

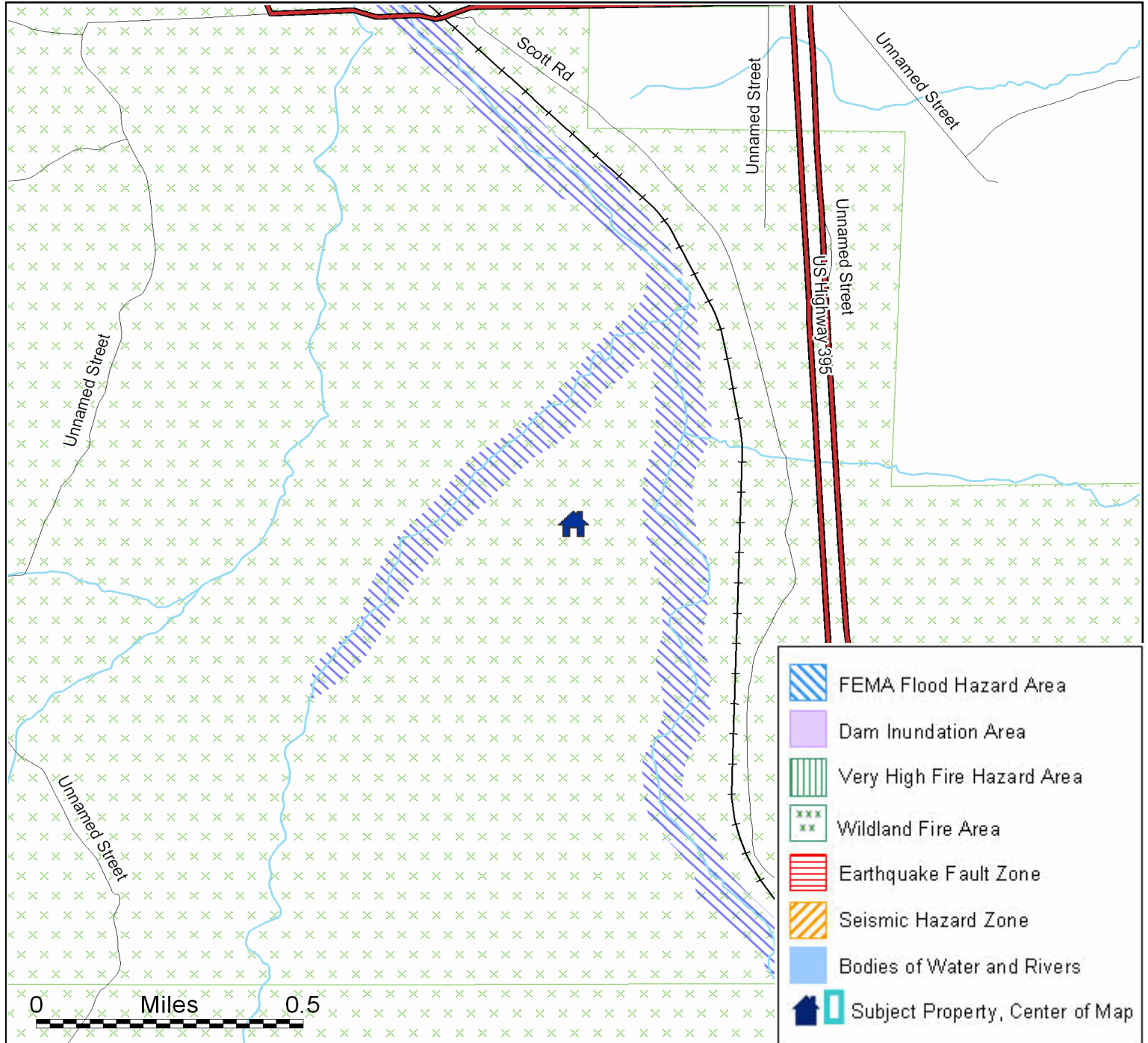
DISCLOSURE SOURCE REPORT

**ELECTRONIC DELIVERY
9/7/2010**

Property Address: SCOTT ROAD AND HIGHWAY 395
 DOYLE, CA 96109
 Parcel Number: 143-070-17

Date: 09/07/2010
 Order Number: 100907-00051
 Escrow Number:

Mandatory State Natural Hazard Disclosures



- * IS IS NOT Located in a FEMA Special Flood Hazard Area.
- IS IS NOT Located in a Dam Inundation Area.
- IS IS NOT Located in a Very High Fire Hazard Area.
- * IS IS NOT Located in a Wildland Fire Area.
- IS IS NOT Located in an Alquist-Priolo Earthquake Fault Zone.
- * IS IS NOT Located in a Seismic Hazard Area.

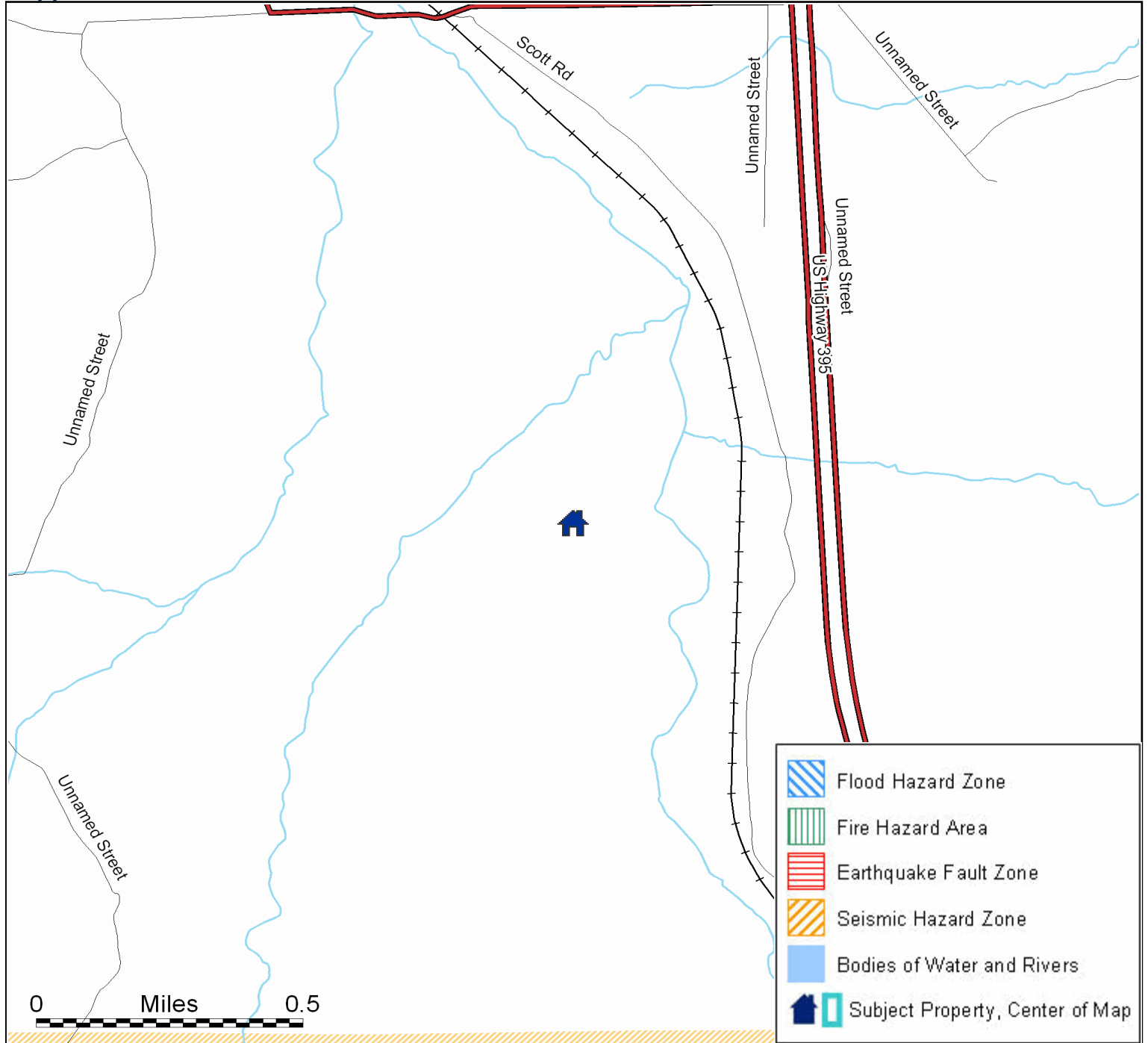
This map is for your aid in locating natural hazard areas in relation to the subject property described above. Please verify street address and/or assessor's parcel number for accuracy. The map is intended for informational purposes only. The company assumes no liability (express or implied) for any loss occurring by reference, misinterpretation, misuse, or sole reliance thereon. **This map is not intended for use as a substitute disclosure under California Civil Code § 1103.2**

* Please read the report for further information

Property Address: SCOTT ROAD AND HIGHWAY 395
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Supplemental Natural Hazard Disclosures



- * IS IS NOT located in a Supplemental Flood Hazard Zone.
- * IS IS NOT in a Supplemental Fire Hazard Zone.
- * IS IS NOT in a Supplemental Fault Special Studies Zone.
- * IS IS NOT in a Supplemental Seismic/Geologic Hazard Zone.

