

GeoDisclosure[®] Report *Natural Hazard Disclosure Report for Santa Cruz County.*

Committed to your success!

Dear Datta Khalsa

8/29/18

Our thoughts are with everyone who has been affected by the fires near Redding (Carr Fire), Mendocino (Ranch Fire), and Yosemite (Ferguson Fire). Combined, the fires have claimed the lives of eight people, and burned nearly 700,000 acres. Although these fires have been largely contained, the threat of wildfires will continue well into the fall season and beyond. Wildfires have been a part of life in California, and are becoming more common and intense. This should be a warning for us to be prepared for one in our own backyard. Prepare your property to ensure you have defensible space around your structures. Prepare an emergency plan for your family should you be required to evacuate. Remember, you won't be given much time to gather your belongings if you are forced to leave because of wildfire. Take steps to protect you, your family, and your property. Check out: <http://www.geodisclosure.com/wildfire.html> for more information.

Have a safe and successful summer!

GeoDisclosure report for property address: 300 Byers Lane

REPORT #
14 - 19922

DESCRIPTION OF SERVICE
Natural Hazard and Environmental Disclosure Report

TOTAL DUE UPON CLOSE OF ESCROW: \$99

Escrow Number: 0715015296
Title Company: Old Republic Title Capitola
Escrow Officer: Jamie Smith

Please let us know if we do not have the correct escrow billing information.

Email: info@geodisclosure.com

Phone: (831)469-4438

Unpaid reports are NOT insured and may NOT be used in subsequent transactions for the property for which the report was issued or for any other property. Payment of the report is required to obtain the benefits of any insurance and/or liability protections.

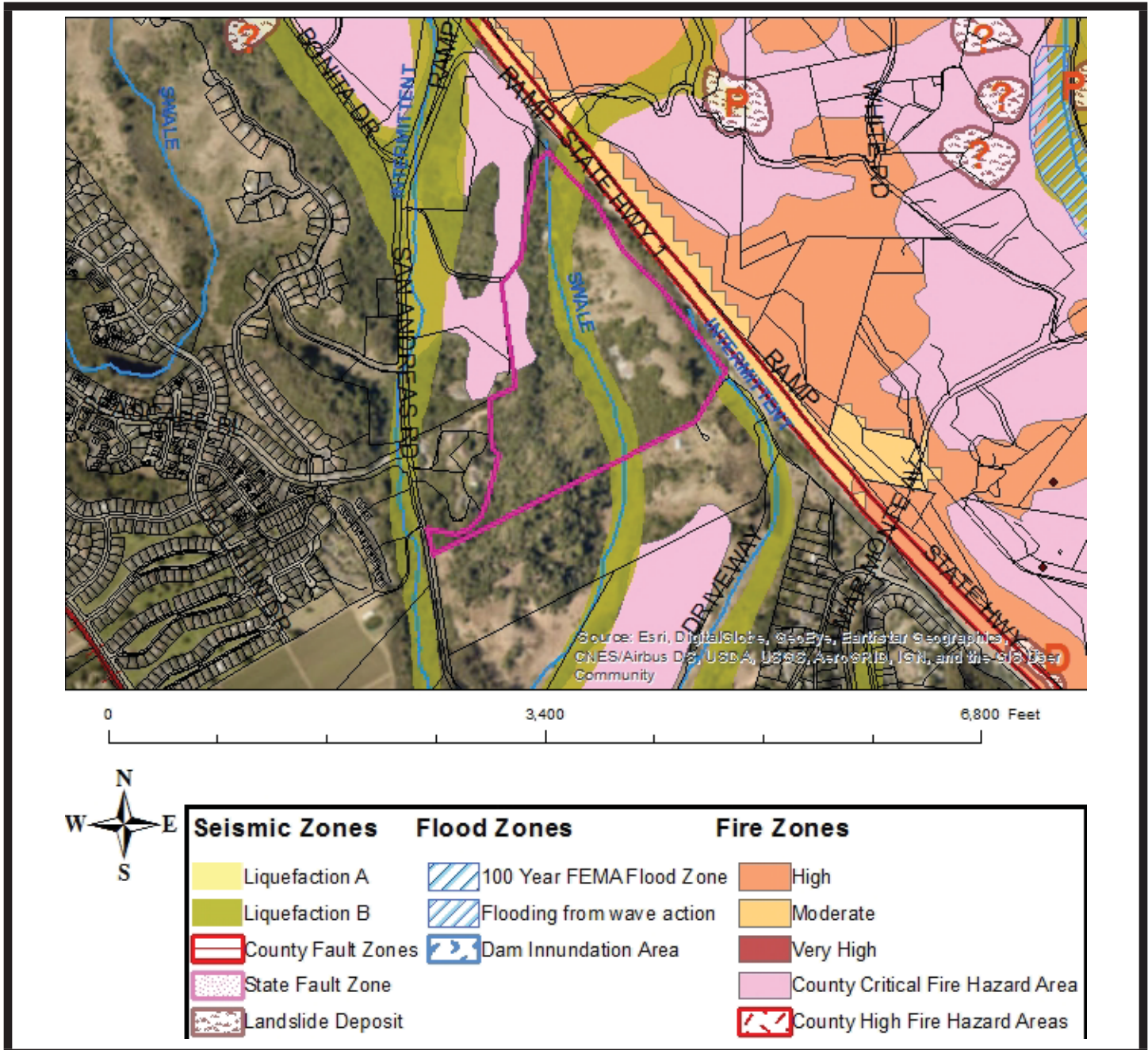
This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

Map Page

THE ACCURACY OF MAPS VARY GREATLY
THIS MAP SHOWS ONLY APPROXIMATE LOCATION OF PROPERTY RELATIVE TO HAZARD ZONES.
NOT ALL ZONES IN REPORT ARE REPRESENTED ON THIS MAP.



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Summary Page

Statutory Disclosures

The subject property:

IS

IS NOT

- within a **Special Flood Hazard Area**.

- within an **Area of Potential Dam Inundation**.

- within a **State Very High Fire Hazard Severity Zone**.

- within a **State Wildland (Forest) Fire Area**.

- within an **Alquist-Priolo Earthquake Fault Zone (APZ)**.

- officially mapped for landslide or liquefaction potential by the State of California as required by the **SHMA, (Siesmic Hazard Mapping Act)**. See page 8.

Local Disclosures

- within a potential **Santa Cruz County Seismic Hazard Zone**.

- within a **Santa Cruz County Critical Fire Hazard Area**.

- within a **Mello-Roos Special tax lein district**.

- within 1 mile of an **area zoned for commercial or industrial use**.

- within 1 mile of an **Agricultural Resource Area**.

- within 1 mile of the **Santa Cruz County Regional Transportation Corridor**.

- adjacent to a **Timber Production Area**.

State Level Disclosures

- within **California Coastal Zone**.

- within 1 mile of a **Former Military Ordnance site**.

- within a **naturally occurring asbestos area**.

- within an **Airport Noise Area**.

- within an **Airport Proximity Zone**.

- within a **Tsunami Inundation Area**.

- within 1 Mile of an **Operational Mine**.

THIS IS ONLY A SUMMARY. PLEASE READ THE FOLLOWING PAGES FOR FULL EXPLANATIONS.

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FIRE HAZARDS

SRA - STATE RESPONSIBILITY AREAS A.K.A. WILDLAND AREAS

WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS

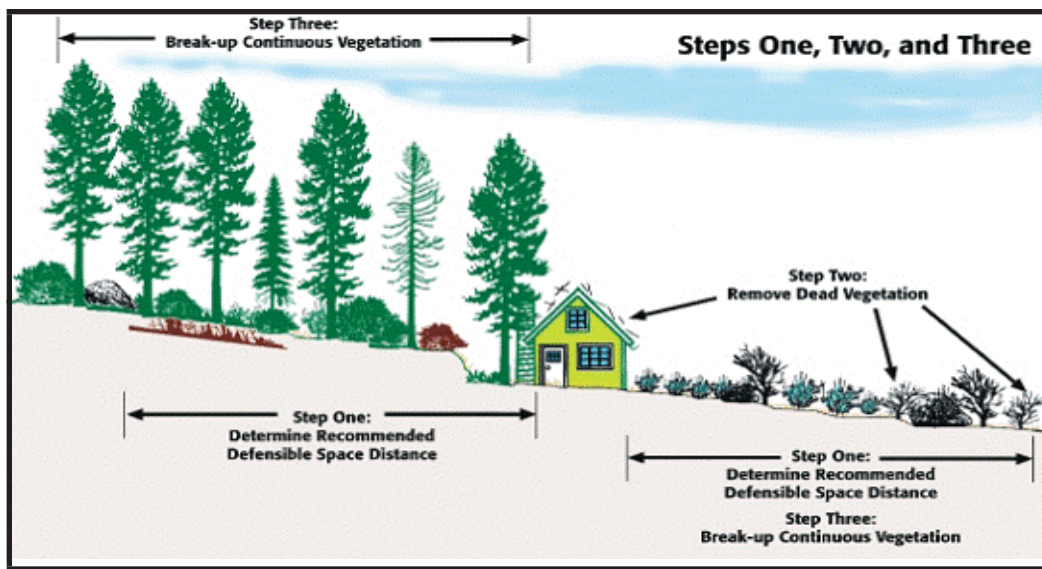
Subject property IS NOT within a Wildland Fire Hazard Area.

State Responsibility Areas (SRA) are zones where the State is responsible for suppressing wildland fires using the California Department of Forestry (CDF) fire protection services. **SRAs are generally rural areas of brushland and forests outside of incorporated cities.** Because of the generally rural nature of SRAs, there may be significant wildland fire potential. Property owners in these areas are responsible for maintaining brush and tree clearance around their structures. New standards and requirements of defensible space and fire resistance building in rural areas have just recently been adopted by the State of California. Property owners are responsible for managing vegetative growth to reduce wildfire hazard potential by maintaining defensible space, as prescribed within a certain number of feet from dwellings, buildings or structures. This includes clearing of tree limbs from within ten feet of chimneys and stovepipes, eliminating dead or dying wood adjacent to or near the overhanging any building, clearing roofs of leaves, maintaining spark screens over chimneys and stovepipes, and maintaining vegetation clearance of 100 feet around structures. In addition, property owners in SRAs are responsible for organizing structural fire protection services which may be in the form of a volunteer group. **For more information, visit www.ReadyForWildfire.org**

The Santa Cruz County Planning Department has taken a proactive role in wildfire prevention by adopting Urban-Wildland Intermix Enhanced Safety Provisions. The main requirements set forth for properties in Wildland Areas are:

1. Access - Roads that allow fire fighting vehicles to travel on and turn around in, a 20-foot minimum road width, and 40 foot turn radius min.
2. Water Supply - Minimum water supply for all new developments to be capable of supplying ten thousand gallons in 20 min. for each parcel.
3. Defensible Space - Reduce flammable material (vegetation) around homes to keep direct flames and heat away from the side of the building.
4. Ignition Resistance - Construct buildings so that they have less chance of catching fire from burning embers.

