

Natural Hazard Disclosure Report, LLC

7909 Walerga Road Ste 112-1218
Antelope, Ca. 95843
Toll Free (877) 271-5357

Transaction Number: 0115200500035
Thursday, July 14, 2011

Natural Hazard Disclosure ORDER INFORMATION

Subject Property Information:

Address: 123 Sample Report

City: Sacramento

State: CA **Zip:** 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Escrow Agent

Name: Customer
Address: 1234 Address
City: Customer City
State: CA
Zip: 95610

Company: Customer Company
Phone: 111-222-3333
Fax: 444-555-6666
Email: sample@report.com

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INVOICE

NHD Report LLC

7909 Walerga Road Ste. 112-1218 Antelope, CA. 95843
Phone: (916) 675-1061 * Toll Free (877) 271-5357
Fax (916) 244-0425
WEB: <http://www.nhdreport.com>
EMAIL: orders@nhdreport.com

Subject Property Information:

Address: 123 Sample Report City: Sacramento State: CA Zip: 95825
Assessors Parcel #: 010-0010-001-0000 County: Sacramento Escrow Number: A10563-TD

Billing Information:

Name: Customer Company: Customer Company
Address: 1234 Address Phone: 111-222-3333
City: Customer City Fax: 444-555-6666
State: CA Email: sample@report.com
Zip: 95610

Please send your payment to: 7909 Walerga Road Ste 112-1218, Antelope, Ca. 95843

Please write the "Transaction Number" on your check and make it payable to NHDReport LLC.

Invoice Date: 1/15/2005 11:58:07 PM

Transaction Number: 0115200500035

Natural Hazard Disclosure Report: \$49.00

Thank you for your business

Total Amount Due: \$49.00

NATURAL HAZARD DISCLOSURE

Subject Property:

123 Sample Report

Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

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NATURAL HAZARD DISCLOSURE STATEMENT

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

The seller and his or her agent(s) disclose the following information with the knowledge that even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this 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 seller and his or her agent(s) based on their knowledge and maps drawn by the state. This information is a disclosure and is not intended to be part of any contract between the buyer and seller.

THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

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

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

FEMA Flood Zone Designation: X FEMA Panel: 0602660010F 2/18/2005 Comments:

AN AREA OF POTENTIAL FLOODING SHOWN ON A DAM FAILURE INUNDATION MAP pursuant to Section 8589.5 of the Government Code.

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

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

Yes ___ No

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE 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 ___ No

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

Yes ___ No

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

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

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

The representations made in this report are based upon information provided by an independent third party provided as a substitute disclosure pursuant to California Civil Code Section 1103. Neither the seller nor seller's agent: (1) have independently verified the information contained in this report or (2) is personally aware of any errors or inaccuracies in the information contained in this report.

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

Signature of Seller: _____

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: N.H.D. Report, LLC

Date: 7/14/2011

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 Buyer: _____

Date: _____

Signature of Buyer: _____

Date: _____

NATURAL HAZARD ZONE EXPLANATIONS

SPECIAL FLOOD HAZARD AREAS

Zone A is the flood insurance rate zone that corresponds to the 100-year floodplains that are determined in the Flood Insurance Study (FIS) by approximate methods. Because detailed hydraulic analyses are not performed for such areas, no Base Flood Elevations or depths are shown within this zone. Mandatory flood insurance purchase requirements apply.

Zones AE and A1-A30 are the flood insurance rate zones that correspond to the 100-year floodplains that are determined in the FIS by detailed methods. In most instances, Base Flood Elevations derived from the detailed hydraulic analyses are shown at selected intervals within this zone. Mandatory flood insurance purchase requirements apply.

Zones B, C, and X are the flood insurance rate zones that correspond to areas outside the 100-year floodplains, areas of 100-year sheet flow flooding where average depths are less than 1 foot, areas of 100-year stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 100-year flood by levees. No Base Flood Elevations or depths are shown within this zone.

The flood risk of a specific property or geographic area may be modified by and updated through a Letter of Map Change filed with FEMA. Specific flood risk information that has not been included on a FEMA map (for example a Letter of Map Change), have not been reviewed and are not included as a part of this disclosure. Letter of Map Change information can be obtained from FEMA or from the county where the property is located. This disclosure should in no way be used to predict whether flooding will occur, but rather to identify properties for which flood insurance may be required. This report was derived from maps supplied by the Federal Emergency Management Agency.

AREAS OF POTENTIAL FLOODING DUE TO DAM INUNDATION

Sudden dam failure would inundate areas downstream of dams, resulting in the possibility of personal injury and property damage. Properties within a mapped Area of Potential Flooding due to dam failure must be disclosed to a potential buyer. Section 8589.5 of the Government Code. The California Office of Emergency Services has produced Dam Inundation Maps that delineate areas that may be subject to flooding as a result of a sudden total failure of a dam with a full reservoir. Additional maps may become available when approved by the California Office of Emergency Services. It is possible that a property currently identified as being outside a dam inundation area, may be located within one in the future. Cities and counties within areas mapped by the California Office of Emergency Services as being within a dam inundation zone are required to adopt emergency procedures for the evacuation of populated areas. Only maps reviewed and approved by the State may be used for this disclosure. State owned dams are required to have an inundation map - it is the responsibility of the local government or other owner of a dam to provide the State with an inundation map of the area.

VERY HIGH FIRE HAZARD SEVERITY ZONES

The California Department of Forestry and Fire Protection has established Very High Fire Hazard Severity Zones. (Government Code §51178.) A Very High Fire Hazard Severity Zone is identified on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Very High Fire Hazard Severity Zones shall be based on fuel loading, slope, fire weather and other relevant factors. Very High Fire Hazard Severity Zones designated and required to be mapped after the Oakland Hills Fire in October 1991. Properties within a Very High Fire Hazard Severity Zone are subject to special maintenance requirements which can include maintaining fire breaks, clearing vegetation, and keeping roofs free of debris. The California Department of Forestry and local fire authorities locate and compile maps of areas that meet the above criteria. If the map is not of sufficient accuracy or scale that a person can reasonably determine if the subject property is included in a very high fire hazard zone, we will identify the property as being within the subject zone.

WILDLAND AREA

The California Department of Forestry and Fire Protection has established maps identifying properties that fall within a Wildland Area. The Wildland areas are properties for which the primary financial responsibility for the prevention and suppression of fires falls with the state. However, the state is not responsible for protecting structures within these areas. As a result of the scale in which the California Department of Forestry provides the subject maps, if the map is not of sufficient accuracy or scale that a reasonable person can determine if the subject property is included in a Wildland Area, we will identify the property as being within the subject zone.

