

NATURAL HAZARD DISCLOSURE STATEMENT

THIS NATURAL HAZARD DISCLOSURE STATEMENT APPLIES TO THE FOLLOWING PROPERTY:
2995 ATASCADERO RD, MORRO BAY, CA, 93442 ("PROPERTY")

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

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

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

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

Yes: ☐ No: ☒ Do not know and information not available from local jurisdiction: ☐

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

Yes: ☐ No: ☒ Do not know and information not available from local jurisdiction: ☐

A HIGH or VERY HIGH FIRE HAZARD SEVERITY ZONE (FHSZ) as identified by the Director of Forestry and Fire Protection pursuant to Section 51178 of the Government Code or Article 9 (commencing with Section 4201) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code.

Yes: ☒ No: ☐

High FHSZ in a state responsibility area ☐ High FHSZ in a local responsibility area ☐

Very High FHSZ in a state responsibility area ☒ Very High FHSZ in a local responsibility area ☐

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

Yes: ☒ No: ☐

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

Yes: ☐ No: ☒

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

Yes (Landslide Zone): ☐ No: ☐ Map not yet released by the state: ☒

Yes (Liquefaction Zone): ☐ No: ☐ Map not yet released by the state: ☒

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE 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. SELLER(S) AND BUYER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Signature of Sellers(s): _____ Date: _____

Signature of Sellers(s): _____ Date: _____

Seller's Agent(s): _____ Date: _____

Seller's Agent(s): _____ Date: _____

Check only one of the following:

☐ Sellers(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 sellers(s) and agent(s).

☒ Seller(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Section 1103.7 of the Civil Code, 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 Section 1103.4 of the Civil Code. Neither seller(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:

This statement was prepared by the following third-party disclosure provider: PriorityNHD on 09/04/25

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

By signing below, Buyer(s) also acknowledge(s) they have received, read, and understand the additional disclosures, materials and legal information provided in this Report, in the tax disclosures (Mello-Roos and Special Assessments), in the Environmental Report (if ordered), and in the required notices and booklets/information regarding Environmental Hazards, Earthquake Safety, Home Energy Rating System, and Lead-Based Paint and Mold.

Government Booklets are available at: www.prioritynhd.com/resources.

Signature of Buyer(s): _____ Date: _____

Signature of Buyer(s): _____ Date: _____

REPORT SNAPSHOT

WHAT YOU NEED TO KNOW ABOUT THIS NHD REPORT

2995 ATASCADERO RD, MORRO BAY, CA, 93442

PREMIUM RESIDENTIAL REPORT



The Natural Hazards Disclosure Act under Sec. 1103 of the California Civil Code states that real estate sellers and brokers are legally required to disclose if the property being sold lies within one or more state or locally mapped hazard areas.



There are **2** California Natural Hazard Disclosures marked **IN** for your review.



There are **4** Additional Disclosures marked **IN** for your review.



There is **1** Environmental Disclosure marked **IN** for your review.



Subject property **IS NOT** located in a Special Flood Hazard Area.



Subject property **IS** located in a fire hazard area that may require C.A.R. Form FHDS pursuant to AB38 and its requirements.

For hazard booklets and other resources, go to: <https://www.prioritynhd.com/resources>