* Please read the report for further information

This map is for your aid in locating natural hazard areas in relation to the subject property described above. Please verify street address and/or assessor's parcel number for accuracy. The map is intended for informational purposes only. The company assumes no liability (express or implied) for any loss occurring by reference, misinterpretation, misuse, or sole reliance thereon. **This map is not intended for use as a substitute disclosure under California Civil Code § 1103.2**

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NATURAL HAZARD DISCLOSURE STATEMENT

This statement applies to the following property: **SCOTT ROAD AND HIGHWAY 395, DOYLE, CA 96109 APN: 143-070-17**

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 contract between the transferee and transferor.

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

A SPECIAL FLOOD HAZARD AREA (Any type Zone "A" or "V") designated by the Federal Emergency Management Agency.
Yes No 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 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 wild-lands 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 A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Transferor(s) _____ Date _____

Signature of Transferor(s) _____ Date _____

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)



Date 09/07/2010

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 _____

By signing below, the transferee(s), also acknowledge they have received, read and understand the additional disclosures provided in this report including, but not limited to, supplemental natural hazards, toxic mold, commercial/industrial zoning, military ordnance, airport influence and proximity, Megan's law, naturally occurring asbestos, methamphetamine contaminated property, radon, red-legged frog and California tiger salamander habitat sensitivity area, flood insurance disclosure, energy efficiency and duct sealing requirements, additional local disclosures, Williamson Act, tax information, Mello-Roos and 1915 special tax and assessments, tax summary, notice of your supplemental property tax bill, and disclaimers.

Signature of Transferee(s) _____ Date _____

Signature of Transferee(s) _____ Date _____

Property Address: SCOTT ROAD AND HIGHWAY 395
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Ordered By:
TODD RENFREW
CALIFORNIA OUTDOOR PROPERTIES, INC.
707 Merchant Street
Vacaville, CA 95688

Recipient:
JBS LAND & CATTLE CO, LLC
SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109

THE RECIPIENT(S) SHOULD CAREFULLY READ THE EXPLANATION OF SERVICES, LIMITATIONS & DISCLAIMERS CONTAINED IN THIS REPORT.

PAYMENT POLICY:

FULL PAYMENT FOR THIS REPORT IS DUE UPON CLOSE OF ESCROW. DISCLOSURE SOURCE ASSUMES NO LIABILITY FOR ANY OF THE INFORMATION CONTAINED WITHIN THE REPORT UNTIL FULL PAYMENT IS RECEIVED.

CANCELATION POLICY:

OUR REPORT CAN ONLY BE CANCELLED IF ESCROW IS CANCELLED, OR THE SELLER TAKES THE PROPERTY OFF THE MARKET. SIGNED ESCROW CANCELLATION INSTRUCTIONS ARE REQUIRED.

Natural Hazard Reference Maps

Mandatory State Natural Hazard Disclosures
Supplemental Natural Hazard Disclosures

Page

i
ii

Natural Hazard Disclosure Statement

NHDS

Section I: Mandatory State Natural Hazard Disclosures

Special Flood Hazard Area (Any Type Zone "A" or "V") and Area of Potential Flooding
Very High Fire Hazard Severity and Wildland Area Forest Fire Risks Zones
Earthquake Fault and Seismic Hazard Zones

1
1
2

Section II: Supplemental Natural Hazard Disclosures

Supplemental Flood and Supplemental Fire Hazards
Supplemental Earthquake Fault Hazard and Supplemental Seismic/Geologic Hazards

3
4

Section III: Additional Disclosures

Toxic Mold, Oil & Gas Wells Advisory, and Abandoned Mines Advisory
Methamphetamine Contaminated Property, Megan's Law, and Flood Insurance Disclosure
Energy Efficiency Standards and Duct Sealing Requirements, and Naturally Occurring Asbestos
Commercial/Industrial Zoning, Airport Influence Area and Airport Proximity
Radon Disclosure
Red-Legged Frog and California Tiger Salamander
Williamson Act and Right to Farm Disclosure
Military Ordnance Location

5
6
7
8
9
10
11
12

Section IV: Tax Information

Mello-Roos Communities Facilities District
Improvement Bond Act of 1915 Assessment District
Other Special Liens/Financing and Other Direct Assessments
Tax Summary
Future Taxes
Supplemental Property Tax Bill and Transfer Fee Disclosure
Supplemental Tax Worksheet
Property Tax Estimator Worksheet

13
14
14
15
16
17
18
19

Section V: Disclaimers

Explanation of Services, Conditions and Limitations - **Read Carefully**

20

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

SECTION I: Mandatory State Natural Hazard Disclosures**SPECIAL FLOOD HAZARD AREA DETERMINATION**

Pursuant to federal law, The Federal Emergency Management Agency (FEMA) is required to identify and designate areas that are subject to flooding as part of the National Flood Insurance Program. A "Special Flood Hazard Area" as determined by FEMA is an area where all or a portion of the property has a 1% chance each year of being inundated by flood waters. If a property is located in a special flood hazard area, the cost and availability of flood insurance may be affected. Properties not located in a Special Flood Hazard Area are not relieved from the possibility of sustaining flood damage. A few areas are not covered by official Flood Insurance Rate maps. If information is not available, the company recommends that the buyer contact the local jurisdiction's planning and building department to determine the potential for flooding at the subject property.

Source(s) of data: Government agencies and/or their appointed designate(s). Title 42 United States Code Section 4101

Based on a review of flood insurance map(s) published by the Director of the Federal Emergency Management Agency, the Subject Property:

IS IS NOT located in a Special Flood Hazard Area Do not know and information not available

DAM INUNDATION / AREA OF POTENTIAL FLOODING DETERMINATION

By this act, the California State Legislature intended to establish procedures for the emergency evacuation and control of populated area(s) near/below dams. Pursuant to Government Code Section 8589.4, The State of California Office of Emergency Services is required to review, approve and maintain copies of the maps that have been prepared and submitted to them by local governmental organizations, utilities or other owners of any dam in the state. The maps delineate areas of potential inundation and flooding that could result from a sudden, partial or total dam failure. The actual risk of dam failure is not defined by the map(s). This legislation also requires, appropriate public safety agencies of any city, county, or territory of which is located in such an area, to adopt/implement adequate emergency procedures for the evacuation and control of populated areas below such dams.

Source(s) of data: Government agencies and/or their appointed designate(s). Government Code Section 8589.4 Et Seq.

Based on a review of the official map(s), available through The State of California Office of Emergency Services, the Subject Property:

IS IS NOT located in a Dam Inundation Zone Do not know and information not available

VERY HIGH FIRE SEVERITY ZONE DETERMINATION

The California Legislature has declared that space and structure defensibility is essential to diligent fire prevention. Further, the Director of Forestry and Fire Prevention has identified areas in the state as Very High Fire Hazard Severity Zones based on consistent statewide criteria, and based on the severity of fire hazard that is expected to prevail in those areas. Determining information includes, but is not limited to: Fuel loading, terrain (slope), fire weather conditions and other relevant factors.

Source(s) of data: Government agencies or their appointed designate(s). California Government Code Section 51178 and 51179

Based on a review of the official map(s) issued by the Director of Forestry and Fire Protection for the State of California, the Subject Property:

IS IS NOT located in a Very High Fire Hazard Severity Zone

STATE FIRE RESPONSIBILITY AREA / WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS DETERMINATION

The State of California Department of Forestry and Fire Prevention designates Areas of State Fire Responsibility. This means The California Department of Forestry bears the primary financial responsibility for the prevention and/or suppression of fires in these areas. A Seller of real property located within a State Fire Responsibility Area must disclose the fact that there may be a forest fire risk and hazard on the property, and the fact that the property owner may be subject to the imposition of fire mitigation measures as set forth in Public Resources Code Section 4291. However the degree of hazard is not indicated within the official State Fire Responsibility Area maps. It may range from Low to Very High.