EARTHQUAKE FAULT ZONES

The Alquist-Priolo Earthquake Fault Zoning Act was passed in 1972 to mitigate the hazard of surface faulting to structures for human occupancy. This state law was a direct result of the 1971 San Fernando Earthquake, which was associated with extensive surface fault ruptures that damaged numerous homes, commercial buildings, and other structures. Surface rupture is the most easily avoided seismic hazard. The Alquist-Priolo Earthquake Fault Zoning Act's main purpose is to prevent the construction of buildings used for human occupancy on the surface trace of active faults. The Act only addresses the hazard of surface fault rupture and is not directed toward other earthquake hazards. The Seismic Hazards Mapping Act, passed in 1990, addresses non-surface fault rupture earthquake hazards, including liquefaction and seismically induced landslides. The Earthquake Fault Zoning program is ongoing and therefore it should be understood that a property currently identified as being outside a fault zone may be included within one in the future.

SEISMIC HAZARD ZONE

The State Seismic Hazards Mapping Act (AB 1341) was adopted by the state legislature on September 21, 1990 following the 1989 Loma Prieta earthquake. The State Geologist is in the process of providing a complete set of statewide seismic hazard maps that identify areas susceptible to landslides and/ or liquefaction. The purpose of the maps is to protect the health and safety of the public from the effects of strong ground motion caused by earthquakes. Currently available maps identify zones for the seismic hazards of liquefaction and earthquake-induced landslides have been provided for limited geographic areas within the State of California. Future maps may include other areas of the state that are not currently delineated. Our report will identify if a property is located or not located within a mapped Seismic Hazard Zone. If the property is not located within an area that has been mapped pursuant to the Seismic Hazards Mapping Act, the report will reflect that the map for the property has not been released by the state.

COMMERCIAL AND INDUSTRIAL ZONE DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Defined by and subject to article 1102.17 of the California Civil Code, any seller of residential real property who has actual knowledge that the said property is affected by, or zoned to allow, industrial use as described in Section 731a of the Code of Civil Procedure, shall give written notice of that knowledge as soon as is practicable before transfer of title.

Section 731a defines in detail certain expressly permitted uses and areas involving manufacturing, commercial, or airport areas.

Referenced Codes for Review:

Whenever any city, city and county, or county shall have established zones or districts under authority of law wherein California Civil Code of Procedures 731a certain manufacturing or commercial or airport uses are expressly permitted, except in an action to abate a public nuisance brought in the name of the people of the State of California, no person or persons, firm or corporation shall be enjoined or restrained by the injunctive process from the reasonable and necessary operation in any such industrial or commercial zone or airport of any use expressly permitted therein, nor shall such use be deemed a nuisance without evidence of the employment of unnecessary and injurious methods of operation. Nothing in this act shall be deemed to apply to the regulation and working hours of canneries, fertilizing plants, refineries and other similar establishments whose operation produce offensive odors.

California Civil Code 1102.17

The seller of residential real property subject to this article who has actual knowledge that the property is affected by or zoned to allow an industrial use described in Section 731a of the Code of Civil Procedure shall give written notice of that knowledge as soon as practicable before transfer of title.

Does the seller have actual knowledge that the property is located in and/or is affected by an industrial/commercial use zone?

YES NO Do Not Know

Seller

Seller

MILITARY ORDNANCE DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

The subject property has been determined to be: NOT within one mile of a Formerly Used Defense Site(s)

RAC Score Descriptions

A risk assessment procedure was developed by the USACE to prioritize the remedial actions at FUD sites. Each FUD site is given a Risk Assessment Code (RAC) score to describe the site status. The risk assessment is based on the best available information resulting from record searches, reports of Explosive Ordnance Disposal (EOD) detachment actions, field observations, interviews, and measurements. The Risk Assessment Code is dependent on two factors: hazard severity and hazard probability.

RAC 1 – Imminent Hazard

RAC 2 – Action required to mitigate hazard

RAC 3 – Action required to evaluate potential threat – Archives search and site investigation

RAC 4 – Action required to evaluate potential threat – Archives search

RAC 5 – No action required

RAC N/A – No Score has been assigned

Explanation

The Department of Defense (DOD) is involved in the cleanup of "Formerly Used Defense Sites" (FUDS). Clean-up of FUD properties are managed by the Army Corps of Engineers (USACE) as part of the Defense Environmental Restoration Program. Formerly Used Defense Site properties were once owned or used by the DOD, but are no longer within their ownership or control. The subject properties range from privately owned farms to National Parks. FUD properties may also include residential areas, schools, colleges, and industrial areas. More sites may be added as active military installations are released under the Base Realignment and Closure Act. The FUDS program includes former Air Force, Navy and Army, National Guard, Reserve facilities and other defense agency properties. Active military sites are NOT included on the FUDS list. Other properties that are not included on the FUDS list include, but are not limited to: (1) Sites outside U.S. jurisdiction; (2) Sites in which the current owners utilized the former DOD facilities and have started clean-up; (3) Sites for which the DOD component that owned or used the site has accepted full restoration responsibility; (4) United Services Organization sites, (5) Civil Works sites; (6) Sites for which no records are available; (7) Sites with no reported USACE action planned; and (8) Cemeteries.

Formerly Used Defense Sites can include properties with common industrial waste, ordnance or other warfare material, unsafe structures to be demolished, or debris needing removal. Most sites do not contain unexploded ordnance. 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.

AIRPORT PROXIMITY DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

As of January 1, 2004, residential property owners are required to disclose to prospective buyers that the property is in the "vicinity" of an airport (Assembly Bill 2776). AB 2776 uses the term "airport influence area" interchangeably with "vicinity" and defines the "influence area" as the "airport referral area" determined by the county's airport land-use commission (ALUC). The ALUC creates a "referral area" for each airport in the county and any proposal for land development within that area is reviewed by the ALUC to determine whether it is compatible with the operation of the airport, both present and future. AB 2776 requires disclosure that an airport is in the vicinity of residential property under three circumstances: (1) when a new subdivision is created (Civil Code § 11010(a)(12)); (2) when a new common-interest development such as a condominium is created (Civil Code § 1353); and when a "natural hazard disclosure statement" is prepared in connection with the transfer of property (Civil Code § 1103.4).

The subject property has been determined to be: LOCATED within 5 miles of an airport(s)

Airport Name	Airport Location	Airport FAA Contact
Sacramento Executive	Sacramento	Sacramento Flight Standards District Office
Sacramento International	Sacramento	Sacramento Flight Standards District Office

This determination was made based upon existing airport locations as provided by governmental authorities. Determination of the five-mile proximity is based upon existing physical airport configurations and boundaries and is not based upon planned or approved airport expansions, modifications, flight patterns or airspace considerations. Privately owned Airports and related facilities are not disclosed in this report. A physical inspection of the Site has not been conducted in connection with the rendering of this disclosure.