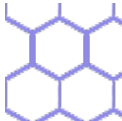
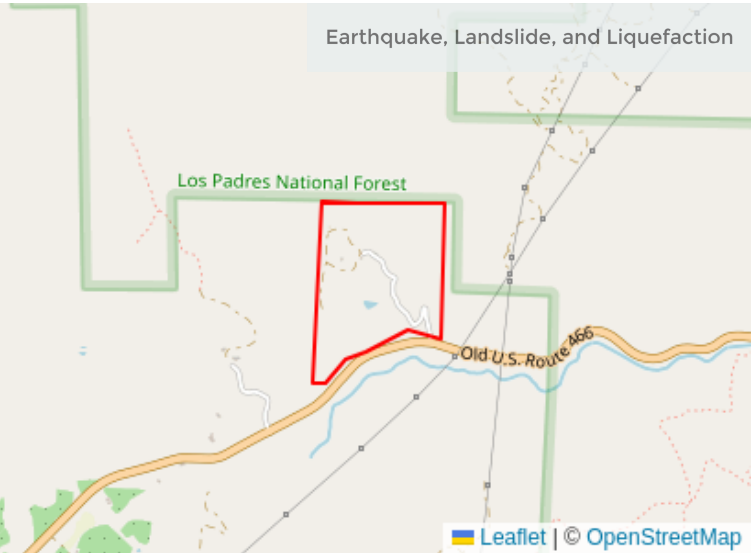
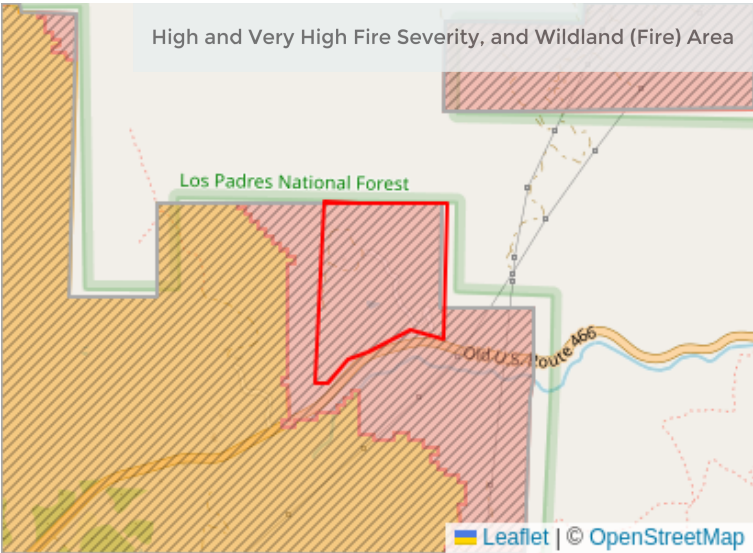
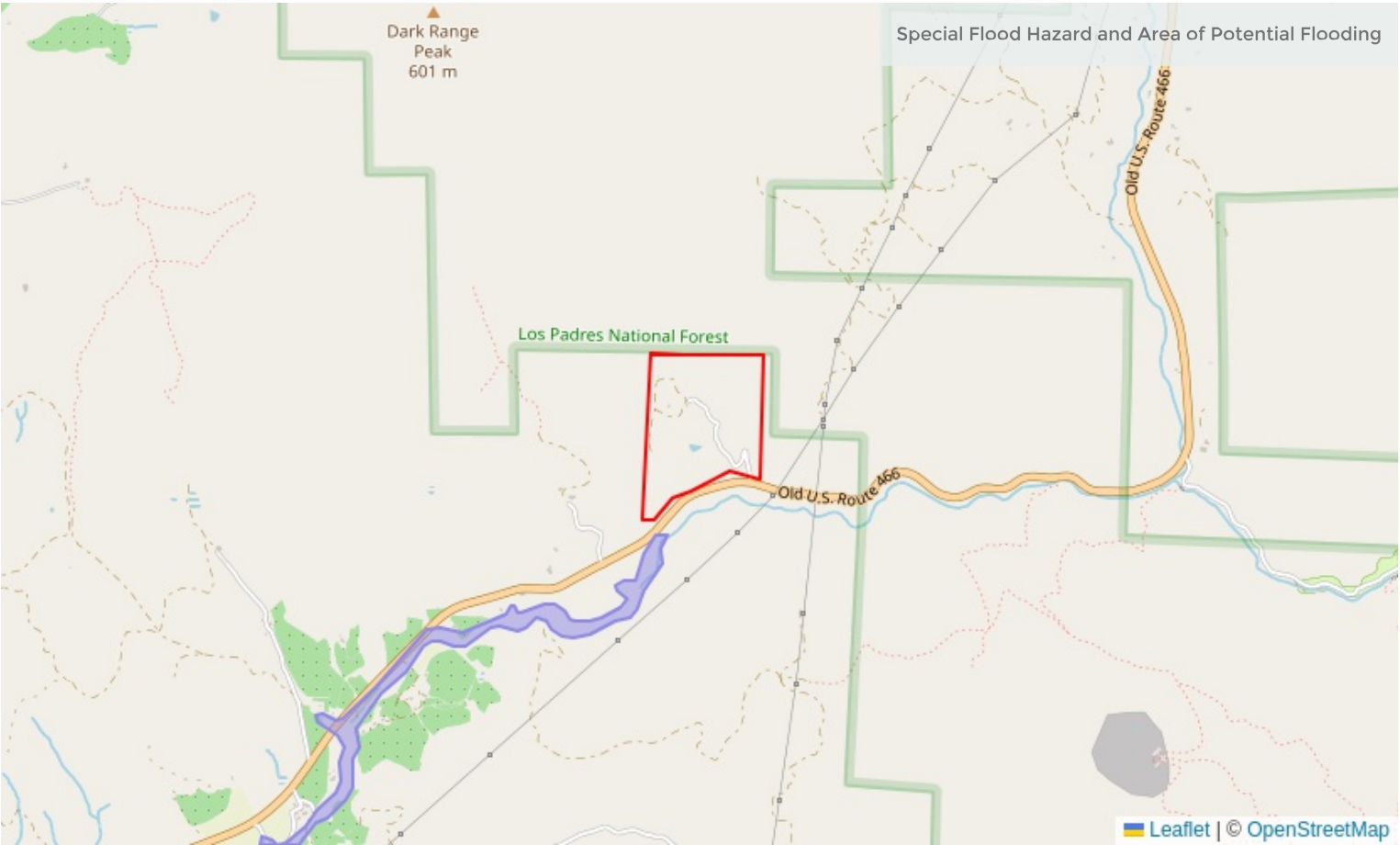
TABLE OF CONTENTS