Source(s) of data: California Public Resources Code Section 4125

Based on a review of the official map(s) issued by the California Department of Forestry and Fire Protection, the Subject Property:

IS IS NOT located in a State Fire Responsibility Area

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

ALQUIST-PRIOLO EARTHQUAKE FAULT ZONE DETERMINATION

Earthquake Fault Zone maps are delineated and compiled by the California State Geologist pursuant to the Alquist-Priolo Earthquake Fault Zoning Act. During an earthquake, structures located directly over fault zones (surface fault traces) could sustain damage as a result of a seismic event resulting from ground fault rupture (surface cracking). For the purposes of this report, an Earthquake Fault Zone is generally defined as an area approximately 1/4 mile in total width (1,320 feet) located on either side of a known active or potentially active earthquake fault. An "active" fault as defined by the State of California, Department of Conservation, Division of Mines and Geology is an earthquake fault that has produced ground surface displacement (ground surface rupture) within the last eleven thousand years. A "potentially active" fault is defined by the State of California, Department of Conservation, Division of Mines and Geology as a fault that has produced ground surface displacement (ground surface rupture) within the last 1.5 million years.

Source(s) of data: State of California Department of Conservation Division of Mines and Geology. California Public Resources Code Section 2621 ET SEQ

Based on a review of the official Earthquake Fault Zone Map(s), issued by the California State Geologist the Subject Property:

IS IS NOT located in an Alquist-Priolo Fault Zone

SEISMIC HAZARD ZONE DETERMINATION

The intent of the Seismic Hazards Mapping Act of 1990 is to provide for a statewide seismic hazard mapping and technical advisory program to assist cities and counties in fulfilling their responsibilities for protecting the public health and safety from the effects of strong ground shaking, liquefaction (failure of water-saturated soil), landslides and other seismic hazards caused by earthquakes. Under this act, The California Department of Conservation is mandated to identify and map the state's most prominent earthquake hazards. Information produced by these maps is utilized (in part) by cities and counties to regulate future development. Development/Construction permits may be withheld until adequate geologic or soils investigations are conducted for specific sites, and mitigation measures are incorporated into development plans.

Source(s) of data: California Public Resources Code Section 2696

Seismic Hazard Zone maps delineate areas subject to earthquake hazards. New development in a Seismic Hazard Zone is only permitted if it can be shown that mitigation makes the site acceptably safe. Maps are only available for limited areas now, but will eventually cover all of California.

Earthquake-Induced Landslide Hazard Zones are areas where there has been a recent landslide, or where the local slope, geological, geotechnical, and ground moisture conditions indicate a potential for landslides as a result of earthquake shaking. Landslides zones are described as areas in which masses of rock, soil or debris have been displaced down slope by flowing, sliding or falling. The severity of a landslide depends on the underlying geology, slope and soil in the area.

Liquefaction Hazard Zones are areas where there is a potential for, or an historic occurrence of liquefaction. Liquefaction is a liquid-like condition of soil which sometimes occurs during strong earthquake shaking where the groundwater is shallow and soils are loose and granular (sands for example). These factors can combine to produce liquefaction in localized areas. When liquefaction occurs the soil temporarily becomes liquid-like and structures may settle unevenly. This condition can cause lateral spreading of level ground, and ground failure and sliding on slopes. Liquefaction can cause structural damage under certain geologic conditions. The type of sedimentary deposit, penetration resistance, and depth to ground water are the key factors that govern an area's susceptibility to liquefaction.

Based on a review of the official map(s) issued by the State of California, Department of Conservation, Division of Mines and Geology, the Subject Property:

IS IS NOT located in a Landslide Hazard Zone Map not released by state

IS IS NOT located in a Liquefaction Hazard Zone Map not released by state

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
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Order Number: 100907-00051
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SECTION II: Supplemental Natural Hazard Disclosures**NOTICE REGARDING SUPPLEMENTAL NATURAL HAZARDS DISCLOSURES**

The company is providing information on locally identified natural hazards set forth below as an additional service because their disclosure to purchasers is either required by ordinance or the information is readily available. The purpose of this document is to disclose whether the Subject Property lies within any of the hazard areas described below. The company has obtained maps that are both official and publicly available from city, county, state and federal sources which supplement the natural hazard information required by the California Civil Code 1103. The company has only reviewed maps that are available in a usable format and at an appropriate scale to delineate where hazards may exist on a single parcel bases. The company recommends that the buyer contact the local building and planning departments to help ascertain what, if any, special requirements there might be for construction or renovation, and building code requirements for this property. The foregoing statement should be considered a part of the Explanation of Services, Limitations & Disclaimers of this Disclosure Report and those Limitations and Disclaimers apply to this Statement. Please refer to them for further information.

SUPPLEMENTAL FLOOD HAZARD DISCLOSURE

Supplemental flood zones include information not covered by Special Flood Hazard Areas as designated by the Federal Emergency Management Agency nor by Dam Inundation zones as reported by the California State Office of Emergency Services. These can include tsunamis, seiches (inland lake tsunamis), runoff hazards, historical flood data and additional dike failure hazards.

If a property is located within one of these hazard areas, the lending institution may require flood insurance. The company recommends that the buyer: 1) contact the lending institution to ascertain any additional requirements for flood insurance, 2) contact the insurance company to ascertain the availability and cost of the flood insurance.

Based on the maps acquired and reviewed by the company, the subject property:

IS IS NOT located in a supplemental Flood Hazard Zone Do not know OR information is not available

ADDITIONAL INFORMATION:

NONE

SUPPLEMENTAL FIRE HAZARD DISCLOSURE

Local agencies may, at their discretion, include or exclude certain areas from the requirements of California Government Code Section 51182 (imposition of fire prevention measures on property owners), following a finding supported by substantial evidence in the record that the requirements of Section 51182 either are, or are not adequate or necessary for effective fire protection within the area. Any additions to these maps that the company has been able to identify and substantiate are included in this search.

There may be maps of other substantial fire hazards such as brush fires that are not subject to Section 51182. We have included these maps in this search. The State required fire hazard disclosures only indicate areas of extremely high risk.

Fire hazard zones disclosed here are areas which contain the condition and type of topography, weather, vegetation and structure density to increase the susceptibility to fires. In these areas, the City or County may impose strategies to enforce fire mitigation measures, including fire or fuel breaks, brush clearance, and fuel load management measures. For example, emphasis on roof type and fire-resistive materials may be necessary for new construction or roof replacement. In addition, other fire defense improvements may be demanded, including special weed abatement, brush management, and minimum clearance around structures. In most cases, if the Property is in a Fire Hazard Area, insurance rates may be affected.

Based on the maps acquired and reviewed by the company, the subject property:

IS IS NOT located in a supplemental Fire Hazard Zone Do not know OR information is not available

ADDITIONAL INFORMATION:

NONE

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

SUPPLEMENTAL EARTHQUAKE FAULT HAZARD DISCLOSURE

Many local jurisdictions have different or higher standards than the state for the identification of earthquake faults. These jurisdictions have created their own maps which indicate the active faults according to these standards. Some jurisdictions also recommend or require the disclosure of potentially active faults. We have included both types of maps in our search.

Many cities and counties require geologic studies before any significant construction if the subject property is in or near an earthquake fault zone known to them and certain types of construction may be restricted in these areas. We have included official and publicly available maps indicating earthquake faults known by these jurisdictions. In some cases the company has used the description of an Earthquake Fault Zone established by the Alquist -Priolo Earthquake Fault Zone Act of approximately 660 feet to either side of a known potentially active or active fault to define the Fault Hazard Zone.

Based on the maps acquired and reviewed by the company, the subject property:

IS IS NOT located in a supplemental Fault Hazard Zone Do not know OR information is not available

ADDITIONAL INFORMATION:

NONE

SUPPLEMENTAL SEISMIC/GEOLOGIC HAZARD DISCLOSURE

The California Division of Mines and Geology (DMG) has not completed the project assigned by Section 2696 of the California Public Resources Code to identify areas of potential seismic hazard within the State of California. The DMG and the US Geologic Survey (USGS) have performed many valuable studies that supplement the Section 2696 maps and fill in many missing areas. These maps are included in this search. Also included in this search are maps that indicate many hazards that may or may not be seismically related, including, but not limited to, liquefaction, landslides, debris flows, mudslides, coastal cliff instability, volcanic hazards and avalanches. A number of various geologic factors may influence the types of geologic hazards present: rainfall amounts, removal of vegetation, erosion, seismic activity, or even human activity. The severity of a geologic hazard depends on the underlying geology, slope, proximity to earthquake faults, and soil type in the area. Many cities and counties require geologic studies before any significant construction if the subject property is in or near a geologic hazard known to them and certain types of construction may be prohibited.

