the fee to the buyer.

COUNTY OF SANTA CRUZ TRANSFER TAX

Documentary Transfer Tax is a government tax imposed by a city or county when a property within the jurisdiction is sold or transferred. Also known as a Real Estate Transfer Tax. The one time payment is made at the close of escrow and the amount of the tax is based on the sales price of the property. The tax rate is \$1.10 (one dollar ten cents) per \$1000 (thousand dollars) of the sale price.

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FORMER MILITARY ORDNANCE SITE DETERMINATION

The subject property is: **The property IS NOT within 1 mile of a Former Military Ordnance Location.**

FUD Location:

FUD Site History:

California Civil Code 1102.15. The seller of residential real property subject to this article who has actual knowledge of any former federal or state ordnance locations within the neighborhood area shall give written notice of that knowledge as soon as practicable before transfer of title.

For purposes of this section, "former federal or state ordnance locations" means an area identified by an agency or instrumentality of the federal or state government as an area once used for military training purposes which may contain potentially explosive munitions. "Neighborhood area" means within one mile of the residential real property.

The disclosure required by this section does not limit or abridge any obligation for disclosure created by any other law or that may exist in order to avoid fraud, misrepresentation, or deceit in the transfer transaction.

Interpretaton of California Civil Code 1102.15

FUD sites can include sites with common industrial waste (such as fuels), ordnance or other warfare material, unsafe structures to be demolished, or debris for removal. NOTE: most FUDS sites do not contain unexploded ordnance. California Civil Code 1102.15 requires disclosure of those sites containing unexploded ordnance. "Military ordnance" is any kind of munition, explosive device/material or chemical agent used in military weapons. Unexploded ordnance are munitions that did not detonate. Only those FUD sites that the USACE has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this report. Additional sites may be added as military installations are re-leased under the Base Realignment and Closure (BRAC) Act. Active military sites are NOT included on the FUDS list.

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AIRPORT NOISE DETERMINATION

Based on 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, the following determination has been made:

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

The property IS within three (3) miles of an airport runway.

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

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.

NOTE: The Airport Noise Compatibility Planning Program is voluntary. Not all airports have elected to participate. 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. Purchasers should be aware that aviation noise levels can vary seasonally or change if airport usage changes after a map is published or after GeoDisclosure receives the updated maps.

COMMERCIAL OR INDUSTRIAL ZONING DETERMINATION

The property IS NOT within 1 mile of a commercial or industrial zone.

The seller of residential real property who has actual knowledge that the property is affected by or zoned to allow commercial or industrial use described in section 731a of the Code of Civil Procedure shall be given written notice of that knowledge to purchasers as soon as practicable before transfer of title (California Civil Code Section 1102.17). The Code of Civil Procedure Section 731a defines industrial use areas in which a city and/or county has established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted.

AGRICULTURAL LAND PRESERVATION & PROTECTION ORDINANCE DETERMINATION

The property IS NOT within 1/4 mile of a commercial agricultural zone.

“Santa Cruz County has a strong rural character and an active historical agricultural Sector. As a property owner or lessee you should be prepared to accept properly conducted agricultural practices that are allowed for in Federal, state and county laws and regulations, are consistent with accepted customs and standards, and are operated in a non-negligent manner. Accepted agricultural practices that may cause inconveniences to property owners during any 24-hour period may include but are not limited to: noise, odors, fumes, dust, smoke, pests, operation of farm equipment, storage and application and disposal of manure and the application of pesticides and fertilizers by ground or air. The County of Santa Cruz will not consider an agricultural practice to be a nuisance if implemented in accordance with Federal, State, and local regulations governing pesticide use.”

RAILROAD LINE PROXIMITY DETERMINATION

The property IS NOT within 1 mile of a railroad line.

During the past several years, the County has formed a Regional Transportation Agency to address concerns with traffic, rail/trolley, bicycles and other transportation issues that affect the general populace. Since the issues are broad in scope, you, the buyer, is advised to contact the agency listed below to determine what, if any, issues may have an effect on the use and enjoyment of your property in Santa Cruz County.

Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Phone: 831-460-3200
Website: www.sccrtc.org

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SANTA CRUZ COUNTY CRITICAL FIRE HAZARD AREA DETERMINATION

The property IS NOT within a Critical Fire Hazard Area.

A Critical Fire Hazard Area is defined by the Santa Cruz County Planning Department as : High wildfire hazard areas comprised of chaparral vegetative cover in all slope categories as designated on the County General Plan Resource and Constraint Maps or as otherwise determined by field investigation. There are development constraints for these areas : For instance, building sites shall be located outside of designated Critical Fire Hazard Areas wherever possible. Also, Critical Fire Hazard Areas require a field inspection before building permits are issued. General Plan Critical Fire Hazard Area Maps used by GeoDisclosure are of general guidance only. Contact a county planner for more specific requirements.

Santa Cruz County Planning or Building Department phone: (831) 454-2000.

ULTRAMAFIC ROCK ZONE DETERMINATION

The subject property IS NOT located in a potential Ultramafic Rock Zone.

Naturally occurring asbestos (NOA) includes fibrous minerals found in certain types of rock formations. NOA can take the form of long, thin, separable fibers. Natural weathering or human disturbance can break NOA down to microscopic fibers, easily suspended in air. There is no health threat if NOA remains undisturbed and does not become airborne. When airborne NOA is inhaled, these thin fibers irritate tissues and resist the body's natural defenses. Asbestos, a known carcinogen, causes cancers of the lung and the lining of internal organs, as well as asbestosis and other diseases that inhibit lung function. This information is based on research of current maps issued by the California Division of Mines and Geology. The map is titled "A General Location Guide for Ultramafic Rocks in California - Areas more likely to contain naturally occurring asbestos." A site specific investigation would be required to make an absolute determination.

For more information, go to the California Air Resources Board web site: <http://www.arb.ca.gov/toxics/asbestos/asbestos.htm>

RADON ADVISORY

What is Radon?

Radon is a naturally occurring colorless, tasteless, and odorless gas that comes from the decay of uranium found in nearly all soils. It enters buildings byway of the ground through cracks and openings in the foundations. Once inside the radon can become trapped and unless the building is properly ventilated to remove the gas, it can become a health hazard. Long-term exposure to elevated levels of radon increase ones risk of contracting lung cancer. The levels of radon vary throughout the country and the concentrations entering homes varies from home to home. Because it is odorless, colorless, and tasteless, testing is the only way to know if you and your family are at risk from radon. There are simple ways to fix a problem if needed. The United States Environmental Protection Agency recommends that everyone test their homes for radon.

For more information, go to following EPA web sites: <http://www.epa.gov/iaq/radon/pubs/index.html#radon>

METHAMPHETAMINE CONTAMINATED PROPERTY ADVISORY

Methamphetamine Contaminated Property Cleanup Act Of 2005 summary.

Starting January 1, 2006 a property owner must disclose in writing to a prospective buyer or tenant 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 or tenant 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 withmeth-contaminated properties, including the filing of a lien against a property until the owner cleans up the contamination or pays for the cleanup costs. Source: Assembly Bill 1078.

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Santa Cruz County Sensitive Habitat Area Determination

When applying for a construction permit with the county, mostly in rural areas, the zoning and environmental planning departments will review maps that designate sensitive habitat areas within the county. Sensitive habitats are areas where rare, endangered, threatened, and unique species have been found. Depending on the type of species found there, the county will require a biotic review if it deems necessary. A biotic review consists of an onsite visit by a county approved biologist to confirm whether or not there exists a sensitive habitat. If it is then possible changes will have to be made in the building plans to accommodate this habitat.

The property IS within a Sensitive Habitat zone.