This picture is an example of required brush and tree clearing that the property owner/controller is responsible for.



For more information: http://geodisclosure.com/Living_with_Fire_in_Santa_Cruz_County.pdf

Fire Hazard Disclosure Continued Next Page

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FIRE HAZARDS (continued)

SANTA CRUZ COUNTY FIRE HAZARD AREAS

Subject property IS within a Critical Fire Hazard Area

A Critical A Critical Fire Hazard Area (CFHA) is defined by the Santa Cruz County Planning Department as: high wildfire hazard areas comprised of chaparral vegetative cover in all slope categories as designated on the County General Plan Resource and Constraint Maps or as otherwise determined by field investigation. A report from a biologist showing that the property is not in chaparral habitat can mitigate some of these permit requirements. Fire hazard areas are generally categorized on the basis of slope, vegetation, and road access. Steep slopes increase the likelihood of chaparral accumulation and are prevalent in remote locations where road access is limited, such as narrow and dead-end roads. Therefore, the following developmental constraints were formulated to minimize wildfire hazards: field inspections must be performed before building permits are issued, buildings sites must be located outside of designated CFHAs, extra water storage may be required on site, and access roads should be widened to accommodate emergency vehicles wherever possible. General Plan Critical Fire Hazard Area Maps are used by GeoDisclosure for general guidance only. Contact a county planner for more specific requirements.

For more information, call the Santa Cruz County Planning or Building Department at (831) 454-2000.

Subject property IS NOT within a Santa Cruz County High Fire Hazard Area

A High Fire Hazard Area is a unique County fire hazard designation. Within this area, new permitted structures (room additions, re-roofs, etc.) are required to have "Class A" roofing, as defined in the Unified Building Code. Class A roofing resists generating embers and the spreading of flames into an attic, onto roof coverings, or in between unplugged sheathing, and is generally made from materials such as slate, clay, concrete, and ferrous or copper shingles. The High Fire Hazard Area is defined in Santa Cruz County by five roads: Jamison Creek Road, Highway 236, Highway 9, Alba Road, and Empire Grade.

Visit http://www.fire.ca.gov/fire_prevention/downloads/roofs.pdf for more roofing information.

CALIFORNIA STATE VERY HIGH FIRE HAZARD SEVERITY ZONE

No area of Santa Cruz County is within a California State Very High Fire Hazard Severity Zone

Very High Fire Hazard Severity Zones are generally in urban to suburban developments that are located in hilly areas combined with narrow roads. The Bates Bill (AB 337) requires that Very High Fire Hazard Severity Zones (VHFHSZ) be established by the California Department of Forestry and local fire authorities. Local Responsibility Areas (areas where fire suppression is the responsibility of a local fire department and not the California Department of Forestry) that are designated as VHFHSZ may have a higher risk for damage to properties by fire than other areas. Structures in these zones are required to have a "Class A" roof for new construction or replacement of existing roofs. Property owners must clear tree limbs from within ten feet of chimneys and stovepipes, clear roofs of leaves, etc., maintain spark screens over chimneys and stovepipes and generally maintain vegetation clearance of 30 feet around structures. This is only a general summary of the basic requirements. Please contact your fire department for a complete list of the requirements and exceptions. **For more information, call the California Department of Forestry at (831) 335-5353 or visit www.fire.ca.gov/forest_practice.html**

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FLOOD HAZARDS

FEMA NATIONAL FLOOD INSURANCE PROGRAM FLOOD ZONE DETERMINATION

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

Explanation

The Federal Emergency Management Agency (FEMA) has issued Flood Insurance Rate Maps delineating areas that have a higher risk of flooding during a "100-year rainstorm." A 100-year flood occurs on average once every 100 years, but might not occur in 1,000 years or may occur in successive years. If the subject property is located in a Special Flood Hazard Area "A" or "V," it is in a zone subject to flooding during a "100-year rainstorm." Federally insured lenders require property owners to maintain flood insurance in these zones. Flood Insurance Rate Maps are sometimes updated with a "Letter of Map Revision" or "Letter of Map Amendment" issued by the National Flood Insurance Program (NFIP) which may waive or modify insurance requirements. If a property is located partially or wholly within a Zone "A" or "V," flood insurance is generally required by federally connected lenders for newly financed or refinanced homes. In some circumstances, the insurance requirement may be waived or modified by obtaining a Letter of Map Revision (LOMR) or Letter of Map Amendment (LOMA) from the Federal Emergency Management Agency. This might be possible where flooding is shallow and fill was placed on the site, appropriate flood control measures were taken, or only the lot and no part of the structure is in the zone.

Zones X and X_0.2	Moderate to Low Risk Areas - Areas outside the 1% annual chance flood plain. Flood insurance is not required in these zones.
Zones A, AE, AH A1-A30, AO	High Risk Areas - Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Zone A99 - Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. Mandatory flood insurance purchase requirements apply to all of these zones.
Zones V, VE, V1 -30	High Risk Coastal Areas - Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Flood insurance requirements apply to all of these zones.

For more information:

Santa Cruz County Flood information page at: <http://www.sccoplanning.com/PlanningHome/Environmental/FloodInformation.aspx>
FEMA at (877) 336-2627, or visit www.fema.gov

Important note regarding flood insurance premiums: Due to recent amendments to federal law governing the NFIP, premiums are increasing, and in some cases, will rise by a substantial amount over the premiums previously charged for flood insurance for the property. As a result, you should not rely on the premiums paid for flood insurance on this property previously as an indication of the premiums that will apply after you complete your purchase. In considering your purchase of this property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, the premiums that are likely to be required to purchase such insurance, and any available information about how those premiums may increase in the future.

AREA OF POTENTIAL DAM INUNDATION

Subject property IS NOT within a dam inundation zone.

Explanation

The California Office of Emergency Services maintains Dam Inundation Maps. These maps show areas subject to flooding from a sudden, catastrophic failure of a dam with a full reservoir. Inundation from a dam failure could result in loss of life, injury, and major property damage. Most areas are defined assuming an instantaneous dam failure with a full reservoir. Reservoirs generally are not always maintained at full capacity and sudden dam failure is extremely rare. All dams in the state have not been mapped. There may be exceptional conditions where a map is not required by the Office of Emergency Services which results in some dam inundation zones not appearing on any maps. For more information: Call Office of Emergency Service: (916) 262-1800, or go to the web site www.oes.ca.gov

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FLOOD HAZARDS

TSUNAMI INUNDATION AREA

Subject property IS NOT within a potential Tsunami Inundation Zone

Tsunami Description:

A tsunami is a wave, or series of waves, generated by an earthquake, landslide, volcanic eruption, or even a large meteor hitting the ocean. The Japanese word *tsu* means “harbor”; *nami* means “wave”. A tsunami is typically caused by a large, submarine earthquake (magnitude 8 or higher) that creates a significant upward movement of the sea floor resulting in a rise or mounding of water at the ocean’s surface. This mound of water moves away from this center in all directions as a tsunami. A tsunami can travel across the open ocean at approximately 500 miles per hour, the typical speed of a commercial jet liner. As the wave approaches land and shallower sea floor depths, the wave slows to approximately 30 miles per hour and grows significantly in height (amplitude).

Visit the website below for more information on how an earthquake along an ocean-floor subduction zone can create a tsunami:

<http://www.pbs.org/wnet/savageearth/animations/tsunami/index.html>

Warnings and Evacuation:

For properties located in tsunami evacuation zones, strong ground shaking from an earthquake is the natural warning that a tsunami could be approaching. People on the beach or in harbor areas should evacuate for any felt earthquake and, if strong shaking lasts for 20 seconds or more, those within evacuation areas should move inland or to higher ground. Strong earthquake shaking can also trigger additional hazards, such as landslides or downed power lines, which can inhibit or prevent safe evacuation. Without analysis to identify these potential hazards along evacuation routes, evacuees might be routed through unsafe areas while moving away from potential Tsunami Inundation Areas. It is strongly recommended that people living in or near Tsunami Inundation Areas locate evacuation routes nearest them.

Discussion:

Tsunami prediction technology is poor, mainly because an earthquake’s timing and magnitude cannot be predicted. Tsunamis are less likely to occur along the central coast of California because a subduction zone (the collision and subsidence of tectonic plates) is not present along the coastline. Because of population growth along coastlines, more investment into tsunami research is being conducted. The data used in this disclosure reflect the latest information available and its purpose is to raise the level of awareness among the most prone areas along the coast as well as to inform people of what to do in the event of a potential tsunami.

Note:

The tsunami inundation map used for this report was prepared to assist cities and counties in identifying their tsunami hazard potential. It is intended for local jurisdictional and coastal evacuation planning uses only. This map and the information presented herein is not a legal document and does not meet disclosure requirements for real estate transactions or any other regulatory purpose.

For more information, visit http://www.consrv.ca.gov/cgs/geologic_hazards/Tsunami/Pages/About_Tsunamis.aspx

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GEOLOGIC HAZARDS - COUNTY LEVEL

SANTA CRUZ COUNTY GEOLOGIC AND SEISMIC ZONE DETERMINATION

Please note: Officially adopted County level seismic hazard maps are used in place of the State level (SHMA) maps.

The subject property IS within a potential County Seismic Hazard Zone.