Based on the maps acquired and reviewed by the company, the subject property:

IS IS NOT located in a supplemental Geologic Hazard Zone Do not know OR information is not available

ADDITIONAL INFORMATION:

NONE

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

SECTION III: Additional Disclosures**TOXIC MOLD DISCLOSURE (PURSUANT TO THE "TOXIC MOLD PROTECTION ACT OF 2001")**

The seller, transferor, or lessor of residential, commercial or industrial property; or a public entity that owns, leases, or operates a building should provide a written disclosure to prospective purchasers, prospective tenants, renters, or occupants if the seller, transferor, lessor or public entity has knowledge of mold conditions or in specified instances has reasonable cause to believe, that mold (visible or hidden) that exceeds permissible exposure limits is present that affects the unit or building. The State Department of Health Services is designated as the lead agency for identifying, adopting, and determining permissible exposure limits to mold in indoor environments, mold identification and remediation efforts.

PUBLICATIONS PROVIDING INFORMATION ON TOXIC MOLD:

- **General Information Molds, Toxic Mold, and Indoor Air Quality**
- **Mold in My Home: What Do I Do?**
- **Stachybotrys Chartarum (atra) - A mold that may be found in water-damaged homes**
- **Fungi - and Indoor Air Quality**
- **Biological Pollutants in Your Home**
- **Health Effects of Toxin-Producing Molds In California**

Available to the public on the Internet, or at no cost from:

California Department of Health Services
Environmental Health Investigation Branch
850 Marina Bay Parkway, Bldg P, 3rd Floor, Richmond, CA 94804
Telephone: (510) 620-3620 Web: www.dhs.ca.gov/iaq www.cal-iaq.org/MOLD www.ehib.org

OIL & GAS WELLS ADVISORY

California's oil and gas production has been in decline since the 1980's and wells, many of which were drilled at the turn of the past century, have been shut down or improperly abandoned. Such wells are often found when they begin to leak oil, natural gas, or water. To protect the environment, the wells must be properly abandoned, an activity financed with monies from the Hazardous and Idle-Deserted Well Abandonment Fund. The California Division of Oil and Gas was mandated to administer the program to abandon or remedy improperly abandoned wells so that dangers to life, health, and natural resources are eliminated. Residential construction in the past several years has expanded into areas where wells were once active.

Health and safety hazards may be associated with oil and gas wells including those that have been capped or active, or abandoned, including, but not limited to, soil and ground water contamination, oil and methane seeps, fire hazards, air quality problems, and physical safety hazards to humans and animals. New construction may also be restricted in the vicinity of wells.

The Division of Oil, Gas, and Geothermal Resources prepares maps for the State of California. The maps are updated regularly and some maps may be downloaded at http://www.consrv.ca.gov/dog/maps/Pages/index_map.aspx. Buyer should be aware that abandoned wells may exist on any property. For more information visit the California Department of Conservation, Division of Oil, Gas and Geothermal Resources at: <http://www.consrv.ca.gov/dog/>.

ABANDONED MINES ADVISORY

California's landscape contains tens of thousands of mine sites. Many of these mines were immediately abandoned when insufficient minerals were found or when poor economics of the commodity made mining unprofitable. It is estimated that the majority of abandoned mines possess serious physical safety hazards, such as open shafts or adits (mine tunnel), while many others pose environmental hazards. Thousands of sites have the potential to contaminate surface water, groundwater, or air quality. Some are such massive problems as to earn a spot on the Federal Superfund list.

In the interest of environmental and public health and safety, the Department of Conservation (DOC) undertook a three-year effort to determine "the magnitude and scope of the abandoned mine problem in California." An inventory of abandoned mines was accomplished, culminating in a report to the Governor and Legislature. Prior to that effort, the number of abandoned mines reported was based solely on legacy databases and ranged from a low of 7,000 to a high of 20,000 abandoned mines. The DOC shows there are more than 47,000 abandoned mines statewide.

The reports, maps, and additional information on abandoned mines are available at the California Department of Conservation, Office of Mine Reclamation http://www.conservation.ca.gov/OMR/abandoned_mine_lands/toms/index.htm. The State of California, Department of Conservation makes no warranty, express or implied, as to the accuracy of these data or the suitability of the data for any particular use. Distribution of these data is intended for informational purposes and should not be considered authoritative or relied upon for navigation, engineering, legal, or other site-specific uses, including but not limited to the obligations of sellers of real property and their disclosure obligations under California law.

Parties with concerns about the existence or impact of abandoned mines in the vicinity of the property are advised to contact the State Office of Mine Reclamation at: <http://www.conservation.ca.gov/OMR> and/or the local Engineering, Planning or Building Departments in the county where the property is located.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

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Order Number: 100907-00051
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METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE

California law (Health and Safety Code Section 25400.28) requires property owners to notify prospective buyers in writing of any pending order that would prevent the use or occupancy of a property because of methamphetamine laboratory activity, and to provide the prospective buyer with a copy of the pending order. Receipt of a copy of the pending order shall be acknowledged in writing by the prospective buyer.

The "Methamphetamine Contaminated Property Cleanup Act of 2005," chapter 6.9.1 specifies human occupancy standards for property that is subject to the act. These standards will be replaced by any that are devised by the Department of Toxic Substances Control, in consultation with the Office of Environmental Substances Control. In addition, this Act outlines procedures for local authorities in dealing with methamphetamine contaminated properties, including the use of a property lien. This disclosure is meant to inform prospective buyers of California disclosure law regarding meth lab activity, and does not indicate or imply that a particular property is or has been contaminated according to this law.

REGISTERED SEX OFFENDER DATABASE DISCLOSURE ALSO KNOWN AS "MEGAN'S LAW"

For more than 50 years, California has required sex offenders to register with their local law enforcement agencies. However, information on the whereabouts of these sex offenders was not available to the public until the implementation of the Child Molester Identification Line in July 1995. The information available was further expanded by California's Megan's Law in 1996 (Chapter 908, Stats. of 1996).

Section 2079.10a of the California Civil Code specifies notice be provided to transferee(s) of real property of the existence of a registered sex offender database:

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

The public, excluding those who have registered as sex offenders pursuant to Section 290 of the Penal Code, may search this database by a sex offender's specific name, obtain ZIP Code and city/county listings, obtain detailed personal profile information on each registrant, and use the map application to search a neighborhood or anywhere throughout the State to determine the specific location of any of those registrants on whom the law allows the State of California to display a home address.

In addition, the public may also contact the California Department of Justice, Sex Offender Tracking Program, for information on making an inquiry with the Department concerning at least six individuals as to whether any are required to register as a sex offender and subject to public notification. A fee is assessed for such inquiries, which will be deposited into the Sexual Predator Public Information Account within the Department of Justice. The contact number for the Sex Offender Tracking Program is (916) 227-4974.

FLOOD INSURANCE DISCLOSURE

Floods can have a devastating effect on communities, causing loss of life, property damage, and loss of income, and can have an adverse effect on government functioning. As such, the federal government has designed measures that are intended to aid disaster assistance by encouraging insurance coverage for those properties in flood disaster areas.

In addition to the flood disclosure in the Natural Hazard Disclosure Statement, Federal law {U.S. Code Title 42, Chapter 68, subchapter III, § 5154a(b)(1)} requires a transferor, no later than the date on which a property is to be transferred, to notify a transferee of the requirement to purchase and maintain flood insurance, if disaster relief assistance (including a loan assistance payment) has been previously provided on that property and such assistance was conditioned on obtaining flood insurance according to Federal law.

If a transferee fails to obtain and maintain flood insurance on a property disclosed to have been in a previous federal disaster area and that received disaster relief assistance, then no Federal disaster relief assistance will be made available should that property subsequently be in a flood disaster area.

If a transferor fails to notify a transferee of the requirement to purchase and maintain flood insurance because of said property's inclusion in a Federal disaster area and Federal disaster relief assistance received for that property, and the transferee does not obtain and maintain flood insurance, then should that property be damaged by a flood disaster and receive Federal disaster relief assistance, the transferor will be required to reimburse the Federal Government for the amount of that assistance for that property.

State law (SBX17, Chaptered October 10, 1995) also prohibits "state disaster assistance from being provided to a person required to maintain flood insurance by state or federal law, who has canceled or failed to maintain that coverage."