Endangered Species Act Advisory

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

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

ADVISORY

An awareness of threatened and endangered species and/or critical habitats is not reasonably expected to be within the actual knowledge of a seller. No Federal rule, California statute, Department of Real Estate regulation, or other law, requires a seller or seller's agent to disclose threatened or endangered species or critical habitats, or 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 the need to investigate the existence of threatened or endangered species, or designated critical habitats, on or in the vicinity of the parcel, which could affect the use of the property or the success of any proposed (re)development.

For more information

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

For Northern California visit:

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

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

Notice: The California Department of Justice, sheriff's departments, police departments and other local law enforcement authorities serving jurisdictions of 200,000 or more maintain for public access a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and is a source of information about the presence of these individuals in any neighborhood. **Once this notice is provided to the buyer, the seller and agent are not required to provide additional information, unless they have personal knowledge of the existence or proximity of a registered sex offender**

For more information visit the State of California Attorney General Megan's Law Web Page: <http://www.meganslaw.ca.gov/>

Local Information Available:

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

Local Sheriff Departments: Aptos - (831) 662-0690, Live Oak - (831) 464-6230, San Lorenzo Valley - (831) 461-7400, Santa Cruz - (831) 454-2311, Watsonville/ Freedom- (831) 763-442.0

Explanation of Information Provided:

For over 50 years, California has required certain sex offenders to register with their local law enforcement agencies. However, information on the whereabouts of the sex offenders was not available to the public until implementation of the Child Molester Identification Line in July 1995. The available information was expanded by California's "Megan's Law" in 1996 (Chapter 908, Stats. of 1996). Megan's Law provides certain information on the whereabouts of "serious" and "high-risk" sex offenders. The law specifically prohibits using the information to harass or commit any crime against the offender. The information on a registered sex offender includes: name and known aliases; age and sex; physical description, including scars; marks and tattoos; photograph, if available; crimes resulting in registration; county of residence; and zip code (from last registration). When requesting access to the information, you may be asked to provide personal identification information as well as to comply with local authority's information release requirements.

MOLD ADVISORY

The Buyer should be aware 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 buyers of residential and commercial property are advised to thoroughly inspect the subject 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.

What are molds?

Molds are simple, microscopic organisms, present virtually everywhere. Molds, along with mushrooms and yeast, are needed to break down dead material and recycle nutrients in the environment. Molds grow and reproduce on any organic material, such as leaves, wood, paper, or dirt exposed to moisture over an extended period of time. Because molds grow by digesting the organic material, they gradually destroy whatever they grow on. Mold growth on surfaces can often be seen in the form of discoloration, frequently green, gray, brown, or black but also white and other colors. Molds release countless tiny, lightweight spores, which travel through the air.

As part of a buyer's physical inspection of the condition of a property, the buyer may consider hiring a 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 advice is not a disclosure of whether harmful mold conditions exist at a property or not. GeoDisclosure has not performed testing or inspections of any kind for mold. Any use of this form is acknowledgment and acceptance that GeoDisclosure 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. More information about mold is listed below.

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

Publications:

Mold in My Home: What Do I Do? - California Department of Health Services Indoor Air Quality Section, 2151 Berkeley Way (EHLB), Berkeley, CA 94704 Telephone: (510) 622-4500 Web: www.dhs-iaq.ca.gov

Health Effects of Toxin-Producing Molds in California. Stachybotrys chartarum (atra) - a mold that may be found in water damaged homes. Fungi and Indoor Air Quality. Misinterpretation of Stachybotrys Serology - California department of health services, Environmental Health Investigation Branch, 2151 Berkeley Way (EHLB), Berkeley, CA 94704 Telephone: (510) 622-4500 Web: www.dhs-iaq.ca.gov/ehib/

General Information Molds, Toxic Molds, and Indoor Air Quality - This is available on the Internet at www.cal-iaq.org/MOLD

Biological Pollutants in Your Home - U.S. EPA IAQ Information Clearinghouse, Telephone: (800) 438-4318 Web: www.epa.gov