- **IS located within an area of moderately high potential for liquefaction, (zone B).**
- **Not located within a county designated fault rupture zone.**
- **Not located within any identified county-level landslide hazard.**

Explanation of SANTA CRUZ COUNTY GEOLOGIC ZONES

Fault zones: Zones of fracture designated in the Seismic Safety Element of the General Plan/Local Coastal Plan and California State designated Seismic Review Zones. Fault zones designated for review by the County include the Butano, Sargent, Zayante, and Corralitos complexes. State-designated seismic review zones include the San Andreas, and portions of the Zayante and Butano complexes. There are four types of earthquake fault-risk zones defined by Santa Cruz County:

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

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

If the property is located in one of these designated landslide areas or deposits, it does not necessarily mean that a landslide actually exists. However, the potential for landsliding in these areas is higher. It is recommended that you seek the county's opinion prior to new development. Areas located within a small landslide deposit generally have a somewhat higher potential for slope instability than most hillside areas.

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

Liquefaction: Liquefaction is a type of soil settling that can occur during earthquakes. Most damage occurs in higher liquefaction areas during earthquakes. The three most common conditions for liquefaction to occur are: 1) shallow groundwater, 2) soil that is relatively sandy and granular, and 3) soils that are relatively loose and porous. These conditions occur most commonly along rivers and sloughs. Four zones of liquefaction potential have been defined on the Santa Cruz County maps: **(Zone A) area of high potential for liquefaction, (Zone B) area of moderately high potential for liquefaction, (Zone C) area of moderately low potential for liquefaction, (Zone D) area of low potential for liquefaction.** Zone A and Zone B liquefaction potentials may also indicate that geotechnical studies are needed before new construction begins. Liquefaction data based on map titled "Geology and Liquefaction Potential of Quaternary Deposits in Santa Cruz County" by William R. Dupre' 1975.

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

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GEOLOGIC HAZARDS - STATE LEVEL

EARTHQUAKE FAULT ZONE (APZ)

Subject property IS NOT located within an (APZ) Earthquake Fault Zone.

Explanation of EARTHQUAKE FAULT ZONE (APZ):

Earthquake Fault Zones, also known as Alquist-Priolo Zones (APZ), are delineated and adopted by the State of California as part of the Alquist-Priolo Special Studies Zone Act of 1972. In 1994, this Act was re-titled as the "Alquist-Priolo Earthquake Fault Zone Act." APZs are areas or bands on both sides of a "sufficiently active and well defined" fault. Typically, these are the most active faults in the State. These areas or bands average about ¼ of a mile wide. If a property is located in an APZ, it does not necessarily mean that a fault trace exists on the property or within several hundred feet of the property. The potential for "fault rupture" (ground cracking along the fault trace) damage to a structure is relatively high only if the building is located directly on a fault trace. If a structure is not built across a fault trace but in the APZ, then shaking will be the primary effect of an earthquake. In this case, it is recommended that soil and bedrock conditions be investigated. Your property's proximity to the APZ or distance from the fault trace will not determine the strength of ground shaking during a major earthquake as shaking may be stronger at some distance from the fault depending on local soil and bedrock conditions. It is generally accepted that properly constructed modern wood-frame houses are resistant to earthquake shaking damage. **For more information, call the California Geological Survey at (916) 445-1825, or visit: <http://www.consrv.ca.gov/CGS/rghm/ap/Pages/index.aspx>**

SEISMIC HAZARD MAPPING ACT ZONE (SHMA)

**The SHMA map for Santa Cruz County has not been officially released by the California Geological Survey
Officially adopted County level seismic hazard maps are used in place of the State level (SHMA) maps.**

Explanation of SEISMIC HAZARD MAPPING ACT ZONE (SHMA)

SHMA maps were created by the State of California to delineate areas prone to seismic hazards such as liquefaction and/or landsliding during a major earthquake. The purpose of this act is to provide cities and counties with zones where site-specific geotechnical studies are required prior to development. New development in a Seismic Hazard Zone will only be permitted if the developer can show that geologic hazard mitigation can render the site acceptably safe. The information is also important if the Buyer is planning to undertake a major remodeling or redevelopment as the information can affect the building permit process. Santa Cruz County is not included on the current inventory of Official Seismic Hazard Maps. These maps may become available for this property in the future. In the interim, the local geologic hazard maps are relied on for providing this type of information. **For additional information and future availability of maps, contact the State Mining & Geology Board, call (916) 324-7299, or visit <http://www.consrv.ca.gov/cgs/shzp/Pages/Index.aspx>**

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

Liquefaction Hazard Zones represent areas where there is a historic occurrence of liquefaction, or where the local geological, geotechnical and ground water conditions indicate a potential for liquefaction such that mitigation would be required prior to new development. Liquefaction is a soil phenomenon that can occur when loose, water saturated, fine-grained sands and silty sands that lie within 50 feet of the ground surface are shaken in a significant earthquake. The soil temporarily loses strength and acts as a fluid, causing structures to settle unevenly. Liquefaction Hazard Zones may also contain areas susceptible to the effects of earthquake-induced landslides. This situation typically exists at or near the toe of existing landslides, downslope from rockfall or debris flow source areas, or adjacent to steep stream banks.

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

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SANTA CRUZ CITY & COUNTY SENSITIVE HABITAT AREA

Subject property IS within a Sensitive Habitat zone.
IS within the Santa Cruz Long Toed Salamander Habitat

Important Note: Although there are maps for sensitive habitat areas the Sensitive Habitat boundaries are not perfectly defined. The County of Santa Cruz will investigate for sensitive habitats on any property that applies for building permits. Also, the County (unincorporated) and City (incorporated) Planning departments view Sensitive Habitat constraints differently. It's best to contact the planning department in your jurisdiction with any questions concerning building in the incorporated or unincorporated areas of the County of Santa Cruz. Generally, biotic reviews are required more often in rural areas than in urban areas.

The Sensitive Habitats Protection Ordinance was designed to minimize disturbance in sensitive habitats and to protect these areas for their genetic, scientific, and educational value. No development activities or land disturbance can occur in a sensitive habitat until a biotic review has been completed. This review determines what kinds of development activities can be conducted and what mitigation measures may be necessary to ensure protection of the habitat. Development may be permitted as long as the habitat remains undisturbed; permitted as long as mitigation measures can correct any resulting adverse effects; or prohibited.

Biotic Review Steps taken when applying for a building permit:

The applicant submits project plans and pays a fee to the Planning Department. Plans will be reviewed against County-maintained maps to determine whether the site lies within a mapped sensitive habitat.

The Review may consist of one or more of the following:

- 1) A biotic presite: a preliminary site visit by County staff to determine if the site lies within a sensitive habitat
- 2) A biotic assessment: a brief review of on-site biotic resources conducted by a County-contracted biologist
- 3) A biotic report: (an in-depth study) will be required if the biotic assessment indicates that more information is needed. This report will be prepared at the applicant's expense by a professional biologist (the County has a list of biologists and revegetation specialists familiar with County report and plan preparation requirements.) The biotic report must be written according to County guidelines. The biotic report will be reviewed by a biologist contracted by the County for this purpose. If the project will impact a State or Federally listed species, review and approval by the State Department of Fish and Game and/or the U.S. Fish and Wildlife Service will be required.

Mitigating Conditions

The developer will be required to compensate for any significant effects on the environment, as determined by the County's Environmental Coordinator. Other conditions specific to the site and project may be required by the Environmental Coordinator based on information contained in the biotic assessment or biotic report.

For More Information:

Contact Environmental Planning at (831) 454-2580 for questions. For complete regulations, see Chapter 16.32 of the Santa Cruz County Code: <http://www.codepublishing.com/ca/santacruzcounty/>

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COASTAL COMMISSION ZONE

Subject property IS located within California Coastal Zone jurisdiction.

Subject property IS located within the Non-Residential Exclusion Area.

Coastal Zone Boundary: The near shore area of Santa Cruz County is defined by the California Coastal Act of 1976, Division 20 of the California Public Resources Code. In Santa Cruz County the Coastal Zone generally extends up to 5 miles inland or to the ridge of Ben Lomond Mountain along Empire Grade north of the City of Santa Cruz; generally 3,100 feet inland from Santa Cruz to Capitola; and extends to Highway 1 from Aptos south to the County line.

Within the general description of the Coastal Zone Boundary are Residential Exclusion areas, mostly in the Capitola, Aptos, and Rio Del Mar areas. The Residential Exclusion areas are exempt from Coastal Zone Jurisdiction, however, if the property is in a Residential Exclusion and Appeals Jurisdiction area of the Coastal Zone, the Coastal Commission has the right to appeal building permits in Residential Exclusion areas.

If a property is within a Coastal Zone, and not in a Residential Exclusion area, then any development of the property or remodeling of an existing structure will require a Coastal Permit. Contact the planning department in your area before considering any building construction in the coastal zone. Santa Cruz County Planning Department: (831)-454-2580

Coastal Commission Program Overview

The mission of the Coastal Commission is to: Protect, conserve, restore, and enhance environmental and human-based resources of the California coast and ocean for environmentally sustainable and prudent use by current and future generations. The California Coastal Commission was established by voter initiative in 1972 (Proposition 20) and later made permanent by the Legislature through adoption of the California Coastal Act of 1976.

The Coastal Commission, in partnership with coastal cities and counties, plans and regulates the use of land and water in the Coastal Zone. Development activities, which are broadly defined by the Coastal Act to include (among others) construction of buildings, divisions of land, and activities that change the intensity of use of land or public access to coastal waters, generally require a coastal permit from either the Coastal Commission or the local government.

The Coastal Act includes specific policies (see Division 20 of the Public Resources Code) that address issues such as shoreline public access and recreation, lower cost visitor accommodations, terrestrial and marine habitat protection, visual resources, landform alteration, agricultural lands, commercial fisheries, industrial uses, water quality, offshore oil and gas development, transportation, development design, power plants, ports, and public works. The policies of the Coastal Act constitute the statutory standards applied to planning and regulatory decisions made by the Commission and by local governments, pursuant to the Coastal Act.

The Commission is an independent, quasi-judicial state agency. The Commission is composed of twelve voting members, appointed equally (four each) by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six of the voting commissioners are locally elected officials and six are appointed from the public at large. Three ex officio (non-voting) members represent the Resources Agency, the Business, Transportation and Housing Agency, and the State Lands Commission.

Santa Cruz Coastal Commission: (831) 427-4863

Web sites for more information:

Santa Cruz County Planning Department:

<http://www.sccoplanning.com/PlanningHome/ZoningDevelopment/DevelopmentPermits/Level5ZoningAdministratorPermits/CoastalPermits/CoastalZonePermits.aspx>

California Coastal Commission:

<http://www.coastal.ca.gov/>

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

AIRPORT PROXIMITY AND AIRPORT NOISE

Based on certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps produced under the Federal Aviation Administration's Airport Noise Compatibility Planning Program Part 150, the following determination has been made:

Subject property IS NOT within three (3) miles of a commercial airport.