The information contained here is not intended to indicate whether a property has been in a Federal disaster area and has received Federal disaster relief assistance, but merely to indicate an additional flood insurance disclosure requirement related to future disaster relief assistance availability.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

ENERGY EFFICIENCY STANDARDS AND DUCT SEALING REQUIREMENTS DISCLOSURE

The Energy Policy and Conservation Act directs the Department of Energy (DOE) to establish minimum efficiency standards for various products, including central air conditioners and heat pumps. The DOE has amended the energy conservation standards for residential central air conditioners and heat pumps manufactured for sale in the United States. As of January 23, 2006, these products are required to be manufactured with an energy rating of 13 SEER (SEER, Seasonal Energy Efficiency Ratio, is the measurement of energy efficiency for the cooling performance of central air conditioners and heat pumps). This amended SEER rating is 30 percent more efficient than 10 SEER, the previous standard. This new standard applies to split system air conditioners and heat pumps and small duct, high velocity systems manufactured after January 23, 2006. Products manufactured prior to this date with a SEER rating of less than 13 may still be sold and installed. Homeowners are not required to replace or upgrade existing central air conditioning units or heat pumps to comply with the new standards. The company recommends that the potential buyer of the subject property verify the SEER rating of the central air conditioning or heat pump system through a professional such as a home inspector or through the California Home Energy Efficiency Rating Services. This agency, a home energy rating provider, is a non-profit organization that promotes energy efficiency through comprehensive analyses of homes. Additional information may be found at http://www.eere.energy.gov/buildings/appliance_standards/residential/central_ac_hp.html or at www.cheers.org

The California Energy Commission outlines the new duct sealing requirements in a letter to homeowners, which states:

"Beginning October 1, 2005, you must have your home's ducts tested for leaks when you have a central air conditioner or furnace installed or replaced. 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.

You also should know that 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."

According to the California Energy Commission, these duct sealing requirements apply when the following are replaced: the air handler, the outdoor condensing unit of a split system air conditioner or heat pump, the cooling or heating coil, or the furnace heat exchanger.

More information may be found at www.energy.ca.gov/title24/changeout.

Several cities and counties have adopted more stringent building energy standards. You can find a list of the cities and counties and a link to the modified standards on The California Energy Commission's Local Ordinances page:

http://www.energy.ca.gov/title24/2005standards/ordinances_exceeding_2005_building_standards.html

Based on climate zone maps issued by the California Energy Commission, the subject property:

IS IS NOT located in a designated climate zone in which properties are subject to duct sealing and testing requirements set forth by the California Energy Commission.

POSSIBLE NATURALLY OCCURRING ASBESTOS DISCLOSURE

Asbestos is the common name for a group of silicate minerals that are made of thin, strong fibers. It occurs naturally in certain geologic settings in California, most commonly in ultrabasic and ultramafic rock, including serpentine rock, and along associated faults. Chrysotile is the most common type of asbestos, and is often contained in serpentine rock. Serpentine rock is a typically grayish-green to bluish-black color rock that may be shiny in appearance, and is commonly found in the Sierra foothills, the Klamath Mountains, and Coast Ranges. While asbestos formation is more likely in the formations of these rocks, its presence is not certain. Because asbestos is a mineral, asbestos fibers are generally stable in the environment. The fibers will not evaporate in the air. Some naturally occurring asbestos can become friable, or crushed into a powder. This may occur when vehicles drive over unpaved roads or driveways that are surfaced with ultrabasic, ultramafic or serpentine rock, when land is graded for building purposes, or at quarrying operations. Weathering and erosion may also naturally release asbestos. Friable asbestos can become suspended in the air, and under these conditions, asbestos fibers represent a significant risk to human health. Asbestos is a known carcinogen, and inhalation of asbestos may result in the development of lung cancer. The company has obtained geologic maps from the California Department of Conservation, Division of Mines and Geology, which detail areas within the state that contain naturally occurring ultrabasic and ultramafic rocks. Those properties whose underlying geologic substructure containing these types of rock, with their higher potential for asbestos content, have a higher chance of asbestos exposure, and thus may be in a potential asbestos hazard area.

According to the California Department of Conservation, Division of Mines and Geology, geologic maps that outline areas containing ultrabasic and ultramafic rocks, which may have naturally occurring asbestos, the subject property:

IS IS NOT located in a potential asbestos hazard area.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

COMMERCIAL / INDUSTRIAL ZONING DISCLOSURE

Pursuant to California Civil Code Section §1102.17, the seller of residential real property subject to this article who has actual knowledge that the property is adjacent to, or zoned to allow, an industrial use described in Section 731a of the Code of Civil Procedure, or affected by a nuisance created by such a use, shall give written notice of that knowledge as soon as practicable before transfer of title.

Additional Source Information: California Code of Civil Procedure Section §731a.

"Whenever any city, city and county, or county shall have established zones or districts under authority of law wherein 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 may produce offensive odors."

Based on the current tax assessment roles, as of the date of this report, the company reports the following information affecting this property:

IS IS NOT Located Within One Mile of A Property Zoned For Commercial Or Industrial Use.

AIRPORT INFLUENCE AREA DISCLOSURE

Section 1103.4 of the California Civil Code requires notice if a property is encompassed within an airport influence area. According to Section 11010 of the Business and Professions Code, an airport influence area is defined as "an area in which current or future airport related noise, overflight, safety or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses." Where publicly available at the time of the report, the company has utilized any and all airport influence area maps from county Airport Land Use Commissions (ALUC). Airport influence area maps can be found within a county Airport Land Use Comprehensive Plan, available to the public through most county planning departments.

According to airport influence maps available, the subject property:

IS IS NOT located in an airport influence area.

NOTICE OF AIRPORT IN VICINITY 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, or 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.

AIRPORT PROXIMITY DISCLOSURE

California Civil Code §1102.17 states: "The seller of residential real property subject to this article who has actual knowledge that the property is adjacent to, or zoned to allow, an industrial use described in Section 731a of the Code of Civil Procedure, or affected by a nuisance created by such a use, shall give written notice of that knowledge as soon as practicable before transfer of title."

Industrial use identified in Section 731a includes but is not limited to airport uses. Aircraft landing facilities disclosed herein consists of those owned by the United States Federal Government (Military aviation), publicly and private owned civil and commercial aviation facilities; except private landing facilities (restricted public access), glider ports, and facilities that have not been assigned a current location identifier by the Federal Aviation Administration.

According to information available from the United States Department of Transportation (Bureau of Statistics) the company reports the following aircraft landing facilities within approximately 2 miles of the subject property. The calculated distance is dependent upon the size of the airport.

NONE

For further information regarding any of the public aircraft landing facilities identified within this disclosure, please contact the following agency:
Western Pacific Region Airports Division, 15000 Aviation Blvd, #3012, Lawndale, CA 90261, (310) 725-3600

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

RADON DISCLOSURE

Radon is a colorless, odorless radioactive gas that is produced by the natural decay of uranium, which is found in nearly all soils. Because radon is a gas, it can seep from the ground into the air in a house through openings in the ground, and its presence increases the risk of lung cancer.

In a 1999 study published by the Lawrence Berkeley National Laboratory and the Columbia University (<http://eetd.lbl.gov/IEP/high-radon/USgm.htm>), the predicted median annual-average of all fifty eight counties in California is below 2.0 pCi/L (picoCuries per liter of air). If the radon level is greater than 4 pCi/L, the Environmental Protection Agency (EPA) suggests remediation. It is important to note that the median annual-average listed is a prediction, and the actual median is subject to some uncertainty. Also, radon concentrations in a county may be highly variable. Some homes may have five times as high, or five times as low, a concentration as the median for a county. All areas have some high radon homes. More information may be found at the Radon Project web site from the Columbia University Department of Statistics and Lawrence Berkeley National Laboratory at <http://www.stat.columbia.edu/radon>. This site may assist homeowners in deciding whether they have a serious radon problem and what to do about it. Long-term (up to one year) measurement is generally recommended for the most accurate determination of radon levels.

The EPA has also produced a map that assigns one of three zone designations to each county based on radon potential. According to the EPA, each zone designation reflects the average short-term radon measurement that can be expected to be measured in a building without the implementation of radon control methods. That map is not meant to be used to determine whether a particular home should be tested for radon, but is used to assist various government agencies and organizations in focusing their radon program resources. That map can be viewed at <http://www.epa.gov/radon/zonemap/california.htm>. Homes with high levels of radon have been found in all three zones. The three zone designations based on radon potential are:

- Zone 1 - Highest Potential (greater than 4 pCi/L)
- Zone 2 - Moderate Potential (from 2 to 4 pCi/L)
- Zone 3 - Low Potential (less than 2 pCi/L)

The U.S. Environmental Protection Agency recommends all homes should be tested for radon, regardless of geographic location or zone determination.