EXPLANATIONS OF NATURAL HAZARDS ON STATUTORY FORM**SPECIAL FLOOD HAZARD AREAS**

The Federal Emergency Management Agency has issued Flood Insurance Rate Maps delineating areas that have a higher risk of flooding during a "100-year rainstorm." A 100-year flood occurs on average once every 100 years, but might not occur in 1,000 years or may occur in successive years. If the subject property is located in a Special Flood Hazard Area "A" or "V," it is in a zone subject to flooding during a "100-year rainstorm." Federally insured lenders require property owners to maintain flood insurance in these zones. Flood Insurance Rate Maps are sometimes updated with a "Letter of Map Revision" or "Letter of Map Amendment" issued by the National Flood Insurance Program which may waive or modify insurance requirements. If a property is located partially or wholly within a Zone "A" or "V," flood insurance is generally required by federally connected lenders for newly financed or refinanced homes. In some circumstances, the insurance requirement may be waived or modified by obtaining a Letter of Map Revision (LOMR) or Letter of Map Amendment (LOMA) from the Federal Emergency Management Agency (FEMA). This might be possible where flooding is shallow and fill was placed on the site, appropriate flood control measures were taken, or only the lot and no part of the structure is in the zone. As an example, if a surveying study shows the lowest ground level adjacent to a structure is higher than the expected base flood elevation for that site, flood insurance may not be required. Other possible flooding causes such as dam failure were not considered in developing the official maps delineating flood areas. Contact FEMA directly for more information on these procedures. Flood insurance for properties in Zones B, C, X or D is available but is not usually required by a lender.

Zones A, AO, AE, AH, AI-A30: Areas of "100-year" flooding, a 1% or greater chance of yearly flooding from excessive rainfall.

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

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

Zones X: An area of "moderate" flood risk (when shaded on the map, a Zone X is equivalent to Zone B) or an area of minimal flood risk (an unshaded X zone on the map).

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

For more information: Call FEMA: (877) 336-2627, or go to the web site: www.fema.gov

AREA OF POTENTIAL FLOODING DUE TO DAM FAILURE

The California Office of Emergency Services has issued Dam Inundation Maps. These maps show areas subject to flooding from a sudden, catastrophic failure of a dam with a full reservoir. Inundation from a dam failure could result in loss of life, injury, and major property damage. Most areas are defined assuming an instantaneous dam failure with a full reservoir. Dams generally are not always maintained at full capacity and sudden failure is extremely rare. All dams in the state have not been mapped. There may be exceptional conditions where a map is not required by the Office of Emergency Services which results in some dam inundation zones not appearing on any maps.

For more information: Call Office of Emergency Service: (916) 262-1800, or go to the web site www.oes.ca.gov

VERY HIGH FIRE HAZARD SEVERITY ZONE

The Bates Bill (AB 337) requires that Very High Fire Hazard Severity Zones (VHFHSZ) be established by the California Department of Forestry and local fire authorities. Local Responsibility Areas (areas where fire suppression is the responsibility of a local fire department and not the California Department of Forestry) that are designated as VHFHSZ may have a higher risk for damage to property by fire than other areas. Structures in these zones are required to have a "Class A" roof for new construction or replacement of existing roofs. Property owners must clear tree limbs from within ten feet of chimneys and stovepipes, clear roofs of leaves, etc., maintain spark screens over chimneys and stovepipes and generally maintain vegetation clearance of 30 feet around structures. This is just a general summary of the basic requirements. Please contact your fire department for a complete list of the requirements and exceptions.

For more information: Call CDF (831) 335-5353 or, check the CDF web site: www.fire.ca.gov/forest_practice.html

Note for Santa Cruz County: A Very High Fire Hazard Severity Zone had been mapped in the Rio Del Mar area by the Teale Data Center in January of 2000. No action was taken to locally designate the identified hazard area pursuant to Government Code Section 51179, paragraphs (a) and (g). The Office of the State Fire Marshal has agreed to delete the area from the Very High Fire Hazard Severity Zone Map as of February 22, 2000. However, the delineated areas will remain on file with CDF and the Office of the State Fire Marshal as having been identified as a Very High Severity Zone pursuant to the requirements of Government Code Section 51178.