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

The seller(s) of residential real property who has (have) actual knowledge that the property in transaction is affected by airport use must give written notice of that knowledge, as soon as practicable, before transfer of title. (California Civil Code, Section 1102.17). A property may be near or at some distance from an airport and not be within a delineated noise exposure area, but still experience aviation noise. Unless 65dB CNEL contour maps are published, helipads and military sites are not included in this section of the report.

NOTE: The Airport Noise Compatibility Planning Program is voluntary. Not all airports have elected to participate. Not all property in the vicinity of an airport is exposed to 65dB CNEL or greater average aviation noise levels. **Conversely, a property may be at some distance from an airport and still experience aviation noise. Purchasers should be aware that aviation noise levels can vary seasonally or change if airport usage changes. On March 5, 2015 San Francisco Airport (SFO) flight arrival paths have been modified which has increased aircraft noise levels in certain neighborhoods and decreased in others in Santa Cruz County.**

COMMERCIAL OR INDUSTRIAL ZONING

Subject property IS within 1 mile of an area zoned for commercial or industrial use

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

SIDEWALK MAINTENANCE RESPONSIBILITY DISCLOSURE

The State of California's Streets & Highways Code (Section 5610-5618) states that "owners of lots or portions of lots fronting on any portion of a public street or place when that street or place is improved or if and when the area between the property line of the adjacent property and the street line is maintained as a park or parking strip, [the property owner] shall maintain any sidewalk in such condition that the sidewalk will not endanger persons or property and maintain it in a condition which will not interfere with the public convenience". If any portion of the sidewalk is out of repair or endangers persons or property or interferes with public convenience, the superintendent of streets will notify the property owner to repair the sidewalk in a manner that will be specified in the notice. If the repair is not completed within two weeks, the superintendent of streets will make the repair, the cost of which will be applied as a lien on the property. For more information on a property owner's obligation toward maintaining the sidewalk and/or other public convenience improvements adjacent to their property, please refer to: <http://www.cityofsantacruz.com/home/showdocument?id=3384>

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076
Transferor: *Shaw Management Corporation* APN: 045-031-05

SPECIAL TAX DISCLOSURE

Subject property IS located within a Special Tax District

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

The taxes listed in the box below do not include Ad Valorem or basic property taxes.

ANNUAL TAX CHARGES BONDS AND SPECIAL ASSESSMENTS

<u>Tax Year</u>	<u>Tax Amount</u>	<u>Department</u>
2017 - 2018	\$5.24	CSA 53 MOSQUITO CONTROL ASSESSMENT
	\$5.78	MOSQUITO ABATEMENT/VECTOR CONTROL
	\$45.00	LA SELVA FIRE DISTRICT SPECIAL CHARGES
	\$28.20	9D2- ROAD REPAIR
	\$8.30	COUNTY-HIGHWAY LIGHTING CSA 9
	\$92.52	TOTAL

Property IS NOT subject to an accelerated Mello-Roos special tax lien.

Property IS NOT subject to a 1915 Bond Act special tax lien.

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

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076
Transferor: Shaw Management Corporation APN: 045-031-05

NOTICE OF YOUR "SUPPLEMENTAL" TAX BILL

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

For those who are interested in knowing , this is a SUPPLEMENTAL TAX ESTIMATOR

The following calculation provides an estimate of the supplemental property taxes that can be expected during the first year of ownership, and should be used for planning purposes only. It does not include the regular annual taxes. The estimated supplemental tax is not a substitute for the supplemental bill and may not be relied upon as such.

- 1 Estimated Sales Price _____ 1 \$ _____
- 2 Estimated Current Assessed Value _____ 2 \$ _____
- 3 Subtract line 2 from line 1.
Estimated Supplemental Assessed Value _____ 3 \$ _____
- 4 Multiply line 3 by 0.01060. (The Estimated Ad Valorem Tax Rate for the Residential Property)
- Estimated Full-Year Supplemental Tax Obligation _____ 4 \$ _____**

If the sale date falls during the months of January through May, Buyer will receive TWO supplemental tax bills: (a) one for the current partial tax year; and (b) one for the next full tax year. The supplemental taxes can be estimated by completing lines 5 through 8 below:

- 5 Enter the month of sale number from TABLE 1 _____ 5 _____
- 6 Multiply line 4 by line 5.
Estimated Supplemental Tax Bill # 1 _____ 6 \$ _____
- 7 Enter the amount on line 4.
Estimated Supplemental Tax Bill # 2 _____ 7 \$ _____
- 8 Add lines 6 and 7. Total estimated Supplemental Tax Bill _____ 8 \$ _____

If the sale date falls during the months of June through December, Buyer will receive ONE supplemental tax bill. The supplemental tax can be estimated by completing lines 9 and 10 below:

- 9 Enter the month of sale number from TABLE 2 _____ 9 _____
- 10 Multiply line 4 by line 9.
Total Estimated Supplemental Tax Bill _____ 10 \$ _____

TABLE 1.
Jan 0.4170
Feb 0.3333
Mar 0.2500
Apr 0.1667
May 0.086
TABLE 2.
Jun 1.0000
Jul 0.9167
Aug 0.8333
Sep 0.7500
Oct 0.6670
Nov 0.5830
Dec 0.5000

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

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DESCRIPTION OF SPECIAL TAX ASSESSMENTS

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

1915 Bond Act Assessment Districts

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

Mello-Roos Community Facilities Districts

A Mello-Roos Community Facilities District, know as a CFD, is a special tax district formed by a local government in order to finance certain facilities and/or services which benefit the properties within the CFD. Often a CFD will include the ability to issue municipal bonds to finance facilities and the debt is paid over time from the levy of the special tax. The levy of the special tax may also be used to directly finance facilities and/or services. There are currently four Mello-Roos Community Facility Districts in Santa Cruz County: 1) Live Oak School District, 2) City of Scotts Valley, 3) Felton Water System Acquisition, and 4) Santa Cruz County Library Tax.

County Service Areas (CSAs)

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

TRANSFER FEE/TAX ADVISORY

PRIVATE TRANSFER FEE (PAYMENT OF TRANSFER FEE REQUIRED NOTICE)

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

COUNTY OF SANTA CRUZ TRANSFER TAX

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

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FORMER MILITARY ORDNANCE SITES

Subject property IS NOT within 1 mile of a Former Military Ordnance Location.

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

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

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

Interpretaton of California Civil Code 1102.15

Former Military Ordnance or Formerly Used Defense (FUD) sites can include sites with common industrial waste (such as fuels), ordnance or other warfare material, unsafe structures to be demolished, or debris for removal. **NOTE: most FUD sites do not contain unexploded ordnance.** Unexploded ordnance are munitions that did not detonate. California Civil Code 1102.15 requires disclosure of those sites containing unexploded ordnance. "Military ordnance" is any kind of munition, explosive device/material or chemical agent used in military weapons. Additional sites may be added as military installations are released under the Base Realignment and Closure (BRAC) Act. Active military sites are NOT included on the FUD list.

For more information: <http://www.usace.army.mil/Missions/Environmental/FormerlyUsedDefenseSites.aspx> and
<http://rsgisias.crrel.usace.army.mil/apex/f?p=516:2:0>

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APN: 045-031-05

TP (Timber Production) ZONING

Subject property IS NOT adjacent to a Timber Production Zone

Description:

Timber Resources as defined in General Plan adopted May 24, 1994: Timberlands which are devoted to and used for growing and harvesting timber and which are capable of producing an average annual volume of wood fiber of at least 15 cubic feet per acre. (pg 5-40 1994 County General Plan).

Santa Cruz County Public notification requirements regarding properties adjacent to TP zones:

The following statement shall be included in the seller's disclosure statement in the form set forth in subdivision (b) of Section 1102.6a of the California Civil Code for the transfer of real property adjacent to land included in a Timber Production Zone as designated on the County Assessor Parcel Maps and shall be recorded as part of any deed conveying the property:

"The property described herein is adjacent to land included in the Timber Production Zone as designated on the County Assessor Parcel Maps. Santa Cruz County has established the Timber Production Zone to protect and maintain timberland for growing and harvesting timber, and for compatible uses. Residents of the property occasionally may experience increased traffic, noise, dust, change in the viewshed and/or other activities related to growing and harvesting of timber or other uses permitted within the Timber Production Zone."

Also, the Santa Cruz County Building Official shall require, prior to issuance of building permits on parcel(s) adjacent to a Timber Production Zone either:

(1) Recordation of the above statement of acknowledgment by the owners of the property on a form approved by the Building Official. The statement of acknowledgment shall be recorded and shall be binding upon the undersigned, and future owners, encumbrances, their successors, heirs or assignees. The information contained in this statement of acknowledgment is required to be disclosed to prospective purchasers of the property described herein, and is required to be included in the seller's disclosure statement for the purchase of the property, and in any deed conveying the property.

(2) Evidence that the above statement or a disclosure statement in compliance with subsection (b) of this section has been recorded in the official records of Santa Cruz County as part of the deed of the parcel.

Please note: Properties may not be adjacent to a timber production area, but can still be within proximity of. If the subject property is in a rural area, the proximity of these TP zones can be found by contacting the County Planning Department at 831-454-2130.

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NATURALLY OCCURRING ASBESTOS

Subject property IS NOT located in a potential Ultramafic Rock Zone.

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

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

RADON GAS POTENTIAL

Subject property IS within a Low Potential Zone for indoor Radon levels above 4 Picocuries per liter.