AIRPORT NOISE DISCLOSURE

Per California Civil Code, Section 1102.17, any seller(s) of residential real property who have knowledge that the subject property is impacted by airport use must give written notice of that knowledge. Based upon published airport land-use commission Community Noise Equivalent Level (CNEL) contour maps produced under the Federal Aviation Administrations voluntary Airport Noise Compatibility Planning Program.

The subject property has been determined to be: LOCATED within a 65 decibel (dB) zone

Airport Name	Airport Location	Airport FAA Contact
Sacramento International	Sacramento	Sacramento Flight Standards District Office

This property is presently located in the vicinity of an airport, within what is known as an Airport Influence Area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

The Airport Noise Compatibility program is voluntary and was devised to help airports produce and implement noise reduction programs that affect the surrounding communities. Some airports do not have noise exposure maps. Since participation has not ben made mandatory, some airports have not participated in the program. A property may also lie in close proximity to an airport and not experience 65db aviation noise. Please note that airport noise levels can change as airport use fluctuates or changes. Updated maps are obtained when available.

AIRPORT INFLUENCE AREA

An "airport influence area", also known as an "airport referral area," is the area in which current or future airport-related noise, over flight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses, as determined by an ALUC pursuant to Section 11010 of the Business and Professions Code, or Section 1103.4 or 1353 of the Civil Code.

The subject property has been determined to be: LOCATED within a Airport Influence area.

Airport Name	Airport Location	Airport FAA Contact
Sacramento International	Sacramento	Sacramento Flight Standards District Office

Many airports do not have an officially-designated Airport Influence Area or a current airport influence map established by an ALUC, and many Counties and Cities have not adopted any different or additional disclosure form that notifies a buyer of possible nuisance or annoyance from airport operations. In these cases, the seller may satisfy any local requirement for an airport proximity disclosure with a written disclosure of an airport within two (2) statute miles of the subject property (California Civil Code Section 1102.6a).

NOTICE OF NATURALLY OCCURRING ASBESTOS HAZARD ZONE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

This property IS NOT LOCATED within an area identified by the State Geologist as potentially containing naturally occurring asbestos. Exposure to asbestos may create a significant health risk, and the presence of asbestos-bearing minerals may result in restrictions on the use or development of the property.

What is asbestos?

Asbestos is the name given to a group of six different fibrous minerals that occur naturally in the environment. Asbestos fibers are too small to be seen by the naked eye. They do not dissolve in water or evaporate. They are resistant to heat, fire, and chemical or biological degradation.

Naturally occurring asbestos refers to those fibrous minerals that are found in the rocks or soil in an area and released into the air by routine human activities or weathering processes. If naturally occurring asbestos is not disturbed and fibers are not released into the air, then it is not a health risk. Asbestos is used in many commercial products, including insulation, brake linings, and roofing shingles.

The two general classes of asbestos are amphibole and chrysotile (fibrous serpentine). Chrysotile asbestos has long, flexible fibers. This type of asbestos is most commonly used in commercial products. Amphibole fibers are brittle, have a rod or needle shape, and are less common in commercial products. Although exposure to both types of asbestos increases the likelihood of developing asbestos-related illness, amphibole fibers tend to stay in the lungs longer. They also are thought to increase the likelihood of illness, especially mesothelioma, to a greater extent than chrysotile asbestos.

WHAT YOU CAN DO TO MINIMIZE YOUR EXPOSURE TO ASBESTOS-CONTAINING DUST

Take steps to reduce the amount of asbestos dust in the air around your home such as:

- Pave over unpaved walkways, driveways, or roadways that may have asbestos-containing rock or soil.
- Cover crushed asbestos-containing rock in gardens and yards with soil or landscaping.
- Pre-wet garden areas prior to disturbing the soil.
- Remove shoes before entering your home to reduce tracking in fibers.
- Keep windows and doors closed on windy days or during construction.
- Reduce vehicle speed on unpaved roads.
- Use a wet rag to dust (as opposed to a feather duster) and use wet mops on non-carpeted floor.
- Use washable area rugs on your floors.

If you are concerned that you may have asbestos-containing rock or soils around your home, or if you are considering purchasing a home in an area where these rocks or soils may be present, you may want to consider contacting a licensed geologist to examine the property. If you are concerned that you may have asbestos in your home, contact a certified analytical laboratory.

AIR POLLUTION CONTROL DISTRICTS

Amador (209) 257-0112
 Antelope Valley (661) 723-8070
 Butte (530) 891-2882
 Calaveras (209) 754-6504
 Colusa (530) 458-0590
 El Dorado (530) 621-6662
 Glenn (530) 934-6500
 Imperial (760) 482-4606
 Kern (661) 862 5250

Lake (707) 263-7000
 Lassen (530) 251-8110
 Mariposa (209) 966-2220
 Mendocino (707) 463-4354
 Modoc (530) 233-6419
 Mojave Desert (760) 245-1661
 No. Sonoma (707) 433-5911
 Placer (530) 889-7130
 Sacramento (916) 874-4800

San Diego (858) 650-4700
 San Luis Obispo (805) 781-4247
 Santa Barbara (805) 961-8800
 Shasta (530) 225-5674
 Siskiyou (530) 841-4029
 Tehama (530) 527-3717
 Tuolumne (209) 533-5693
 Ventura (805) 645-1400

*Information in this report has been obtained from the the U.S. Geological Survey. The term "zone" or "area" is strictly defined as a specific boundary within which the specific hazards are contained and is a designation identified in the legends of the maps prepared by the the U.S. Geological Survey. No visual examination of the subject site was performed. This report is not a substitute for a visual examination and/or inspection of the subject property. If detailed on-site information regarding geologic, environmental, engineering or other professional studies is desired, an appropriate professional consultant should be retained. The fact that the subject property is not located totally or partially in a zone or area does not constitute a guarantee or warranty that the subject property is not or will not be subject to other impediments.

RADON ADVISORY STATEMENT

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Radon is a naturally occurring radioactive gas that is produced by the radioactive decay of radium. Breathing high concentrations of radon can cause lung cancer. All rocks and soils contain some radium, so all rocks and soils give off some amount of radon. Even outdoor air has radon in it (but not much). In buildings, radon concentrations can be much higher than outdoor levels.

In the U.S., radon is measured in "pico-Curies per liter", abbreviated pCi/L. Most homes have living-area concentrations between 0.5 and 1.5 pCi/L, but some homes are much higher.