Radon testing is affordable and easily done. Test kits are available for residents of the State of California for \$5 through the California Department of Public Health website at <http://www.cdph.ca.gov/HealthInfo/environhealth/Pages/Radon.aspx>.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

HABITAT SENSITIVITY AREA DISCLOSURE: RED-LEGGED FROG AND CALIFORNIA TIGER SALAMANDER

The California Endangered Species Act, Fish and Game Code, section 2051, states that there are certain species of fish, wildlife and plants that are in danger of, or threatened with, extinction because their habitats are being threatened, destroyed or adversely modified. The main provisions of this act generally parallel that of the Federal Endangered Species Act.

According to the U.S. Fish and Wildlife Service, critical habitat areas of the California red-legged frog include suitable aquatic habitat, or permanent still or slow moving bodies of water such as ponds, backwaters within streams or creeks, marshes, and lagoons. Other critical habitat areas are upland areas within the watershed boundary that are close in proximity to the water's edge, and upland or wetland areas that connect suitable aquatic habitats. Habitat areas have been threatened through agriculture, urbanization, mining, overgrazing, recreation, timber harvesting, invasion of non-native plants, impoundments, water diversions, reservoir construction, degraded water quality, and introduced predators and competitors.

According to the U.S. Fish and Wildlife Service, critical habitat areas of the California Tiger Salamander (*Ambystoma californiense*) include "grasslands and low (under 1500 foot) foothill regions where lowland aquatic sites are available for breeding." They prefer temporary pools or ponds that are similar, such as stock ponds that are allowed to go dry. They are restricted to large vernal pools (wetlands that fill during fall and winter rains), vernal playas and large sag ponds. They also require the burrows of mammals where they can enter a dormant state. The decline of this salamander population is primarily due to the "loss and fragmentation of habitat from human activities and the encroachment of nonnative predators."

Legislation declares that landowner cooperation is essential for conservation on those lands that have been identified as a habitat for endangered or threatened species. According to Section 2052.1 of the Fish and Game Code, if a person needs to address mitigation measures in relation to a particular impact on a threatened species, then those measures will be roughly proportional to the impact that the person has on those species. The required measures will be capable of successful implementation, and will maintain the person's objectives as much as possible in relation to section codes. For the purposes of this report, "sensitivity areas" will include historical documentation of actual sightings, breeding areas, population locations as well as current and critical habitats. This document is to notify the buyer whether the Subject Property lies within an area known to be important to the conservation of the California Red-Legged Frog and the California Tiger Salamander, which are listed as a state and/or federally threatened species.

The company recommends the buyer contact the California Department of Fish & Game to ascertain what considerations might be involved as a result of being in this particular habitat sensitive area. For further information regarding the Red-legged frog and the California Tiger Salamander habitat sensitive areas, please contact the Dept. of Fish & Game at 916-322-2493, or at www.dfg.ca.gov/whdab.

According to maps in the California Natural Diversity Database of the California Department of Fish and Game, and Critical Habitat Coverage maps from the U.S. Fish and Wildlife Service, the subject property:

IS IS NOT located within a California Red-Legged Frog habitat sensitive area

IS IS NOT located within a California Tiger Salamander habitat sensitive area

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

CALIFORNIA LAND CONSERVATION (WILLIAMSON) ACT DISCLOSURE

The purpose of the California Land Conservation Act of 1965 (Williamson Act) is to allow local governments and private landowners to enter voluntarily into contracts to restrict the use of parcels of land of no less than 100 acres to agricultural and open space use. The landowner receives compensation for the land use restrictions in the form of reduced property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value.

A Williamson Act contract is initially for a minimum term of ten years but local jurisdictions have the option to increase the initial term up to twenty years. Williamson Act contracts run with the land and are binding on all subsequent landowners. The contract is automatically extended by one year after the tenth and subsequent years unless a request for non-renewal is filed by either party. A request for non-renewal begins a 9 year term during which the tax assessments gradually increase to the full fair market value at which time the contract is terminated. The use of the property will then be controlled by the local jurisdiction's use and zoning laws.

Williamson Act contracts can be canceled only by the landowner's petition; however the minimum penalty for canceling a contract is 12.5 percent of the unrestricted, fair market value of the property. To approve a tentative contract cancellation, a county or city must make specific findings that are supported by substantial evidence. The existence of an opportunity for another use of the property or the uneconomic character of an existing agricultural use shall not, by itself, be a sufficient reason to cancel a contract.

There are penalties for breach of a contract, caused by the owner intentionally using the land for other than agriculture or making the land unusable for the contracted purposes. The penalties for breach of contract are as much as 25% of the unrestricted fair market value of the land rendered incompatible, plus 25% of the value of any building and any related improvements on the contracted land that cause the breach of contract. If a local jurisdiction allows a contract to be canceled and the State determines that there is a breach of contract, the penalties may be reduced, but not to less than 12.5% of the value of the land.

Contact the planning department to obtain information on requirements for entering into a Williamson Act contract and the uses allowed. Local government uniform rules and the specific Williamson Act contract can be more restrictive than the Williamson Act Government Code provisions.

The company obtains maps from the California Department of Conservation on a quarterly basis and has used those maps to determine if a Williamson Act contract exists on the property. The county assessor's office also maintains information on parcels affected by the Williamson Act. For more information contact the Department of Conservation, Division of Land Resource Protection at 916-324-0850 or visit its website <http://www.conservation.ca.gov/dlrp/lca>.

According to available maps:

A Williamson Act contract EXISTS on the property. A Williamson Act contract DOES NOT EXIST on the property.

RIGHT TO FARM DISCLOSURE

California Civil Code section 1103.4 requires notice if a property is presently located within one mile of a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" on the most current county-level GIS "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection, and if so, accompanied by the following notice:

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

According to the current county-level GIS "Important Farmland Map," issued by the California Department of Conservation, Division of Land Resource Protection, the subject property:

IS IS NOT located within one mile of a farm or ranch land.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

MILITARY ORDNANCE LOCATION DISCLOSURE

California Civil Code Section §1102.15 states "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.

IMPORTANT NOTE:

This Military Ordnance Location disclosure was obtained through the U.S. Army Corps of Engineers(USACE) database of known Formerly Used Defense Sites in the state of California. The information provided herein represents all publicly available information of Formerly Used Defense Sites known to contain hazards.

FORMER FEDERAL / STATE ORDNANCE LOCATIONS WITHIN YOUR COUNTY ARE DESCRIBED AS FOLLOWS:

NONE

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

SECTION IV: Tax Information**Mello-Roos Community Facilities Districts:**

Mello-Roos Community Facilities Districts ("CFD") provide a method of financing certain public capital facilities and services especially in developing areas and areas undergoing rehabilitation. Public improvements and services funded by Mello-Roos districts may include, but are not limited to police and fire protection services, roads, new school construction, backbone infrastructure improvements, new or expanded water and sewer systems, recreation program services and flood or storm protection services. When construction of facilities is involved, in most cases, the money required to provide initial funding for the improvements is obtained through the issuance of municipal bonds. A special tax lien is placed on each property within the district for the annual payment of principal and interest as well as administrative expenses. The annual special tax continues until the bond is paid, or until revenues are no longer needed. Mello-Roos tax amounts may vary (increase), or the term of the payments may be extended, especially if additional bonds are issued. These special taxes are usually collected with regular property tax installments.

If Mello-Roos Community Facilities District special tax installments are not paid on time, the issuer has the right to initiate foreclosure proceedings on the property and it may be sold to satisfy the obligation. By statute, the special tax lien is made superior in priority to private liens such as mortgages and deeds of trust, even if the aforementioned preceded the creation of the assessment. Unlike property tax sales initiated by a County Tax Collector (which require a five year waiting period) special tax lien foreclosure may be initiated quickly if payments become delinquent. This can occur as soon as a few months after a property tax bill becomes delinquent.

This property is within the Mello-Roos CDF(s) listed below and is subject to a special tax that will appear on your property tax bill in addition to the regular property taxes and any other charges and benefit assessments. The special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to pay for public facilities or services that are likely to particularly benefit the property.

There is a maximum tax that may be levied against this parcel each year to pay for public facilities. This amount may be subject to increase each year based on the special tax escalator listed below (if applicable). The annual tax charged in any given year may not exceed the maximum tax amount. However, the maximum tax may increase if the property use changes, or if the home or structure size is enlarged. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid. If additional bonds are issued, the estimated end date of the special tax may be extended.

The authorized facilities, which are being paid, for by the special taxes and the money received from the sale of the bonds are summarized below. These facilities may not yet have all been constructed or acquired and some may never be constructed or acquired.