Radon is a naturally occurring colorless, tasteless, and odorless gas that results from the decay of uranium found in nearly all soils. It enters buildings by way of the ground through cracks and openings in foundations. Once inside the building, the radon can become trapped. Unless the building is properly ventilated to remove the gas, it can become a health hazard. Long-term exposure to elevated levels of radon increases the risk of contracting lung cancer. The levels of radon vary throughout the country and the concentrations entering homes varies from home to home. Because it is odorless, colorless, and tasteless, testing is the only way to know if you and your family are exposed to high Radon levels. **There are many ways to fix a problem if needed.**

More information: <http://www.cdph.ca.gov/HealthInfo/environhealth/Pages/RadoninMyHouse.aspx>

The map used identifies areas within Santa Cruz County where geologic conditions are more likely to produce excessive indoor radon levels. It is intended to assist national, state and local government and organizations in targeting their radon program activities and resources. **This map is not intended for determining which buildings have excessive indoor radon levels.** Besides geology, local variability in such factors as soil permeability, weather and climatic conditions, building design and condition, and building usage also influences indoor radon levels. Consequently, building-specific radon levels can only be determined by indoor radon testing. No warranty as to actual radon levels at specific sites in Santa Cruz County is expressed or implied by this map or the accompanying report. The U.S. Environmental Protection Agency (EPA) recommends that all homes be tested for radon whatever their geographic location. Homes with elevated radon levels have been found in all three zones (High, Moderate, and Low) within Santa Cruz County. The U.S. EPA recommends that action be taken to reduce radon in homes with an average annual level higher than four picocuries per liter (4 pCi/l).

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

ADVISORY SECTION

METHAMPHETAMINE CONTAMINATED PROPERTY ADVISORY

Methamphetamine Contaminated Property Cleanup Act Of 2005 Summary

Starting January 1, 2006 a property owner is required 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 must also give a copy of the pending order to the buyer or tenant to acknowledge receipt in writing. Failure to comply with these requirements may subject an owner to, among other things, a civil penalty up to \$5,000. Aside from disclosure requirements, this new law also sets forth procedures for local authorities to deal 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. Source: Assembly Bill 1078. **For more information about clandestine drug lab sites, contact the California Department of Toxic Substance Control, 800-260-3972 or http://www.dtsc.ca.gov/sitecleanup/erp/drug_lab_removal.cfm**

REGISTERED SEX OFFENDER DATABASE DISCLOSURE (MEGAN'S LAW)

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.

California Department of Justice Information: Megan's Law Sex Offender Locator Web Site: <http://www.meganslaw.ca.gov/>

Local information: Santa Cruz County Sheriff's Department 831-454-2311

Explanation of Information Provided:

Since 1947, California has required certain sex offenders to register with their local law enforcement agencies. However, information on the whereabouts of the sex offenders was not available to the public until implementation of the Child Molester Identification Line in July 1995. The available information was expanded by California's "Megan's Law" in 1996 (Chapter 908, Stats. of 1996). Megan's Law provides certain information on the whereabouts of "serious" and "high-risk" sex offenders. The law specifically prohibits using the information to harass or commit any crime against the offender. The information on a registered sex offender includes: name and known aliases; age and sex; physical description, including scars; marks and tattoos; photograph, if available; crimes resulting in registration; county of residence; and zip code (from last registration). When requesting access to the information, you may be asked to provide personal identification information as well as to comply with local authority's information release requirements.

MOLD ADVISORY

The Buyer should be aware that naturally occurring molds may exist both inside and outside of any home and may not be visible to casual inspection. Persons exposed to extensive mold levels can become sensitized and develop allergies to the mold or other health problems. Extensive mold growth can damage a structure and its contents. All prospective buyers of residential and commercial property are advised to thoroughly inspect the subject property for mold. Be sure to inspect the property inside and out for sources of excess moisture, current water leaks and evidence of past water damage.

What are molds?

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

As part of a buyer's physical inspection of the condition of a property, the buyer may consider hiring a qualified professional to inspect and test for the presence of harmful molds and to advise the buyer of any potential risk and options available. This advice is not a disclosure of whether harmful mold conditions exist at a property. GeoDisclosure has not performed testing or inspections of any kind for mold. Any use of this form is acknowledgment and acceptance that GeoDisclosure does not disclose, warrant or indemnify mold conditions at a property in any way and is not responsible in any way for mold conditions that may exist. More information about mold is listed below.

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

Publications:

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

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

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

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

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

SANTA CRUZ COUNTY POOL BARRIER CERTIFICATION DISCLOSURE ADVISORY

This certification requirement applies to properties in Unincorporated Santa Cruz County, however, city municipalities follow the same general guidelines but have differing approaches to enforcement.

General Information

The residential Swimming Pool Enclosure Ordinance (SPEO) applies to swimming pools, spas and hot tubs located on the premises of R-3 Occupancy structures, and defines a swimming pool as: Any structure intended for swimming or recreational bathing that contains water over 18 inches deep. This includes in-ground, above ground and on-ground swimming pools, and fixed-in-place pools. The currently adopted code requirements, effective January 1, 2008, are in Santa Cruz County Code Section 12.10.216.

Applicable Code

The Planning Department requires that all swimming pool and spa barriers meet the currently adopted California code. The currently adopted California code is Appendix chapter 4, Division I of the 2001 California Building Code. The code requirements are summarized below.

Summary of Ordinance

Santa Cruz County Building Code says that any property owner of a residential pool, spa or hot tub built or erected prior to August 14, 1992 shall comply with the current UBC barrier regulations including, but not limited to, obtaining any required permits. In addition, the barrier shall be maintained in compliant condition.

Prior to the sale of residential property containing a swimming pool, spa or hot tub, the owner shall provide the buyer with a written certification, prepared by a County Building Official, at the time the swimming pool, spa or hot tub was originally permitted, or a by certified home inspector prior to the time of sale.

Verification

There is no official disclosure form to satisfy this statutory disclosure obligation. If the Seller or Seller's agent have the County Building Official certify that a pool barrier meets current code for new construction/installation through the permit and inspection process then the finalized building permit is the Seller's certification of barrier compliance for the Property.

Circumstances that require a County building permit for a swimming pool barrier:

- To build a new swimming pool or pool barrier.
- To rebuild a barrier surrounding your pool, spa or hot tub.
- To address issues identified in a Swimming Pool Barrier Correction Notice issued by a County Building Inspector.
- To request that a County Building Inspector certify your compliance with the SPEO.

Otherwise, Santa Cruz County allows a home inspector certified by the California Real Estate Inspection Association (CREIA), the American Home Inspection Training Institute (AHIT) or the American Society of Home Inspectors (ASHI) to issue certification of SPEO compliance. This inspection is a private transaction that does not involve the County or require a building permit, and certification may be issued the same day the inspection is performed.

More Information

Please go online for a summary of pool barrier requirements associated with this code requirement:

http://www.sccoplanning.com/LinkClick.aspx?fileticket=q7Ic_HUHA3w%3D&tabid=1279

http://sccounty01.co.santa-cruz.ca.us/ISD/Planning/brochures/Swimming_Pool_Barriers.htm

The County Code, also available online, will provide further detail. Other questions or concerns regarding this disclosure should be directed the County Building Information Phone Line at (831) 454-2260

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

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APN: 045-031-05

CALIFORNIA ENERGY COMMISSION DUCT SEALING REQUIREMENT

Subject property is located in a zone subject to California Energy Commission Duct Sealing Requirements.

The California Energy Commission's ("CEC") duct sealing requirements became effective on October 1, 2005 (California Code of Regulations, Title 24), and have since been updated effective July 1st, 2014.

Title 24 now requires in all climate zones as designated by the CEC, when a central air conditioner or furnace is installed or replaced, homeowners are required to test ducts for leaks. Ducts that leak more than 15 percent or more must be repaired. Once a contractor tests and fixes these ducts, the homeowner is required to retain an approved third-party verifier to ensure that the ducts have been properly sealed. The CEC cautions homeowners that a contractor who fails to obtain a required building permit and fails to test and repair your ducts "is violating the law and exposing you to additional costs and liability."

For specifics on residential building energy efficiency standards, go to:

[http://www.energy.ca.gov/title24/2013standards/Changes for the 2013 Update to Building Energy Efficiency Standards.pdf](http://www.energy.ca.gov/title24/2013standards/Changes%20for%20the%202013%20Update%20to%20Building%20Energy%20Efficiency%20Standards.pdf)

For general information on these requirements, please contact the California Energy Commission at 800-772-3300, or visit the official CEC web site at: <http://www.energy.ca.gov/title24/2013standards/>

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Transferor: Shaw Management Corporation

APN: 045-031-05

NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES

This notice pertains to information regarding the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>

To seek further information about possible transmission pipelines near the property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP code and county on the NPMS Internet Web site.

Upon delivery of the notice to the transferee of the real property, the seller or broker is not required to provide information in addition to that contained in the notice regarding gas and hazardous liquid transmission pipelines in subdivision. The information in the notice shall be deemed to be adequate to inform the transferee about the existence of a statewide database of the locations of gas and hazardous liquid transmission pipelines and information from the database regarding those locations. Nothing in this section shall alter any existing duty under any other statute or decisional law imposed upon the seller or broker, including, but not limited to, the duties of a seller or broker under this article, or the duties of a seller or broker under Article 1.5 (commencing with Section 1102) of Chapter 2 of Title 4 of Part 4 of Division 2.

What are natural gas pipelines?

The transportation system for natural gas consists of a complex network of pipelines, designed to transport natural gas from its origin, to areas of high natural gas demand. Transmission pipes can measure anywhere from 6 to 48 inches in diameter, and distribution lines or "mains" that range from 2 inches to more than 24 inches in diameter, depending on their function. As a safety measure, pipelines are designed and constructed to handle much more pressure than is ever actually reached in the system. For example, pipelines in more populated areas operate at less than one-half of their design pressure level. Within each distribution system, there are sections that operate at different pressures, with regulators controlling the pressure. Generally speaking, the closer natural gas gets to a customer, the smaller the pipe diameter is and the lower the pressure is. The gas utility's central control center continuously monitors flow rates and pressures at various points in its system. The operators must ensure that the gas reaches each customer with sufficient flow rate and pressure to fuel equipment and appliances. They also ensure that the pressures stay below the maximum pressure for each segment of the system. Distribution lines typically operate at less than one-fifth of their design pressure. As gas flows through the system, regulators control the flow from higher to lower pressures. If a regulator senses that the pressure has dropped below a set point it will open accordingly to allow more gas to flow. Conversely, when pressure rises above a set point, the regulator will close to adjust. As an added safety feature, relief valves are installed on pipelines to vent gas harmlessly, if a line becomes over pressure and the regulators malfunction.

Pacific Gas and Electric (PG&E), the owner of natural Gas transmission pipelines in California, has been under significant pressure and scrutiny because of the Sept. 10, 2010 San Bruno disaster. California regulators are considering a plan that would require PG&E to test or replace more than 700 miles of gas transmission pipelines that run through heavily populated areas. They would be required to step up leak patrols and possibly reduce pressures inside the pipelines until they were screened. PG&E maintains that they employ a comprehensive inspection and monitoring program that monitors system status in real time on a 24-hour basis, and regularly conducts leak surveys, patrols and maintenance of all of its natural gas pipelines.