EXPLANATIONS CONTINUED

WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS**(State Responsibility Areas)**

State Responsibility Areas (SRA) are zones where the State is responsible for suppressing wildland fires using the California Department of Forestry (CDF) fire protection services. SRAs are generally rural areas of brushland, forests, etc. outside of incorporated cities. Because of the generally rural nature of SRAs, there may be significant wildland fire potential. Property owners in these areas are responsible for maintaining brush and tree clearance around their structures. Under Section 4291 of the Public Resources Code, owners must clear tree limbs from within ten feet of chimneys and stovepipes, eliminate dead or dying wood adjacent to or overhanging any building, clear roofs of leaves, maintain spark screens over chimneys and stovepipes, and maintain vegetation clearance of 30 feet around structures. In addition, property owners in SRAs are responsible for organizing structural fire protection services which may be in the form of a volunteer group. This is just a general summary of the basic requirements. It is highly recommended to contact your local fire department for a complete list of the requirements and exceptions. For very isolated properties within SRAs with no local fire services, the CDF only provides seasonal fire services for wildland fires. Contact the local fire service for additional information in your area. If a property is not located in an SRA, then the city's or town's fire protection service is the primary provider of fire protection.

Due to a significant limitation in the scale of SRA maps, it may be impossible to determine if a property is definitively in, or not in an SRA zone near the zone boundaries. In such cases, the property will be reported as being in an SRA zone. If any party has concerns relative to fire hazards, we suggest that the California Department of Forestry, local fire services, or appropriate expert be contacted to obtain additional information.

For more information: Call CDF (831) 335-5353 or web site www.fire.ca.gov/

EARTHQUAKE FAULT ZONE (APZ)

Earthquake Fault Zones, also known as Alquist-Priolo Zones (APZ), are delineated and adopted by the State of California as part of the Alquist-Priolo Special Studies Zone Act of 1972. In 1994 This Act was re-titled as the "Alquist-Priolo Earthquake Fault Zone Act." APZ's are areas or bands on both sides of a "sufficiently active and well defined" fault. Typically these are the most active faults in the State. These areas or bands average about ¼ of a mile wide. If a property is located in an APZ, it does not necessarily mean that a fault trace exists on the property or within several hundred feet of the property. The potential for "fault rupture" (ground cracking along the fault trace) damage to a structure is relatively high only if the building is located directly on a fault trace. If a structure is not built across a fault trace but in the APZ, then shaking, will be the primary effect of an earthquake. It is recommended that soil and bedrock conditions should be investigated in this case. Your proximity to the APZ or distance from the fault trace will not determine the strength of the ground shaking during a major earthquake as shaking may be stronger at some distance from the fault depending on local soil and bedrock conditions. It is generally accepted that properly constructed wood-frame houses are resistant to earthquake-shaking damage.

For more information: Division of Mines and Geology: (415) 904-7707, or go to web site www.conserv.ca.gov/dmg/

SEISMIC HAZARD MAPPING ACT ZONE (SHMA)

SHMA Maps were created by the State of California to delineate areas prone to seismic hazards such as liquefaction and/or landsliding during a major earthquake. The purpose of this act is to provide cities and counties with zones where site-specific geotechnical studies are required prior to development. New development in a Seismic Hazard Zone will only be permitted if the developer can show that geologic hazard mitigation can make the site acceptably safe. The information is also important if the Buyer is planning to undertake a major remodeling or redevelopment as the information can affect the building, permit process. Santa Cruz County is not included on the current inventory of Official Seismic Hazard Maps. These may become available for this property in the future. In the meantime, the local geologic hazard maps are relied on for providing this type of information.

For additional information and to find when maps may become available, contact the California Division of Mines and Geology or visit their website at <http://www.conserv.ca.gov/dmg/> or call: (415) 904-7707

EXPLANATIONS CONTINUED

(SHMA CONTINUED) - The hazards that will eventually be addressed by the Seismic Hazards Mapping Act are: liquefaction, enhanced ground shaking and settling of the soil, earthquake induced landslides, and various types of ground failure. The first release of maps for limited areas only address liquefaction and/or landslide zones and are not a substitute for County-level hazard maps.