Based on radon exposure assessments 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. Our 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 EPA also recommends that all homes be tested for radon.

A "median", like an average, is a central value. The "median concentration" means that about 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 house is through long-term testing of sampling the indoor air. Long-term tests remain in your home for more than 90 days. "Alpha track" and "electret" detectors are commonly used for this type of testing. A long-term test will give you a reading that is more likely to tell you your home's year-round average radon level than a short-term test.

For additional information visit the EPA's website at <http://www.epa.gov/radon/>

The National Safety Council's Radon Hotline 1-800-SOS-RADON [1-800-767-7236] provides an informational recording 24 hours a day. Through this automated system, callers can order a brochure on radon by leaving their name and address. The brochure contains information on ordering a low-cost short-term test kit.

In addition, callers are advised to call 1-800-55-RADON [1-800-557-2366] to speak with an information specialist. They are available to assist callers between 9:00 p.m. to 5:00 p.m. eastern time on business days. Information specialists can answer specific questions and mail free, single copies of many radon documents, including EPA's Home Buyer's and Seller's Guide to Radon. More radon information from the National Safety Council is available at www.nsc.org

METHAMPHETAMINE CONTAMINATED PROPERTY CLEANUP ACT OF 2005

Methamphetamine Contaminated Property Advisory

Assembly Bill 1028 has been adopted into law and becomes effective January 1, 2006. This law requires a property owner to 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 is also required to provide a copy of the pending order to the buyer or tenant to acknowledge receipt in writing. A civil penalty of up to \$5,000 may apply for non-compliance. 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.

LEAD AND MOLD DISCLOSURE STATEMENT

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

LEAD WARNING STATEMENT

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Every purchaser of real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place children at risk of developing lead poisoning. Lead poisoning affects virtually every system in the body, and often occurs with no distinctive symptoms. Lead is even more dangerous to children because their growing bodies absorb and retain more lead than adults. They often put their hands or other objects that may contain or be contaminated with lead in their mouths. Lead can damage a child's central nervous system, kidneys, and reproductive system and, at higher levels, can cause coma, convulsions, and death. Even low levels of lead are harmful and are associated with decreased intelligence, impaired neurobehavioral development, decreased stature and growth, and impaired hearing acuity. Peeling lead-based paint is a major source of lead poisoning among children. People can get lead in their bodies by breathing (especially during renovations that disturb painted surfaces) or swallowing lead dust, or by eating soil or paint chips with lead in them. Removing lead-based paint improperly can increase the danger to your family. Lead is also harmful to adults. Adults can suffer from difficulties during pregnancy, and other reproductive problems (in both men and women), high blood pressure, digestive problems, nerve disorders, memory and concentration problems, muscle and joint pain. In the US lead poisoning is formally defined as having at least 10 micrograms of lead per deciliter of blood. (The average level of lead, for people ages 1 to 70, is 2.3 micrograms.)

The seller of any residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

MOLD DISCLOSURE STATEMENT

There has been a lot of concern regarding the existence of toxic and non-toxic mold in homes, apartments and commercial buildings. Research on mold and health effects is ongoing. This statement provides a brief overview; it does not describe all potential health effects related to mold exposure. For more detailed information consult a health professional. You may also wish to consult your state or local health department. Molds reproduce by means of tiny spores; the spores are invisible to the naked eye and float through outdoor and indoor air. Mold may begin growing indoors when mold spores land on surfaces that are wet. There are many types of mold, and none of them will grow without water or moisture. Molds are usually not a problem indoors, unless mold spores land on a wet or damp spot and begin growing. Molds have the potential to cause severe health problems. Molds also produce allergens (substances that can cause allergic reactions), irritants, and in some cases, potentially toxic substances (mycotoxins).

If you suspect that the heating/ventilation/air conditioning (HVAC) system may be contaminated with mold (it is part of an identified moisture problem, for instance, or there is mold near the intake to the system) . Do not run the HVAC system if you know or suspect that it is contaminated with mold - it could spread mold throughout the building.

You may suspect hidden mold if a building smells moldy, but you cannot see the source, or if you know there has been water damage and residents are reporting health problems. Mold may be hidden in places such as the back side of dry wall, wallpaper, or paneling, the top side of ceiling tiles, the underside of carpets and pads, etc. Other possible locations of hidden mold include areas inside walls around pipes (with leaking or condensing pipes), the surface of walls behind furniture (where condensation forms), inside ductwork, and in roof materials above ceiling tiles (due to roof leaks or insufficient insulation).

Investigating hidden mold problems may be difficult and will require caution when the investigation involves disturbing potential sites of mold growth. For example, removal of wallpaper can lead to a massive release of spores if there is mold growing on the underside of the paper. Dead mold may still cause allergic reactions in some people, so it is not enough to simply kill the mold, it must also be removed. If you believe that you may have a hidden mold problem, consider hiring an experienced professional.

A buyer should consider having mold test and inspections done by a trained environmental professional if any inspection reports or disclosure documents may indicate that there were past or present evidence of standing water, moisture, past water intrusion, or flood damage.

All inspections, including one to detect lead, mold, or anything else of suspect should be completed within the inspection period established in the purchase contract.

REGISTERED SEX OFFENDER DATABASE DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

All parties acknowledge that the following disclosure is hereby incorporated into the Residential Purchase Agreement and Deposit Receipt for the subject property of this report.

Notice: The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a data base 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. The Department of Justice also maintains a Sex Offender Identification line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

Once this notice is provided to the buyer, the seller and agent are not required to provide additional information, and the information provided is deemed adequate, unless they have personal knowledge of the existence or proximity of a registered sex offender.

LOCAL INFORMATION LOCATIONS FOR THE SUBJECT PROPERTY:

The following are the law enforcement departments in your county that are required to make information available.

Department Name	County Name	Department Phone Number
Sacramento County Sheriff's Department	Sacramento	(916) 874-5090
Sacramento Police Department (North)	Sacramento	(916) 566-6401
Sacramento Police Department (South)	Sacramento	(916) 264-5471

HOW TO OBTAIN INFORMATION

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

You may also obtain information by visiting viewing stations located at certain law enforcement agencies. Please refer to our list of local sheriff's offices and police departments that offer public access to this application.

This new application that is also viewable at your local law enforcement agency, which has replaced the CD-ROM, and has important new features. The information is updated daily by the Department of Justice and is viewable in 13 different languages. The languages are Arabic, Armenian, Cambodian, Chinese, English, Japanese, Korean, Portuguese, Punjabi, Russian, Spanish, Tagalog, and Vietnamese.