More Information call PG&E Information Hotline for Gas Transmission Pipeline Locations at 888-743-7431 or visit

www.pge.com/pipeline

www.npms.phmsa.dot.gov/

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

NOTICE OF MINING OPERATIONS

Subject Property IS NOT within 1 mile of a current or former Operational Mine.

Explanation : Santa Cruz County, like much of the the State of California, has a rich history of mining, going back to the early 1800s. Limestone, sand, gravel, bitumin, and some gold have been extracted from this county. Gold mining was very limited. Prospectors of the mid 1800s found very little gold compared to the Mother Lode area of California. The oil boom of the early 1900s prompted large land owners to invest in the technology, but with few results. With the recent shut down of the CEMEX limestone plant in 2011, now only sand, gravel and decomposed granite are being mined from 6 locations in Santa Cruz county. A new mining disclosure law has become effective since the first day of 2012 to inform property buyers that a property is within 1 mile of an operating mine. California Public Resources Code §2207 requires owners and operators of mining operations to provide annually specific information to the California Department of Conservation (“DOC”), including but not limited to, (i) ownership and contact information, and (ii) the latitude, longitude, and approximate boundaries of the mining operation marked on a specific United States Geological Survey map. The Office of Mining Reclamation (“OMR”) is a division of the DOC. Using the mandatory data specified above, OMR provides map coordinate data that can be used by GIS systems to create points representing mine locations (“OMR Maps”). Effective January 1, 2012, California Civil Code §1103.4 requires the seller of residential property to disclose to a buyer if the residential property is located with one (1) mile of mining operations as specified on OMR Maps.

Special Notes: 1. This statutory disclosure does not rely on the OMR’s “AB 3098 List,” a list of mines regulated under the Surface Mining and Reclamation Act of 1975 (“SMARA”) that meet provisions set forth under California Public Resources Code §2717(b). The AB 3098 List does not include map coordinate data as required under California Public Resources Code §2207 and may not include all mining operations subject to the “Notice of Mining Operations” disclosure. 2. This “Notice of Mining Operations” disclosure is not satisfied by disclosing abandoned mines. An abandoned mine is NOT an operating mine. California Civil Code §1103.4 is satisfied only by disclosing based on OMR Maps. 3. Some mining operations in the Public Record have incomplete information and cannot be precisely located. These operations are considered “unlocatable” and could potentially be anywhere in the city, county, or state.

PUBLIC RECORD: Mining operations as provided on OMR Maps made publicly available by DOC pursuant to California law.

ABANDONED MINES ADVISORY

Explanation : According to the California Department of Conservation, Office of Mine Reclamation, since the Gold Rush of 1849, tens of thousands of mines have been dug in California. Many were abandoned when they became unproductive or unprofitable. The result is that California's landscape contains many thousands of abandoned mines, which can pose health, safety, or environmental hazards on and around the mine property. Mines can present serious physical safety hazards, such as open shafts or adits (mine tunnel), and they may create the potential to contaminate surface water, groundwater, or air quality. Some abandoned mines are such massive problems as to earn a spot on the Federal Superfund environmental hazard list. No California law requires the disclosure of abandoned mines in a real estate transaction, unless the existence of an abandoned mine is within the actual knowledge of the Seller and is deemed to be a fact material to the transaction. The Office of Mine Reclamation (OMR) and the U.S. Geological Survey maintain a database of abandoned mines -- however, it is known to be incomplete and based on maps that are often decades out of date. Many mines are not mapped because they are on private land. The OMR warns that the State's abandoned mines database "should NOT be relied upon for...the obligations of sellers of real property and their disclosure obligations under California law." (See reference below.) This Report does not contain an abandoned mines disclosure from any government database or map or any other source. Parties concerned about the possible existence or impact of abandoned mines in the vicinity of the Property are advised to retain a State-licensed geotechnical consultant to study the site and issue a report. **Other sources of information include, but are not limited to, the State Office of Mine Reclamation at (916) 323-9198 (website: <http://www.conservation.ca.gov/OMR>), and the Engineering, Planning or Building Departments in the subject City and County.**

More information available at : State Office of Mine Reclamation's website :

http://www.conservation.ca.gov/omr/abandoned_mine_lands/california_abandoned_mines/Pages/overview.aspx

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

Water Conservation Advisory for Santa Cruz County 2018

With several consecutive years of historic low rainfall, water emergencies are being declared across the State, including Santa Cruz County. Santa Cruz County is the only county in the State that does not import its water. It relies solely on rainfall, and its rivers and aquifers for water.

With the very heavy rainfall during the winter of 2017 some areas of the county drought status will be lifted. We will no more when the water authorities make their next assessment this Spring.

Water shortages can have a direct impact on property values and can place restrictions on new development. Currently water conservation is the most important, and cost effective practice we can do to sustain us through this drought period and going forward. County water agencies are evaluating back-up water supply options such as a desalination plant, water transfers, water recycling. It will be several years before financially feasible back-up water sources can be identified and implemented. In the meantime, many Santa Cruz County residents will be living with tough rationing laws and penalties for overuse.

There are several water districts within the County, and each has their own policies and restrictions for water usage and rationing. The links to the water districts are below. Please review the regulations, restrictions, and penalties.

City of Santa Cruz -

<http://www.cityofsantacruz.com/government/city-departments/water/conservation>

Soquel Water District -

Effective June 1, 2018, the Soquel Creek Water District will cease tracking and enforcing the City of Capitola and County of Santa Cruz Ordinances that require the retrofit of plumbing fixtures that do not meet high-efficiency standards at the time of property sale. What does this mean to you? It depends upon where the property is located. All buildings receiving water from Soquel Creek Water District must be retrofitted with high efficiency plumbing fixtures at the time of sale of the property.

<http://www.soquelcreekwater.org/>

County of Santa Cruz –

<http://sceh.com/Home/Programs/WaterResources/WaterConservationProgram.aspx>

City of Watsonville -

<https://www.cityofwatsonville.org/1237/Conservation>

City of Scotts Valley -

<http://www.svwd.org/>

San Lorenzo Valley -

<http://www.slvwd.com/ Drought.htm>

Pajaro Valley Water Management Agency –

<http://www.pvwwma.dst.ca.us/conservation/residential.php>

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076
Transferor: *Shaw Management Corporation* APN: 045-031-05

Santa Cruz County Regional Transportation Corridor

Subject property IS within 1 mile of the Santa Cruz Regional Transportation Corridor

The 32-mile Santa Cruz Branch Rail Line is a continuous transportation corridor. The rail line spans the county from Davenport to Watsonville, running parallel to the Highway 1 corridor and the coast, and connecting into state and other regional rail lines in Pajaro. The 32-mile rail corridor passes within one mile of half of the county’s population. In October 2012, the Santa Cruz County Regional Transportation Commission (RTC) took ownership of the line, bringing this transportation resource into public ownership to increase transportation options.

Potential Transportation Uses of the Rail Corridor

The rail corridor was purchased using \$11 million from the voter-approved Proposition 116 (Clean Air and Transportation Improvement Act of 1990 — California Public Utilities Code Section 99600 et seq.) which stipulates that the rail line be used for “rail projects within Santa Cruz County which facilitate recreational, commuter, intercity and intercounty travel.” Potential uses include the following:

- Increased freight rail service
- Seasonal or recreational passenger rail service (as provided by Santa Cruz & Monterey Bay Railway, Santa Cruz, Big Trees and Pacific Railway)
- Passenger rail transit
- Bicycle & Pedestrian path in conjunction with rail services

Purchasing a right-of-way and removing the tracks to provide only a bicycle and pedestrian trail is not considered a “rail project” under proposition 116. Development of the corridor for passenger and freight rail as well as the bicycle/pedestrian trail will move forward as feasible and fundable. Measure D, which was approved by Santa Cruz County voters in 2016, includes funding for preservation of the rail corridor infrastructure and analysis of its future potential use to better serve Santa Cruz County residents and visitors. Projects include analysis to answer important community questions about possible future transit and other transportation uses of the corridor through an open, transparent public process; and maintain and repair the publicly-owned rail line. The Measure did not include funding for any new train/rail service. The Unified Corridor Investment Study (underway in 2017/18) includes analysis of a range of potential rail corridor uses and is expected to be completed by the end of 2018.

Rail Improvement Efforts

As owner of the Santa Cruz Branch Rail Line, the RTC hired a short line operator, Iowa Pacific Holdings (dba locally as Santa Cruz & Monterey Bay Railway) to operate freight and recreational rail service and maintain the rail line.

Rail Structure Upgrades

As part of the purchase agreement between the RTC and the previous property owner, Union Pacific, \$5.3 million in funding was used to upgrade a number of structures on the line. Additional inspections, analysis and rehabilitation of structures will be performed as funding is available.

Freight Service

Rail freight service is currently provided by Santa Cruz & Monterey Bay Railway to a number of companies for commodities such as construction materials, agricultural products, and biofuels. In addition, the rail operator at times stores empty rail cars on some sections of the rail line. Service is primarily concentrated in south county.

Passenger rail operations

Santa Cruz & Monterey Bay Railway and Big Trees Railroad operate seasonal and special event recreational service on the Santa Cruz Branch Rail Line. In the future, passenger service may include expanded recreational service, as well as intercity and commuter service. In 2015, the Regional Transportation Commission (RTC) completed the “Rail Transit Feasibility Study”, an analysis of commuter and intercity passenger rail transit service. While the study examined a range of possible scenarios, no option was selected. The study did however include recommendations for phased rail service on the Santa Cruz Branch line in the future.

Coastal Rail Trail/Monterey Bay Sanctuary Scenic Trail Network (MBSST)

The Coastal Rail Trail project, part of the Monterey Bay Sanctuary Scenic Trail (MBSST) Network, will serve as the 32-mile “spine” of a planned 50-mile bicycle and pedestrian trail system. The rail trail is planned to be located adjacent to the rail tracks and will serve bicyclists, pedestrians, people with disabilities, and other non-motorized, active transportation users. To date, 13 miles of the 32-mile project have been funded in full or in part, with construction to begin as soon as design, engineering, and environmental permitting are completed. The first project is scheduled to be constructed in 2018. Approximately \$40M has been secured to build current projects and advance future projects, of which \$24M is from grants and private donations and \$16M is from Measure D. Measure D will allocate approximately \$85M for the trail over 30 years.