THIS PROPERTY IS NOT SUBJECT TO MELLO-ROOS COMMUNITY FACILITIES DISTRICT SPECIAL TAX LIEN(S).

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

1915 Bond Act Improvements:

1915 Bond Act Assessment Districts ("AD") provide a method of financing certain public capital improvements and infrastructures including, but not limited to, roads, sewer, water and storm drain systems, and street lighting. The money required to fund the improvement is obtained in advance through the issuance of municipal bonds pursuant to the Improvement Bond Act of 1915. A special assessment lien is placed on the property within the Assessment District. The lien amount is calculated according to the specific benefit that an individual property receives from the improvement(s) and is amortized over a period of years. 1915 Bond Act Assessments Districts can be prepaid at any time. In most instances but not all, the assessment is placed on the secured tax roll and is collected with your annual county real property taxes.

If 1915 Bond Act special assessment installments are not paid on time, the issuer has the right to initiate foreclosure proceedings on the property and it may be sold to satisfy the obligation. By statute, the lien of a special assessment is made superior in priority to private liens such as mortgages and deeds of trust, even if the aforementioned preceded the creation of the assessment. Unlike property tax sales initiated by a County Tax Collector (which require a five year waiting period) special assessment foreclosure may be initiated quickly if payments become delinquent. This can occur as soon as a few months after a property tax bill becomes delinquent.

This property is within the 1915 Bond Act Assessment District(s) named below and is subject to annual assessment installments levied by the assessment district that will appear on the property tax bill in addition to the regular property taxes and any other charges and levies that may be listed on the property tax bill. Each assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to property within that assessment district.

If you fail to pay assessment installments when due each year, the property may be foreclosed upon and sold. The annual assessment installment against this property as shown on the most recent tax bill for the tax year is listed in the table below. Assessment installments will be collected each year until the assessment bonds are repaid.

The public facilities that are being paid for by the money received from the sale of bonds that are being repaid by the assessments are included in the table below. These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

THIS PROPERTY IS NOT SUBJECT TO IMPROVEMENT BOND ACT OF 1915 SPECIAL ASSESSMENT LIEN(S).

You should take this tax and assessment and the benefits from the public facilities and services for which it pays into account in deciding whether to buy this property. You may obtain a copy of the resolution of formation which authorized creation of the community facilities district, and which specifies more precisely how the special tax and assessments are apportioned and how the proceeds of the tax will be used, by calling the contact name and number listed above. The charge for this document will not exceed the estimated reasonable cost of providing the document.

You may terminate the contract to purchase or deposit receipt after receiving this notice from the owner or agent selling the property. The contract may be terminated within three days if the notice was received in person or within five days after it was deposited in the mail by giving written notice of termination to the owner or agent selling the property.

Basic Levy

The Basic Levy is the primary property tax charge levied by the County on behalf of government agencies. As a result of the passage of Proposition 13 in 1978 (Article XIII A of the California State Constitution), the basic levy is limited to one percent (1%) of the property's net assessed value. Proceeds from this tax are divided by the County and used to help fund nearly every function the state, county, city and other local municipal agencies provide. All other charges that appear on the tax bill vary by district and county.

Voter Approved Debt

Voter Approved Debt are taxes levied on a parcel that is calculated based on the assessed value of the parcel. Taxes may include those taxes that were approved by voters before the passage of Proposition 13 in 1978, General Obligation Bonds or Special Taxes that are based on assessed value as opposed to some other method. Taxes that were established before 1978 may be used for various services and improvements and may or may not be associated with public indebtedness (the issuance of municipal bonds). A General Obligation Bond is a municipal bond that may be issued by a city, county or school district in order to finance the acquisition and construction of public capital facilities and real property. Equipment purchases and the cost of operation and maintenance cannot be financed with a General Obligation Bond. Special Taxes are created pursuant to various California Code Sections and require 2/3 majority approval of the qualified voters for approval. A special tax may be formed by a local government (a city, county, special district, etc) in order to finance specific facilities and/or services and cannot be used for general purposes.

Other Direct Assessments

In addition to the items discussed in the previous sections, real property may be subject to Other Direct Assessments. These assessments may appear on the annual property tax bill. Increases or modifications to these assessments are subject to public notice/hearing requirements (as governed by law) and require a vote by the legal property owners or the registered voters in the area. Additional information is available by contacting the agency actually levying the assessment.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

TAX SUMMARY

Basic Proposition 13 Levy:

Agency / Contact	District / Benefit	Levy Amount
County of Lassen	Basic Levy	\$397.94
Beatrice Price (530) 251-8221	General	

Voter Approved Ad Valorem Taxes:

Agency / Contact	District / Benefit	Levy Amount
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Mello-Roos Community Facilities District(s):

Agency / Contact	District / Benefit	Levy Amount
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Improvement Bond Act of 1915 Assessment District(s):

Agency / Contact	District / Benefit	Levy Amount
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Other Direct Assessments:

Agency / Contact	District / Benefit	Levy Amount
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Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

FUTURE TAXES

The Future Taxes listed below are Bond Initiatives and Levies which have been approved by qualified voters in an authorized election, but have not yet been levied on the tax bills. Due to the fact that they have not yet appeared on any tax bills, the taxes listed below cover a wide geographical area in this county that may or may not affect the property in this report.

Agency/Description

Tax Type/Election Date

Hallelujah Junction Fire Protection District

Parcel Tax

A special annual tax in the following amounts will be levied: \$161.54 per residential structure until fiscal year 2010-2011; \$274.83 per commercial structure until fiscal year 2010-2011, and the special annual tax rates above will be lowered beginning fiscal year 2011-2012 as follows: \$137.34 per residential structure, \$250.63 per commercial structure, applicable to all residential and commercial structures in the District commencing in fiscal year 2005-2006.

11/2/2004

Fall River Joint Unified School District

General Obligation Bond

To renovate and modernize its schools and classrooms; including electrical, heating and plumbing systems, fix leaky roofs; and to qualify for state matching funds, the Fall River Joint Unified School District will be authorized to replace, renovate, construct and acquire school facilities and equipment and issue \$4,400,000 in bonds at an interest rate within the legal limit, with no funds for administrator salaries and an appointed Independent Citizens Oversight Committee to monitor all bond expenditures.

11/2/2004

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL

California Civil Code 1102.6c, states that the seller, or his or her agent, is responsible for delivering a notice specifying information about supplemental tax assessments:

"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."

Transfer Fee Disclosure

This is commonly known as a "Private Transfer Tax". It is a fee imposed by a private entity such as a property developer, home builder, or home owner 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.

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 government 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 EXCEPTIONS LISTED ON THE PRELIMINARY TITLE REPORT FROM THE TITLE COMPANY AND READ THEM TO DETERMINE IF ANY TRANSFER FEES ARE APPLICABLE. Please be aware that private transfer fees may be difficult to identify by simply reading the title report.

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.

Content of Disclosure. 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.

How to Determine the Existence of a Transfer Fee. If a Transfer Fee does exist affecting the property, the document creating the fee may be on file with the County Recorder as a notice recorded against the property and should be disclosed in the preliminary title report on the property. However, the preliminary title report will merely disclose the existence of the documents affecting title, not the content of the documents. The title of a document may also not be sufficient to disclose that a transfer fee is included in its terms. Accordingly Seller should (a) request the title company which issued the preliminary title report to provide copies of the documents shown as "exceptions" and (b) review each document to determine if it contains a transfer fee.

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109

Parcel Number: 143-070-17

Date: 09/07/2010

Order Number: 100907-00051

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SUPPLEMENTAL TAX ESTIMATOR

This worksheet is provided for you as a convenience to allow you to **estimate** the potential supplemental property tax amount on a given property and whether you will receive one or two Supplemental Tax Bills. Depending on the date your escrow closes you will receive either one or two Supplemental Tax Bills which are in addition to your regular annual secured property taxes and must be paid separately. **Supplemental Tax Bills are not paid in escrow and are not impounded by your mortgage lender.** This worksheet is an estimate and is for your planning purposes only. This Supplemental Tax amount estimate is based on the current secured roll valuation and does not take into account other transactions that may have occurred and will impact the future assessed value.