You may also check to determine if a particular sex offender is a "high risk" or "serious" sex offender by calling the California Sex Offender Information 900# telephone service at 1-900-448-3000. There is a fee of \$10 per call for checks on up to two names.

Information is also available at (900) 463-0400 for \$10 per call to inquire about up to two individuals.

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). California's Megan's Law provides public access to certain information on the whereabouts of "serious" and "high-risk" sex offenders in their local community. The law specifically prohibits using the information to harass or commit any crime against the offender. Megan's Law makes available to adults and organizations information on "serious" and "high-risk" sex offenders in their local community. The information on a registered sex offender includes: name and known aliases, age and sex, physical description (including scars, marks and/or tattoos, photograph (if available), crimes resulting in registration, county of residence, and zip code (based on last registration).

To view the Megan's Law Web Application at you local law enforcement agency, you must:

- be at least 18 years of age, or accompanied by parent or legal guardian;
- provide a California driver's license or California identification card;
- sign a statement that you are not a registered sex offender, and that you understand the purpose of the release of information is for the public to protect themselves and their children from sex offenders; and that it is illegal to use the information to harass, discriminate or commit a crime against any registrant;
- state a distinct purpose for viewing the Megan's Law Web Application, if required by local law enforcement.

All sheriff's departments and every police department serving a population of 200,000 or more are required to make the Megan's Law Web Application available for public viewing. Many other police departments in smaller jurisdictions also make the information available. To determine the nearest Megan's Law Web Application viewing station, please contact your local law enforcement agency.

13 SEER - ADVISORY NOTICE OF DUCT SEALING REQUIREMENTS

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Based on research of the official climate zone maps issued by the California Energy Commission, the following determination made: The subject property IS LOCATED in a zone subject to California Energy Commission duct sealing requirements.

On October 1, 2005, The California Energy Commission's ("CEC") duct sealing requirements became effective, California Code of Regulations, Title 24. Properties located in specific climate zones as designated by the CEC are exempt from compliance unless otherwise adopted by local governments. Properties that are not located in the exemption zones must comply with the requirements.

If you are located in a zone subject to California Energy Commission Duct Sealing Requirements, depending upon certain conditions, if a central air conditioner or furnace was installed or replaced after October 1, 2005, the ducts must be tested for leakage. Ducts that leak 15 percent or more must be repaired to reduce the leaks. After your contractor tests and fixes the ducts, you choose whether to have an approved third-party field verifier check to make sure the duct testing and sealing was done properly or to have your house included in a random sample where one in seven duct systems are checked.

Duct sealing is not required in the following situations: 1) when homes are in specific coastal climates; 2) when systems have less than 40 feet of ductwork in unconditioned spaces like attics, garages, crawlspaces, basements or outside the building, or 3) when ducts are constructed, insulated or sealed with asbestos. There also are specific alternatives that allow high efficiency equipment and added duct insulation to be installed instead of fixing duct leaks.

Additional testing may then be required to verify that the work was done properly. It is strongly recommended that all of this work be done by licensed contractors who should obtain all required permits. These new duct sealing requirements may impact a Seller's disclosure obligations and/or any negotiations between principals regarding replacing heating, ventilating and air conditions (HVAC) systems. These new requirements may increase the costs associated with replacing or installing an HVAC system. Any contractor failing to obtain a required building permit and failing to test and repair your ducts is violating the law and exposing you to additional costs and liability. Real estate law requires you to disclose to potential buyers and appraisers whether or not you obtained required permits for work done on your house. If you do not obtain a permit, you may be required to bring your home into compliance with code requirements for that work and you may have to pay penalty permit fees and fines prior to selling your home.

All air conditioning units sold in the United States are assigned an efficiency ratio known as seasonal energy efficiency ratio (SEER). This ratio is governed by U. S. law and regulated by the U. S. Department of Energy. The minimum efficiency standard for central air conditioners and heat pumps has been at 10 SEER since 1992. This standard will change to a 13 SEER rating in January 2006. Manufacturers will no longer be able to make any central air conditioning units or heat pumps less than 13 SEER.

The 13 SEER standard means new air conditioning systems will use less electricity than the current 10 SEER standard. Therefore, the use of SEER 13+ systems is expected to lower peak electricity during the summer. The SEER rating is similar to the miles-per-gallon rating for automobiles. The higher the rating number, the more efficient it is.

The 13 SEER regulation does not affect a homeowners current air conditioner. The 13 SEER will affect homeowners and builders looking to purchase a new central air conditioner this year or next in several ways. The cost of a new energy efficient air conditioning system will increase by 30% to 60%. The new air conditioning condensing units will be heavier and larger than the current units. In some cases, homeowners will have to make significant modifications to their homes to accommodate the new systems. If the homeowner has a home protection plan, the increase in the cost for the new energy efficient air conditioning equipment may be paid by the plan, but the homeowner would have to pay for modification to their home to accommodate the equipment.

When buying an air conditioner, it is recommended to select the highest SEER rating you can afford. You may want to ask your contractor to calculate how long it will take for the new system to pay for itself in terms of lower utility bills. Usually the savings are enough to offset the cost of the new system within a few years. This calculation by the contractor would factor in you homes size and the typical energy cost for your geographic area.

*NHD Report, LLC and Realtors do not have the requisite expertise to determine the need for testing or duct sealing and cannot verify the information about the condition of the HVAC system by others. For further information please contact the California Energy Commission by phone at 800-772-3300 or you may go to their website at: www.energy.ca.gov/title24/changeout.

ACTIVE / ABANDONED MINES DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Based on research of the current maps and information issued by the Office of Mines and Reclamation and the U.S. Geological Survey the following determination is made: The subject property IS NOT LOCATED within 1 mile of an identified or abandoned mining operation.

Description: N/A

Since the Gold Rush of 1849, tens of thousands of mines have been dug in California. Many of these mines were immediately abandoned when insufficient minerals were found, others were abandoned later when poor economics of the commodity made mining unprofitable, while still others were abandoned in 1942 after the issuance of War Production Board Order L-208. The result is that California's landscape contains tens of thousands of abandoned mine sites, many of which pose health, safety, or environmental hazards. Every year people fall victim to the hazards of abandoned mines. Many sites possess serious physical safety hazards, such as open shafts or adits (mine tunnel). Thousands of sites have the potential to contaminate surface water, groundwater, or air quality.

The Abandoned Mine Lands Unit (AMLU) was created in 1997 to prepare a report to the governor and legislature on the "magnitude and scope" of the abandoned mine lands issue in California. The AMLU estimates of the number of abandoned mines in California include the following: Approximately 165,000 mine features* on more than 47,000 abandoned mine sites exist statewide. More than 39,400 abandoned mines (84 percent of 47,000 sites) present physical safety hazards, and approximately 5,200 (11 percent) present environmental hazards. More than 62,000 abandoned mine features (38 percent of 165,000 features) are hazardous openings. Federal lands contain approximately 67 percent of the abandoned mines in the State (primarily on Bureau of Land Management, National Park Service, and U.S. Forest Service property). Approximately 31 percent are on private lands, and about 2 percent are on State or local lands.