For more information: www.sccrtc.org

Luis Mendez Deputy Director info@sccrtc.org (831) 460-3200

Property address: 300 Byers Lane, Watsonville, CA 95076

APN: 045-031-05

Statutory Natural Hazard Disclosure Statement and Acknowledgment of Receipt

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

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any part of any contract between the transferee and the transferor.

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

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

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

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.

Yes ___ No X - Do not know and information not available from local jurisdiction. ___

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

Yes ___ No X

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.

Yes ___ No X

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

Yes ___ No X

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

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

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

Signature of Seller _____ Date _____ Signature of Seller _____ Date _____

Signature of Agent _____ Date _____ Signature of Agent _____ Date _____

Check only one of the following:

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

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

Third-party Disclosure Provider(s) _____ GEODISCLOSURE _____ Date 8/29/2018

Transferee represents that he or she has read and understands this document. I (We) also have read and understand the additional disclosures and notices herein:

- 1. Additional State-required Disclosures – Refer to Report: (1) COMMERCIAL/INDUSTRIAL USE ZONE, (2) FORMER MILITARY ORDNANCE SITE, (3) AIRPORT PROXIMITY,(4) , FLOOD (5) NOTICE OF MINING OPERATIONS, (6) SEX OFFENDER DATABASE (Megan’s Law), (7) NATURALLY OCCURRING ASBESTOS, (8) RADON, (9) NOTICES OF MELLO-ROOS & 1915 BOND ACT ASSESSMENTS and NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL .
- 2. Additional City and County General Plan Hazard Disclosures as applicable – Refer to Report: Coastal Zone, , Fire, Fault Zone, Landslide, Liquefaction, agricultural resource area, Mines, Tsunami, Transportation, and Sensitive Habitat, Sidewalk Maintenance Responsibility.
- 3. General Advisories – Refer to Report: Methamphetamine Contamination, Mold, Abandoned Mines, Gas And Hazardous Liquid Transmission Pipeline Notice.
- 4. Additional Reports – Enclosed if ordered. Refer to Report: (2) ENVIRONMENTAL HAZARD REPORT.
- 5. Government Guides: (1) RESIDENTIAL ENVIRONMENTAL HAZARDS: "A Guide for Homeowners, Buyers, Landlords and Tenants"; (2) THE HOMEOWNER’S GUIDE TO EARTHQUAKE SAFETY and RESIDENTIAL EARTHQUAKE HAZARDS REPORT FORM; (3) LEAD-BASED PAINT: "Protect Your Family From Lead In Your Home"; (4) BRIEF GUIDE TO MOLD, MOISTURE AND YOUR HOME; (5) “WHAT IS YOUR HOME ENERGY RATING?” Government Guides are available on GeoDisclosure’s “Electronic Bookshelf” at www.geodisclosure.com/electronicbookshelf.html

NOTES: (1) This product includes the Natural Hazard Disclosure Report. Additional reports are included only if ordered. (2) Additional SIGNATURES are REQUIRED on any local disclosures (where applicable). (3) The representations in this Natural Hazard Disclosure Statement do not constitute all of the Transferor’s or Agent’s disclosure obligations in this transaction. **IMPORTANT NOTICE:** Read the complete GeoDisclosure Report, and Environmental Report if included, in it’s entirety before the close of escrow.

Signature of Buyer _____ Date _____ Signature of Buyer _____ Date _____

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

WATER CONSERVATION ADDENDUM

Local Disclosure Regarding Plumbing Fixture Retrofit Regulations

This information is for residential, commercial, or industrial properties served by the Soquel Creek Water District and located in the City of Capitola or unincorporated Santa Cruz County

Effective June 1, 2018, the Soquel Creek Water District will cease tracking and enforcing the City of Capitola and County of Santa Cruz Ordinances that require the retrofit of plumbing fixtures that do not meet high-efficiency standards at the time of property sale.

What does this mean to you? It depends upon where the property is located. All buildings receiving water from Soquel Creek Water District must be retrofitted with high efficiency plumbing fixtures at the time of sale of the property.

For properties within the Soquel Creek Water District service area co-located in Unincorporated Santa Cruz County (i.e.) Santa Cruz, Opal Cliffs, Soquel, Aptos, La Selva Beach): You are required to obtain a Water Conservation Certificate from the County of Santa Cruz Environmental Health Department.

For instructions, please refer to the County's website:

<http://sceeh.com/Home/Programs/WaterResources/WaterConservationProgram/PlumbingFixtureRetrofitRequirements.aspx>

For properties within the Soquel Creek Water District service area co-located in the City of Capitola:

No action is required. The City of Capitola Ordinance no longer applies in the Soquel Creek Water District service area.

NOTE: If you are located in the City of Capitola and you receive water service from the City of Santa Cruz, you are still required to obtain a Water Conservation Certificate from the City of Santa Cruz Water Department.

Links to County and Capitola City Codes:

Santa Cruz County Code Chapter 7.69.040

<http://www.codepublishing.com/CA/SantaCruzCounty/html/SantaCruzCounty07/SantaCruzCounty0769.html#7.69.020>

Capitola Municipal Code 13.02

<https://www.soquelcreekwater.org/sites/default/files/documents/construction/capitola-plumbing-fixtures-retrofit-requirements.pdf>

For questions or concerns contact Roy Sikes, Water Conservation Specialist, (831) 475-8501 extension 146, or by email at roys@soquelcreekwater.org.

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

COUNTY OF SANTA CRUZ VACATION RENTAL ORDINANCE DISCLOSURE

THIS DISCLOSURE CONCERNS only properties located in the unincorporated area of the County of Santa Cruz

NOTICE TO BUYER: RESIDENTIAL PROPERTY LOCATED WITHIN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA CRUZ WHICH IS USED AS A VACATION RENTAL IS SUBJECT TO THE COUNTY'S VACATION RENTAL ORDINANCE (ORDINANCE #5092, SANTA CRUZ COUNTY CODE SECTION 13.10.694 ET SEQ.).

SCOPE OF THE VACATION RENTAL ORDINANCE

Scope of the Ordinance. Santa Cruz County's vacation rental ("VR") ordinance was approved by the County Board of Supervisors in 2011 and was amended to include SADA (Seacliff/Aptos Designated Area) in 2015. The ordinance was amended again in 2016 and also includes the DASDA (Davenport/Swanton Designated Area). The VR Ordinance applies to a single-family dwelling unit, duplex, or triplex (including condominium and townhouse units, but not including apartments or manufactured homes in a mobile home park), rented for the purpose of overnight lodging for a period of not more than thirty (30) days. The VR Ordinance affects the entire unincorporated area of the County (except incorporated cities, the Pajaro Dunes, and Seascape Beach Resort). The VR regulations include:

Permit and Transient Occupancy Tax. Each residential VR owner is required to obtain a permit and meet the regulations and standards set forth in Chapter 4.24 of the County Code, including any required payment of transient occupancy tax for each residential vacation rental unit.

Limitation on Number of Vacation Rental Units. In the Live Oak Designated Area ("LODA"), the Seacliff/Aptos Designated Area ("SADA"), and the DASDA (Davenport/Swanton Designated Area), a new VR cannot be approved if 20 percent or more of the total parcels on that block are existing VRs. In addition, no more than 15 percent of all of the parcels that allow residential use in the LODA, SADA, and 10 percent in DASDA may contain VRs. Notwithstanding these maximums, each block in the LODA, SADA, or DASDA that have parcels that allow residential use may have at least one VR. Owners of VR property are advised that that they may not be able to obtain a permit as a vacation rental inside the LODA because of the limitations imposed on the number of vacation rentals that can be approved.

Life of a Permit. VR permits run in perpetuity with the property except VR permits issued for LODA, SADA, or DASDA, which expires five (5) years from the date of issuance or when property transfers. In most cases the new property owners can renew the permit if desired.

Maximum Occupancy. The maximum number of guests allowed in a VR cannot exceed two people per bedroom plus two additional people, except for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., when the maximum number of people allowed is twice the maximum number of guests allowed. Children under eight are not counted toward the maximum number of guests.

Local Contact Person. All vacation rentals are required to designate a contact person within a 30-mile radius of the vacation rental. The contact person shall be available 24 hours a day to respond to tenant and neighborhood questions or concerns. The name, address, telephone number(s) of the local contact person and the beginning and expiration dates of the permit must be submitted to the Planning Department, the local Sheriff Substation, the main county Sheriff's Office, the local fire agency, and supplied to the property owners of all properties located within a 300 foot radius of the boundaries of the parcel on which the vacation rental is located. The name, address and telephone number(s) of the local contact person also must be permanently posted in the rental unit in a prominent location. Any change in the local contact person's address or telephone number shall be promptly furnished to the agencies and neighboring property owners.

Signs. All vacation rentals are required to have a sign identifying the structure as a permitted vacation rental and listing a 24-hour local contact person responsible for responding to complaints and providing general information, which must be placed no more than 20 feet back from the nearest street. The sign may be of any shape, but cannot exceed 216 square inches. There is no minimum sign size so long as the information on the sign is legible from the nearest street. Beginning and ending dates of the VR permit must be posted in SADA, LODA, and DASDA.

Posting of Rules. Vacation rental rules must be posted inside the vacation rental in a location readily visible to all guests. The rules need to include, but are not necessarily limited to, the following: number of guests allowed (2/bedroom + 2, children under 8 not counted; for celebrations and gatherings between 8:00 a.m. and 10:00 p.m., the maximum number of people allowed is twice the maximum number of guests allowed), number of vehicles allowed (not to exceed the number of existing on-site parking spaces, plus two additional on-street parking spaces within the vicinity of, but will not have any exclusive or assigned use of on-street parking), noise, illegal behavior and disturbances, trash management (e.g., trash to be kept in covered containers and not allowed to accumulate). The use of fireworks is strictly forbidden.