Liquefaction Hazard Zones represent areas where there is an historic occurrence of liquefaction, or where the local geological, geotechnical and ground water conditions indicate a potential for liquefaction such that mitigation would be required prior to new development. 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. Liquefaction Hazard Zones may also contain areas susceptible to the effects of earthquake-induced landslides. This situation typically exists at or near the toe of existing landslides, downslope from rockfall or debris flow source areas, or adjacent to steep stream banks.

Earthquake-Induced Landslide Hazard Zones represent areas where recent occurrence of landslide movement, or local slope terrain, and Geological, geotechnical and ground moisture conditions indicate a potential for landslides such that mitigation would be required.

If any further explanation is needed, please contact GeoDisclosure . (831) 469-4438

END OF STATUTORY NATURAL HAZARD DISCLOSURE EXPLANATIONS

TERMS, CONDITIONS AND LIMITATIONS OF LIABILITY

GeoDisclosure services consist of an examination of: (a) NFIP Flood Hazard Boundary Maps, (b) California Office of Emergency Services Dam Failure Inundation Maps, (c) Bates Bill AB 337 Very High Fire Hazard Severity Zone Maps, (d) State Responsibility for Fire Protection Maps, (e) Alquist-Priolo Earthquake Fault Zone Map, (f) Seismic Hazards Mapping Act Maps, (where available), (g) geologic and seismic hazard maps adopted by the county as part of its General Plan's Safety Element, (h) geologic and seismic hazard maps adopted by the city as a part of its General Plan's Safety Element, (i) LOMR's or LOMA's (made available to us), only for location of the above property as identified by the seller or seller's agent. GeoDisclosure relies on these official sources for the information in this report and does not produce, maintain or verify the information from these sources. GeoDisclosure will update its information when it is made available. The following procedures and limitations apply to all the disclosures on all pages of this report. Our services include, where appropriate, use of the assessor's rolls, cadastral-type maps, photographic enlargements of maps, digital maps, and various cartographic techniques to locate the site on the appropriate map. The determination is made as accurately as reasonably possible using these said maps. For purposes of defining property lines, the assessor's parcel number and parcel maps are used. Any errors in the assessor's rolls may affect the determination procedures.

Decisions by jurisdictions relative to required studies, reports, etc. may be made using the same information used in the disclosures in these reports, as well as information in their files and/or local ordinances and procedures. The disclosure information in this report cannot be construed as a substitute for a geologic or engineering study or does it guarantee that a city or county will not require such studies. No visual examination of the subject site was performed nor was a study of any jurisdiction's files or other sources made to determine the existence of any hazard that may exist on the site. This report is for the purpose of certain map based real estate transaction disclosures only and is not a substitute for the broker/agent property inspection. GeoDisclosure performs services for the real estate agent/broker, current owner and buyer. This report is for the exclusive use of the contractual parties, their broker/agent(s) and the current owner's sale for which it was issued. Due to changing maps, laws and contractual parties, this report cannot be relied upon for other properties nor for future transactions of the subject property. All parties should be aware that the information is subject to change. GeoDisclosure is not responsible for advising parties of any changes that may occur after the date of this report. As a courtesy, GeoDisclosure will update this report at no cost during the single transaction process for which this report was issued, if requested. This report is GeoDisclosure's property until it is paid for. If in the event GeoDisclosure is not paid for its report, GeoDisclosure's liability protection will become null and void. GeoDisclosure shall not be liable to anyone who may claim any right through his relationship with the agent, except when acts or omissions are due to willful misconduct or negligence by GeoDisclosure.

If any party to this transaction has concerns relative to the stability or condition of the property or if "red flags" are observed during any party's inspection, we suggest a consultant be retained to study the site and render an opinion.