Mine Descriptions

MINE SHAFT/MINE TUNNEL: A mine shaft is a vertical or inclined excavation used to access to an underground mining facility. On the surface above the shaft stands a building known as the pit head (or poppet head or head frame), which historically contained a winding engine and in modern times contains an electric hoist controller. This raises and lowers the conveyances within the shaft.

BORROW PIT: A borrow pit is a term used in construction and civil engineering. It describes an area where material (usually soil, gravel or sand) has been dug for use at another location. The term is literal — meaning a pit from where material was borrowed, although without an implication of someday returning the material. Borrow pits can be found close to many major construction projects. For example, soil might be excavated to fill an embankment for a highway, clay might be excavated for use in brick-making, gravel to be used for making concrete, etc.

CAVE: A cave is a natural underground void large enough for a human to enter. Some people suggest that the term 'cave' should only apply to cavities that have some part which does not receive daylight; however, in popular usage, the term includes smaller spaces like sea caves, rock shelters and grottos.

OPEN PIT: Open-pit mines are used when deposits of commercially useful minerals or rock are found near the surface; that is, where the overburden (surface material covering the valuable deposit) is relatively thin or the material of interest is structurally unsuitable for tunneling (as would be the case for sand, cinder, and gravel).

GENERAL NOTICE OF ABANDONED WELLS

The Department of Water Resources estimates that there are approximately 750,000 water wells scattered throughout the State of California - some of these wells are abandoned. Wells that have been abandoned pose a serious threat to the safety of humans, especially children, and to animals. Section 24400 of the California Health and Safety Code requires that abandoned excavations be fenced, covered, or filled. In addition, abandoned wells may act as conduits for the contamination of groundwater since inadequately constructed wells provide a physical connection between sources of pollution and useable water.

*Information in this report has been obtained from the Office of Mines and Reclamation and the U.S. Geological Survey. The term "zone" is strictly defined as a specific boundary within which the specific hazards are contained and is a designation identified in the legends of the maps prepared by the above-referenced agency. No visual examination of the subject site was performed. This report is not a substitute for a visual examination and/or inspection of the subject property. If detailed on-site information regarding geologic, environmental, engineering or any other professional studies is desired, an appropriate professional consultant should be retained. The fact that the subject property is not located totally or partially in/out of a zone does not constitute a guarantee or warranty that the subject property is not or will not be subject to other impediments.

RED LEGGED FROG DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Based on research of the current maps issued by the U.S. Fish and Wildlife Service, the following determination is made: The subject property IS NOT LOCATED in a critical habitat for the California Red-Legged Frog.

DISCUSSION

The California Red-Legged Frog, (*Rana aurora draytonii*), the largest native frog in the western United States, was designated as a Threatened Species on May 23, 1996. Pursuant to the Endangered Species Act of 1973, the habitat for the California Red-Legged Frog has been designated by the U.S. Fish and Wildlife Service as critical habitat. Under the Endangered Species Act, critical habitat refers to specific geographic areas, that are essential for the conservation of a threatened or endangered species and would require special considerations including, but not limited to, habitat restoration, removal of nonnative species (such as predators), reestablishment of the endangered species populations, and restrictions on development.

California Red-Legged Frogs are found in humid forests, woodlands, grasslands, and stream sides with plant cover, most common in lowlands or foothills, and frequently found in woods adjacent to streams. Breeding habitat is in permanent water sources; lakes, ponds, reservoirs, slow streams, marshes, bogs, and swamps. Any project that would adversely modify or destroy critical habitat would also jeopardize the continued existence of the species. Reasonable and prudent alternatives to avoid jeopardizing the species would also avoid adverse modification of critical habitat. In order to preserve this critical habitat, certain activities that may need Federal authorization or funding will be affected. These activities are those that require a Federal action (permitting, authorization, or funding) and may remove or destroy California Red-Legged Frog habitat by mechanical, chemical, or other means (e.g. grading, overgrazing, fragmentation of habitat, timber harvesting within riparian areas, road building, construction, herbicide application, recreation use) or appreciably decrease habitat value or quality through indirect effects (e.g., edge effects invasion of exotic plants or animals). Additionally, activities initiated by a Federal agency will potentially be affected. These activities include grazing permits, logging, Flood Control projects, Federal Emergency Management Act (FEMA) activities, Federal Highway Administration actions, Federal Housing Act actions. 66 FR 14625-14674, March 13, 2001.

APPEARANCE

The California Red-Legged Frogs coloring is reddish -brown or brown, gray, or olive, with small black flecks and spots on the back and sides and dark banding on the legs. Dark blotches on the back, typically have light coloring in the center. There is a dark mask on the head and a stripe extending from the shoulder to the front of the upper jaw. The eyes are outward oriented. The hind legs are red underneath, giving this frog its name. On older frogs the red coloring extends onto the belly and sides. The chest and throat are creamy and marbled with dark gray. Yellowish-green and black coloring mottles the groin. Toes are not completely webbed. Legs are relatively long. Dorsolateral folds are prominent. Tadpoles are brown marked with small dark spots with eyes set in from the margin of the head. Creamy white coloring flecked with small spots covers the lower body. Eyes are set in from the margin of the head.

CONSERVATION STATUS

A listing on the Endangered Species Act provides strict protection for a species. Developers and local governments can have their development projects prohibited or curtailed around protected critical habitats.

FOR MORE INFORMATION

On the web: http://www.fws.gov/endangered/features/rl_frog/rlfrog.html#info

Ina Pisani
Recovery Team Leader
US Fish and Wildlife Service
Sacramento Fish and Wildlife Office
2800 Cottage Way, Room W2605
Sacramento, California 95818
(916) 414-0664

*Information in this report has been obtained from the the U.S. Fish and Wildlife Service. The term "zone" or "area" is strictly defined as a specific boundary within which the specific hazards are contained and is a designation identified in the legends of the maps prepared by the the U.S. Fish and Wildlife Service. No visual examination of the subject site was performed. This report is not a substitute for a visual examination and/or inspection of the subject property. If detailed on-site information regarding geologic, environmental, engineering or other professional studies is desired, an appropriate professional consultant should be retained. The fact that the subject property is not located totally or partially in a Critical Habitat area does not constitute a guarantee or warranty that the subject property is not or will not be subject to other impediments.