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076
Transferor: *Shaw Management Corporation* APN: 045-031-05

COUNTY OF SANTA CRUZ VACATION RENTAL ORDINANCE DISCLOSURE PAGE 2

Noise. All residential vacation rentals are required to comply with the County’s noise ordinance (Chapter 8.30 of the County Code) and a copy of that chapter must be posted inside the vacation rental in a location readily visible to all guests. No use of equipment requiring more than standard household electrical current at 110 or 220 volts, or activities that produce noise, dust, odor, or vibration detrimental to occupants of adjoining dwellings is allowed.

Revocation of Permits. If more than two documented, significant violations occur within any 12-month period, a permit may be reviewed for possible amendment or revocation. Evidence of significant violations includes, but is not limited to, copies of citations, written warnings, or other documentation filed by law enforcement; copies of homeowner association warnings, reprimands, or other association actions; a permit holder providing false or misleading information on an application or renewal application; evidence of violations of State or County health regulations; evidence that a permit holder is delinquent in payment of transient occupancy taxes, fines, or penalties; evidence of non-responsive management or that appropriate signage has not been maintained in compliance with this section; verified neighbor complaints of noise or other disturbances, particularly those involving the use of fireworks by occupants of the vacation rental; or other documents which substantiate allegations of significant violations. In the event a permit is revoked based upon a review under this section, no application by the person or entity from whom the permit was revoked shall be filed for a vacation rental permit on the same parcel within two years after the date of revocation, without prior consent of the Board of Supervisors.

BUYER ADVISORY

DURING THE BUYER’S INSPECTION CONTINGENCY PERIOD, THE BUYER IS ADVISED TO OBTAIN FURTHER INFORMATION FROM THE COUNTY OF SANTA CRUZ PLANNING DEPARTMENT AND THE COUNTY TREASURER TAX COLLECTOR CONCERNING THE VACATION RENTAL ORDINANCE AND THE PAYMENT OF TRANSIENT OCCUPANCY TAX. IF THE BUYER HAS CONCERNS OR WOULD LIKE FURTHER INFORMATION ON ANY ASPECT OF THE VACATION RENTAL ORDINANCE, THE BROKERS AND AGENTS INVOLVED IN THIS TRANSACTION (COLLECTIVELY, “BROKERS”) RECOMMEND THAT THE BUYER HAVE A DISCUSSION WITH COUNTY STAFF, A PROFESSIONAL LAND USE PLANNER, OR AN ATTORNEY. BROKERS DO NOT HAVE EXPERTISE IN THIS AREA. BROKERS DO NOT VERIFY OR REPORT ON THE STATUS OF VACATION RENTAL PERMITS.

This is not a complete version of the County Vacation Rental Code 13.10.694. The full document can be found at this link: <http://www.sccoplanning.com/Portals/2/County/userfiles/386/Vacation%20Rental%20Ordinance.pdf>

Buyer acknowledges that Buyer has read, understands and has received a copy of this summary of the COUNTY OF SANTA CRUZ VACATION RENTAL DISCLOSURE.

Signature of Transferor (Seller) _____ Date _____

Signature of Transferor (Seller) _____ Date _____

Signature of Transferee (Buyer) _____ Date _____

Signature of Transferee (Buyer) _____ Date _____

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076
Transferor: *Shaw Management Corporation* APN: 045-031-05

AGRICULTURAL RESOURCE LANDS ADDENDUM

Subject property IS within 1 mile of an agricultural resource area and IS within the 200ft setback buffer.

This section applies to properties both within city limits and unincorporated Santa Cruz County

(a) A person who is acting as an agent for a Transferor of real property which is located in the unincorporated portion of the County, or the Transferor if he or she is acting without an agent, shall disclose to the Acquiring Party that:

Santa Cruz County has a strong rural character and an active historical agricultural sector. As a property owner or lessee you should be prepared to accept properly conducted agricultural practices that are allowed for in Federal, state and county laws and regulations, are consistent with accepted customs and standards, and are operated in a non-negligent manner. Accepted agricultural practices that may cause inconveniences to property owners during any 24-hour period may include but are not limited to: Noise, odors, fumes, dust, smoke, pests, operation of farm equipment, storage and application and disposal of manure and the application of pesticides and fertilizers by ground or air. The County of Santa Cruz will not consider an agricultural practice to be a nuisance if implemented in accordance with Federal, state, and local law. Nothing herein is intended to limit rights under Federal, State, and local regulations governing pesticide use.

This section applies to properties only within unincorporated Santa Cruz County and adjacent to Agricultural Resource areas

(b) The County Building Official shall require, prior to issuance of building permits for parcels within two hundred (200) feet of agricultural lands, as designated on the Agricultural Resources Map, either:

(1) Recordation of the following statement of acknowledgment by the owners of the property on a County approved form:

The undersigned _____ do hereby certify to be the owner(s) of the hereinafter legally described real property located in the County of Santa Cruz, State of California: _____ and do hereby acknowledge that the property described herein is within 200 feet of land utilized for agricultural purposes and that residents or users of this property may be subject to inconvenience or discomfort arising from the use of agricultural chemicals, including pesticides and fertilizers; and from the pursuit of agricultural operations, including plowing, spraying, pruning and harvesting which occasionally generate dust, smoke, noise and odor. It is understood that the County has established a 200 foot agricultural setback on the herein described property to separate agricultural parcels and nonagricultural uses involving habitable spaces to help mitigate these conflicts. **Any development on this property must provide a buffer and setback as specified in County Code.**

And further acknowledge that Santa Cruz County has established agriculture as a priority use on productive agricultural lands, and that residents of adjacent property should be prepared to accept such inconvenience or discomfort from normal, necessary farm operations. The County of Santa Cruz will not consider an agricultural practice to be a nuisance if implemented in accordance with Federal, state, and local law. Nothing herein is intended to limit rights under Federal, state, and local regulations governing pesticide use.

This statement of acknowledgment shall be recorded and shall be binding upon the undersigned, any future owners, encumbrances, their successors, heirs or assignees. The statements contained in this statement of acknowledgment are required to be disclosed to prospective purchasers of the property described herein, and required to be included in any deposit receipt for the purchase of the property, and in any deed conveying the property.

Or (2) Evidence that the above statement has been made part of the parcel deed.

More information: <http://www.sccoplanning.com/PlanningHome/Environmental/AgriculturalResources/AgriculturalBufferSetbacks.aspx>

The undersigned hereby acknowledge receipt of a copy of this Disclosure:

Signature of Transferor (Seller) _____ Date _____

Signature of Transferor (Seller) _____ Date _____

Signature of Transferee (Buyer) _____ Date _____

Signature of Transferee (Buyer) _____ Date _____

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

TERMS AND CONDITIONS

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

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

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

1. Only the Recipients may rely on This Report. Only the transferor(s) and transferee(s), and their agents/brokers, if any, involved in the Transaction (collectively, the "Recipients") may use and rely on this Report and only after they have paid in full for the Report. While disclosures made on the statutory Natural Hazard Disclosure Statement in the Report may indicate certain risks to the Property, the disclosures are only between the transferor, the transferor's agents, and the transferee, and shall not be used by any other party, including, but not limited to, insurance companies, lenders, or governmental agencies, for any purpose." Cal. Civil Code section 1103.2, subdivision (g).

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

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

The Report is not a property inspection report, and no determination is made and no opinion is expressed, or intended, by this Report concerning architectural, structural, mechanical, engineering, or legal matters, or the marketability or value of the Property. GeoDisclosure has not conducted any testing or physical or visual examination or inspection of the Property, nor is this Report a substitute for any such testing, physical or visual examination, or inspection.

4. Tax and Environmental Disclosures (if included in Report). No determination is made and no opinion is expressed, or intended, by the Report concerning the existence of property tax liabilities, or the existence of hazardous or toxic materials or substances, or any other defects, on, under, or in proximity to the Property, unless specifically described in the Report.

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

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

This statement applies to the following property: 300 Byers Lane, Watsonville, CA 95076

Transferor: Shaw Management Corporation

APN: 045-031-05

TERMS AND CONDITIONS (continued)

7. Changes to Government Record after Report Date. This Report is issued as of the Report Date identified in the Report. GeoDisclosure shall have no obligation to advise any Recipient of any information learned or obtained after the Report Date even if such information would modify or otherwise affect the Report. Subsequent to GeoDisclosure acquisition of Government Records, changes may be made to said Government Records and GeoDisclosure is not responsible for advising the Recipients of any changes. GeoDisclosure is not liable for any impact on the Property that any change to the Government Records may have.

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

9. Liability Provisions.

(a) Recipients are entitled to rely on the provisions of the Report as of the close of escrow for the transaction for which said Report was issued.

(b) Except as specifically described in the Report, GeoDisclosure's total liability and responsibility to any Recipient for any liabilities, causes of action, claim or claims, including but not limited to any claim for breach of Report or negligence, shall be for actual proven damages only and is limited to the difference in fair market value of the Property on the date payment for the Report was received by GeoDisclosure. GeoDisclosure shall have no responsibility, or liability, for any lost profits, consequential damages, special damages, indirect damages, or incidental damages allegedly suffered as a result of the use of, or reliance on, the Report. GeoDisclosure has not conducted an independent investigation of the accuracy of the information provided by the Recipient. GeoDisclosure assumes no responsibility for the accuracy of information provided by the Recipient. GeoDisclosure shall be subrogated to all rights of any claiming party against anyone including, but not limited to, another party who had actual knowledge of a matter and failed to disclose it to the Recipients in writing prior to the close of escrow.

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

11. Small Claims or Arbitration. This provision constitutes an agreement to arbitrate disputes on an individual basis. All disputes and claims arising out of or relating to the Report must be resolved by binding arbitration. This Report to arbitrate includes, but is not limited to, all disputes and claims between GeoDisclosure transferor(s) and transferee(s) and claims that arose prior to purchase of the Report. This agreement to arbitrate applies to transferor(s) and transferee(s) successors in interest, assigns, heirs, spouses, and children.

Any arbitration must take place on an individual basis, GeoDisclosure, transferor(s) and transferee(s) agree that they are waiving any right to a jury trial and to bring or participate in a class, representative, or private attorney general action, and further agree that the arbitrator lacks the power to consider claims for injunctive or declaratory relief, or to grant relief effecting anyone other than the individual claimant.

The arbitration is governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (the "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. The arbitration award may include attorney fees if allowed by Federal, state, or other applicable law and may be entered as a judgment in any court of proper jurisdiction. The Federal Arbitration Act will govern the interpretation, applicability and enforcement of this arbitration agreement. This arbitration agreement will survive the termination of this Report.

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

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