Supplemental Tax Estimator		
	Input the Purchase Price of the Home	\$
-	Current Assessed Value	\$39,795.00
=	Taxable Supplemental Assessed Value	
X	Tax Rate	1.000%
=	Estimated Full-Year Supplemental Tax Amount	

Jan - May Close of Escrow - Complete This Section		
	Computation Factor for Month of Close (See Table Below)	
X	Estimated Full-Year Supplemental Tax Amount (Computed Above)	
=	Supplemental Tax Bill #1 Amount	
+	Supplemental Tax Bill #2 Amount = Estimated Full-Year Supplemental Tax Amount	
=	Estimated Supplemental Tax Amount	

Jun - Dec Close of Escrow - Complete This Section		
	Computation Factor for Month of Close (See Table Below)	
X	Estimated Full-Year Supplemental Tax Amount (Computed Above)	
=	Supplemental Tax Bill Amount	

Computation Factors			
Month	Factor	Month	Factor
January	0.4170	July	0.9167
February	0.3333	August	0.8333
March	0.2500	September	0.7500
April	0.1667	October	0.06670
May	0.0866	November	0.5830
June	1.0	December	0.5000

Property Address: SCOTT ROAD AND HIGHWAY 395
 DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
Order Number: 100907-00051
Escrow Number:

PROPERTY TAX ESTIMATOR

The total tax charges listed on the previous pages provide an accurate portrayal of what the property tax charges were for the current tax year at the current assessed value. California law requires the Assessor re-calculate or re-assess the value of real property when it is sold, subdivided or upon the completion of new construction. In coming years, the Ad Valorem (or value based) property tax charges will be assessed based on this new assessed value. It is possible to calculate an **estimate** of what those charges will be using the property tax estimator provided below:

Property Tax Estimator		
	Purchase Price of Home	
X	Ad Valorem Tax Rate	1.000%
=	Ad Valorem Tax Amount	
+	Total Direct Assessments	\$0.00
=	Total Estimated Taxes	

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

Date: 09/07/2010
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SECTION V: Disclaimers**Explanation of Services, Conditions and Limitations****Statutory and Supplemental Natural Hazard Disclosures**

The purpose of the Natural Hazard Report is to assist Recipient(s) in complying with California Civil Code §1103 which requires that the seller of certain real property, and his or her agent(s), deliver to the prospective buyer a Natural Hazard Disclosure Statement ("NHDS"). Completion of the NHDS requires a review of specific preliminary public records to determine whether the property is located in one of six statutorily defined natural hazard areas. The company is also providing information on locally identified natural hazards as an additional service because their disclosure to purchasers is either required by ordinance or the information is readily available. The company has obtained maps that are both official and publicly available from city, county, state and federal sources which supplement the natural hazard information required by the California Civil Code §1103. The company has not performed a physical inspection of the property. This report is not a substitute for a physical inspection of the property or geologic or engineering study. The company assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for earthquake insurance or flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

Environmental Disclosures

The environmental disclosures (including reference aids) assists the seller(s) in satisfying their general disclosure obligations to provide general information regarding the property's proximity to site(s) identified by appropriate County, State, and/or Federal Agencies as possessing (either presently or historically) an environmental concern.

Tax Disclosures

California Civil Code requires that the seller of certain real property determines from local agencies whether the property is subject to a Mello-Roos Community Facilities Act and Special Tax Assessment, and if so, delivers notice of such special tax assessment(s) to the prospective buyer. When preparing this Special Assessment Section, the company reviewed current year county tax records and other official and third party resources to determine whether, according to those records the property is subject to a Special Tax pursuant to the Mello-Roos Community Facilities Act or a Special Assessment pursuant to the Improvement Bond Act of 1915. Items not yet levied on the tax bill, items not appearing on the current tax bill because the current owner has applied for an available exemption, and items removed from the current tax bill due to a pending judicial foreclosure suit may not be reflected on this report. Only the buyer (and his/her agent) and the seller (and his/her agent) may use or rely on this report. The determinations made in this report are time-sensitive. Therefore, the information in this report may be considered accurate only as of the date shown herein. Governmental actions occurring after the date of this report are not disclosed and the company is under no duty to update this report when or if new tax information is released or becomes available. The sole purposes of this report are to (a) make preliminary determinations regarding whether current secured tax rolls contain Mello-Roos Community Facilities District Special Taxes or 1915 Bond Act Special Assessments against the subject property, and (b) assist the seller in fulfilling his/her duty to comply with California Civil Code Section 1102.6b. This report is not a substitute for a title report or title insurance and may not be relied upon as such.

The company has prepared this report solely based upon records and information provided by various governmental and private agencies. The company has assumed that these records and information are accurate and complete, and the company has not conducted any independent verification of their accuracy or completeness. The company hereby disclaims all liability and shall not be responsible for any inaccuracies or omissions in the public records or information supplied by the various governmental and private agencies supplying information to the company.

In order to prepare this report, either the seller (or his/her agent) or the buyer (or his/her agent) supplied the company with the Assessor's Parcel Number ("APN") for the subject property. The company has not verified the accuracy of the APN. This report was prepared based upon such APN, and the company shall not be responsible or liable for any losses, liabilities or damages resulting from an incorrect APN. If the subject property is considered a multi-parcel property, the tax disclosure may only reflect the information related to the primary parcel.

In preparing this report, the company has relied upon the statutes identified and has reviewed the records referred to in each determination. These are available to the public as Government Records to make the determinations if and to what extent each special tax and assessment applies to the subject property. This report is not a warranty or a policy of insurance.

Notice to Recipient(s)

The company provides the NHDS, and any additional information contained in the Disclosure Report, for the benefit of all Recipient(s), including Seller, Buyer, and Agents. The company considers Recipient(s) to be a contracting party who is subject to the explanation of services, limitations and disclaimers herein, and by signing the NHDS, Recipient(s) expressly agrees to receive the services, and be bound by the limitations and disclaimers herein. This report is for the exclusive benefit of the Recipient(s) and there shall be no third party beneficiaries. This report may not be used in any subsequent transaction affecting the subject property. If for any reason Recipient(s) do not intend to be bound by the limitations and disclaimers herein, or otherwise finds the NHDS or Disclosure Report unacceptable, Recipient(s) should immediately contact the company.

Disclaimer Notice to Third Parties

The information contained in this report is intended for the exclusive benefit and use of Recipient(s). The company expressly disclaims all liability, including liability for breach of contract and negligence, to persons other than Recipient(s).

Property Address: SCOTT ROAD AND HIGHWAY 395
DOYLE, CA 96109
Parcel Number: 143-070-17

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Limitation of Liability to Recipient(s)

The company shall not be liable to Recipient(s), for errors, inaccuracies or omissions in this report if such errors, inaccuracies or omissions were based upon information contained in the public records used by the company, or were known to exist by Recipient(s) on the date of delivery of this report to Recipient(s). The company expressly excludes from coverage any disclosures not known to the company, or not on the maps used by the company, not recorded in the public record at the date of the disclosure information, or disclosures not included in the categories included in the Disclosure Report. There may be other disclosures required under applicable state law. The company makes no representations as to the adequacy or accuracy of any other representations or disclosures made under applicable state law.

The company liability for any claim, or claims, including but not limited to any claim for breach of contract or negligence is limited to actual proven damages as a result of an error or omission in the report and shall be measured by the difference in the fair market value of the property caused by the error or omission as of the date of the report. In the event of any error, omission or inaccuracy in the Disclosure Report, the company shall have, notwithstanding California Civil Code Section 2778, no duty to defend and/or pay any attorneys' fees, costs and expenses incurred by a Claimant

The information contained in this report has been obtained from publicly available data sources and may include information produced from third-party sources other than the company. Although reasonable care has been exercised by the company in compiling the data and information contained in the report, the company disclaims any liability for any errors, omissions, and inaccuracies therein. The company shall not be liable for any incidental or consequential damages suffered by Recipient(s).

In the event any provision of this Disclosure Report is held invalid or unenforceable under applicable law, this Disclosure Report shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

Change in Information

The company shall have no obligation to communicate to Recipient(s), or any other person, any acts, occurrences, circumstances or agreements occurring after the Date of this report, which render inaccurate anything contained in this report. The company may at its sole discretion supplement this report. While this report contains data gathered from what is believed to be reliable sources, the amount of the levy and end year may be subject to change in the future.

Notice of Claim

All Claims and notices shall be addressed to the company, Claims Department, 1850 Gateway Blvd, #400, Concord, CA 94520. Any claim must be given promptly in writing when knowledge is acquired by any Claimant of any information which is contrary to the Disclosure Report. If a written claim notice is not given promptly to the Company, then, all liability of the Company shall terminate with regard to the matters for which a prompt claim notice is required by only to the extent that the failure to give prompt written notice has prejudiced the company.

BY ACCEPTING OR USING THIS REPORT, THE BUYER AND SELLER HEREBY AGREE TO BE BOUND BY ALL OF THE TERMS, CONDITIONS AND LIMITATIONS OF LIABILITY STATED HEREIN.