“PRIVATE TRANSFER TAX” MANDATORY TRANSFER FEE NOTICE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Effective January 1, 2008, Civil Code Section 1102.6e requires the Seller to notify the Buyer of whether a private transfer fee applies and if present, to disclose certain specific information about the fee.

A "Private Transfer Tax" is a fee imposed by a private entity such as a property developer, home builder, or a homeowner association. When a property within a certain type of subdivision is sold or transferred, a private transfer fee may also be imposed by an individual property owner. Private transfer fees are different from city or county Documentary Transfer Taxes. Private Transfer Fees may apply in addition to government Documentary Transfer Taxes that are due upon sale or transfer of the property.

If a Transfer Fee does exist affecting the property, the document creating the fee may be on file with the County Recorder as a notice recorded against the property and should be disclosed in the preliminary (title) report on the property. However, the preliminary "Title Report" will merely disclose the existence of the documents affecting title, not the content of the documents. The title of a document may also not be sufficient to disclose that a transfer fee is included in its terms. Accordingly Seller should (1) request the title company which issued the preliminary (title) report to provide copies of the documents shown as "exceptions," and (2) review each document to determine if it contains a transfer fee. Alternatively, the Seller or his/her Agent may order a Transfer Tax Report by filling out the order form below, for a convenient third party solution.

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

To determine if the property is subject to a Transfer Fee, obtain copies of all the exceptions listed on the preliminary "Title Report" from the title company and read them to determine if any Transfer Fees are applicable. Be aware that private transfer fees may be difficult to identify by simply reading the title report.

Civil Code Section 1102.6e requires the Seller to disclose specific information about any Transfer Fee that may affect the property. Please refer to the legal code or to the C.A.R Form NTF (11/07), provided by the California Association of Realtors, for a standard format to use in making the Transfer Fee Disclosure if you elect to investigate and make this disclosure

Documentary Transfer Taxes

Civil Code Section 1102.6e requires the Seller to disclose specific information about any Transfer Fee that may affect the property. Please refer to the legal code or to the C.A.R Form NTF (11/07), provided by the California Association of Realtors, for a standard format to use in making the Transfer Fee Disclosure if you elect to investigate and make this disclosure personally.

Transfer Tax Defined

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

Cost

The tax is due at closing and payable through escrow. This tax does not expire. All future sales of this property will be charged this tax at close of escrow. The amount of the transfer tax is based on the value or sale prices of the property that is transferred. The county rate is one dollar and ten cents (\$1.10) for each one thousand dollars (\$1,000) of value. The rate for non-charter ("general law") cities is one-half of the county rate and is credited against the county tax due. Charter cities may impose a transfer tax at a rate higher than the county rate.

For any city or county in California, the Transfer Tax rate ("Tax Rate Table") is available at no charge from many sources, most conveniently on the website of the California Local Government Finance Almanac (sponsored by the California League of Cities): <http://www.californiacityfinance.com/PropTransfTaxRates.pdf>

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

“PRIVATE TRANSFER TAX” TRANSFER FEE NOTICE (Continued)

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

Payment

The Transfer Tax must be paid by the person who makes, signs or issues any document subject to the tax, or for whose use or benefit the document is made, signed or issued. This means that the payment of the Transfer Tax is customarily made by the Seller or the Buyer, or shared by both, depending on the jurisdiction in which the transferred property is located.

Exemptions

The California Revenue and Taxation Code provides the statutory authority for counties to impose the transfer tax. The following transactions are exempt from the transfer tax:

1. Instruments in writing given to secure a debt.
2. Transfers whereby the federal or any state government, or agency, instrumentality or political subdivision thereof, acquires title to realty.
3. Transfers made to effect a plan of reorganization or adjustment (i) confirmed under the Federal Bankruptcy Act, (ii) approved in certain equity receivership proceedings or (iii) whereby a mere change in identity, form or place of organization is effected.
4. Certain transfers made to effect an order of the Securities and Exchange Commission relating to the Public Utility Holding Company Act of 1935.
5. Transfers of an interest in a partnership (or, beginning January 1, 2000, an entity treated as a partnership for federal income tax purposes) that holds realty, if (i) the partnership is treated as continuing under IRC § 708 and (ii) the continuing partnership continues to hold the realty.
6. Certain transfers in lieu of foreclosure.
7. Transfers, divisions or allocations of community, quasi-community or quasi-marital property between spouses pursuant to, or in contemplation of, a judgment under the Family Code.
8. Transfers by the State of California, or any political subdivision, agency or instrumentality thereof, pursuant to an agreement whereby the purchaser agrees to immediately re-convey the realty to the exempt agency.
9. Transfers by the State of California, or any political subdivision, agency or instrumentality thereof, to certain nonprofit corporations.
10. Transfers pursuant to certain inter vivos gifts or inheritances.

NOTICE OF YOUR 'SUPPLEMENTAL' PROPERTY TAX BILL

This notice satisfies the seller's obligation affecting the subject property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

In accordance with Section 1102.6(c) of the California Civil Code, it is the sole responsibility of the seller of any real property, or his or her agent, to deliver to the prospective purchaser a disclosure notice of the following:

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any question concerning this matter, please call your local Tax Collector's Office.

California law requires that the Assessor re-appraise property upon a change of ownership or the completion of new construction. This re-appraisal results in a supplemental tax assessment which is based on the difference between the new value and the old value of the property, multiplied by the property's Ad Valorem tax rate. The resulting Supplemental Tax amount is then pro-rated, based upon the number of months remaining in the fiscal year in which the event occurred.

The number of tax bills which will be issued also depends on the date the event occurred. If the change of ownership or new construction is completed between January 1st and May 31st, the result will be two supplemental assessments levied on two supplemental tax bills. If the event occurs between June 1st and December 31st, then only one supplemental bill will be issued.

RIGHT-TO-FARM ORDINANCE DISCLOSURE

This statement applies to the following property: 123 Sample Report, Sacramento, CA. 95825

Assessors Parcel #: 010-0010-001-0000

County: Sacramento

Escrow Number: A10563-TD

To the Buyers of Sacramento County Real Estate: Sacramento County has a Right-to-Farm Ordinance for the unincorporated areas of Sacramento County.

Each prospective buyer of property in unincorporated Sacramento County shall be informed by the seller or his/her authorized agent of the right-to-farm ordinance. Whenever a building designated for residential occupancy is to be located on property in the unincorporated area of Sacramento County has a Farm Ordinance for the unincorporated areas of Sacramento County, the owners of the property, or their authorized agent, shall acknowledge receipt of the Right-To-Farm Ordinance.

It is the declared policy of the County of Sacramento to preserve, protect and encourage the development and improvement of its agricultural land for the production of food and other agricultural products. When non-agricultural land uses extend into agricultural areas, agricultural operations often become the subject of nuisance suits. As a result, agricultural operations are sometimes forced to cease or are substantially curtailed. Others may be discouraged from making investments in agricultural improvements. It is the purpose of this Ordinance to reduce the loss to the County of its commercial agricultural resources by limiting the circumstances under which agricultural operations may be deemed to constitute a nuisance.

No agricultural activity, operation, or facility, or appurtenances thereof, conducted or maintained for commercial purposes, and in a manner consistent with proper and accepted customs and standards, as established and followed by similar agricultural operations shall be or become a nuisance, private or public, due to any changed condition in or about the locality, after the same has been in operation for more than one year if it was not a nuisance at the time it began.

For purpose of this section, the term "agricultural activity, operation, or facility, or appurtenances thereof shall include, but not be limited to, the cultivation and tillage of soil, dairying, the production, cultivation, growing, and harvesting of any agricultural commodity including timber, Christmas trees, viticulture, apiculture, nursery stock, or horticulture, the raising of livestock, fur bearing animals, fish, or poultry, and game birds, and any practices performed by a farmer or on a farm as incident to or in conjunction with such farming operations, including preparation for market, delivery to storage, or to market, or to carriers for transportation to market.

Inconveniences or discomfort from the pursuit of agricultural operations including but not limited to cultivation, plowing, spraying, fertilizing, pruning, and harvesting which occasionally generates dust, smoke, noise, odors, and other features attributed to the keeping of farm animals; and from the conduct of farming activities during typical working hours, as well as late in the evening, early in the morning, or 24-hours a day during certain times and seasons of the year. The Sacramento County Board of Supervisors has designated areas within its boundaries for agricultural uses and has adopted policies supporting continued agricultural production. Residents within these areas and on adjacent property should be prepared to accept such inconvenience and recognize that these uses will occur.

If an agricultural operation is being conducted in a manner which does not appear to be consistent with accepted agricultural practices, any person may file a complaint with the office of the Agricultural Commissioner, located at 4137 Branch Center Road, Sacramento, California.

FARM OR RANCH LAND PROXIMITY DETERMINATION

Based upon current maps issued by the California Department of Conservation, Division of Land Resource Protection records only; The property IS LOCATED within one mile of a designated farm or ranch land.

Definition: California Assembly Bill 2881, as amended on January 1, 2009 requires the disclosure of farm or ranchland property that is located within one mile of a property being sold. This third party disclosure fulfills that requirement.

*No visual examination of the subject property was performed. This report is not a substitute for a visual examination and/or inspection of the subject property. If detailed on-site information regarding geologic, environmental, engineering or any other professional studies is desired, a professional consultant should be retained. The fact that the subject property is not located totally or partially in the above-referenced area does not constitute a guarantee or warranty that the subject property is not or will not be subject to other impediments.

TERMS, CONDITIONS AND LIMITATIONS OF LIABILITY

This Natural Hazard Disclosure Report was prepared by NHD Report LLC. The Report is valid solely for and may be used only in connection with the transaction presently contemplated between this buyer and this seller relating to the property address and assessors parcel number (APN) furnished to NHD Report LLC as shown on this Report. The Seller or sellers agent is responsible for verifying the accuracy of the property address and APN within receipt of this Report. Upon notification of an inaccurate address or APN, NHD Report LLC will issue a replacement report. The disclosures contained in this Report are valid only as of the date shown on this Report.

This Report is for the exclusive use and reliance of the buyer, seller, listing agent/broker and selling agent/broker, if any, involved in the current transaction and may be used only in conjunction with a Natural Hazard Disclosure Statement issued in this transaction for this Property. This Report is not intended to be and may not be used for any other purpose(s), including but not limited to appraisal or assessing value of the Property.

This Report may not be used by or relied upon by any other parties, including but not limited to lenders or subsequent buyers of the Property. There shall be no third party beneficiaries to this Report regardless of their relationship with or to the buyer, the seller or the Property. NHD Report LLC makes no representations, promises or covenants as to the Reports effect on the value of the Property as a result of the various disclosures contained in this Report.

If multiple adjacent parcels are being transferred as a single property or in a single transaction, this Report treats them as if they were a single parcel. ANY hazards that affect an individual parcel will be disclosed as affecting ALL parcels. Should the seller or buyer desire a disclosure with regard to each parcel separately, a separate report must be ordered for each such parcel.

NHD Report LLC shall have no duty or obligation to inform the buyer, the seller or their agents/brokers of any changes or governmental actions pertaining to or affecting the Property which may become effective after the date shown on this Report. It is recommended that a request for an updated Report be made if the Property remains unsold for an extended period of time after this Report is issued.

NHD Report LLC has relied solely upon records and information specifically referred to in this Report for preparation of this Report. These records and information were supplied by various public and/or governmental agencies. NHD Report LLC has assumed that the records and information supplied by various public and/or governmental agencies are complete and accurate. Consequently, NHD Report LLC shall not be responsible for any inaccuracies or omissions in public records or in information reported by various governmental or public agencies. No physical inspection of the Property has been made for purposes of preparing this Report.

NHD Report LLC shall have no responsibility or liability for any incurred costs, losses or consequential damages arising from earthquakes or floods or from the need or lack of need for earthquake insurance or flood hazard insurance. The National Flood Insurance Program or an insurance agent should be contacted for information regarding flood insurance. An insurance agent should be contacted for earthquake insurance information.

Delivery of this Report is intended to assist the seller and both the buyers and sellers agents in availing themselves of the liability protection specified in Calif. Civil Code Section 1103.4. NHD Report LLC makes no representation, warranty or guarantee, express or implied, as to the actual availability of such liability protection. The disclosures contained in this Report are intended to satisfy California Civil Code Sections 1103.2, 1102.6b, 1102.15, 1102.17 and 2079.10a. NHD Report LLC shall not be responsible for any disclosures other than those expressly set forth in this Report.

USE OF THIS REPORT BY THE BUYER, SELLER, OR THEIR RESPECTIVE AGENT(S) OF THIS NATURAL HAZARD DISCLOSURE STATEMENT IN CONJUNCTION WITH THIS REPORT, CONSTITUTES APPROVAL AND ACCEPTANCE OF THE TERMS, CONDITIONS, AND LIMITATIONS STATED HEREIN. NHD REPORT LLC SHALL NOT BE LIABLE FOR LOST PROFITS, REDUCTION IN VALUE OR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH, OR ARISING OUT OF, THE PREPARATION, ISSUANCE, OR USE OF THIS REPORT.