NATURAL HAZARD DISCLOSURE STATEMENT	1a
REPORT SNAPSHOT	1b
TABLE OF CONTENTS	1
CALIFORNIA NATURAL HAZARD DISCLOSURES	3
INCLUDED MAP OF CALIFORNIA NATURAL HAZARD DISCLOSURES	3
IN OUT SPECIAL FLOOD HAZARD AREA	4
IN OUT AREA OF POTENTIAL FLOODING/DAM INUNDATION	4
IN OUT HIGH AND VERY HIGH FIRE SEVERITY ZONE	4
IN OUT WILDLAND (FIRE) AREA	5
IN OUT EARTHQUAKE FAULT ZONE	5
NO MAPS LANDSLIDE SEISMIC HAZARD ZONE	5
NO MAPS LIQUEFACTION SEISMIC HAZARD ZONE	5
ADDITIONAL DISCLOSURES	6
IN OUT AB38 FIRE HARDENING AND DEFENSIBLE SPACE DISCLOSURE	6
IN OUT AIRPORT INFLUENCE AREA	7
IN OUT FAA APPROVED LANDING SITES (2 MILES)	7
IN OUT COMMERCIAL/INDUSTRIAL USE ZONE (1 MILE)	8
IN OUT FORMER MILITARY ORDNANCE SITE (1 MILE)	8
IN OUT CALIFORNIA LAND CONSERVATION ACT ("WILLIAMSON ACT")	8
IN OUT TSUNAMI INUNDATION HAZARD AREA	9
IN OUT RIGHT TO FARM (1 MILE)	9
IN OUT MINING OPERATIONS (1 MILE)	10
IN OUT CRITICAL HABITAT AREA	11
IN OUT SUSTAINABLE GROUNDWATER MANAGEMENT ACT	11
IN OUT RADON POTENTIAL AREAS	12
IN OUT FOGHORN PROXIMITY DISCLOSURE	13
IN OUT CALIFORNIA COASTAL ZONE	13
INCLUDED GOVERNMENT BOOKLETS	14

TABLE OF CONTENTS

TAX INFORMATION	15
INCLUDED TRANSFER FEE NOTICE	15
INCLUDED NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL	15
IN OUT PROPERTY ASSESSED CLEAN ENERGY (PACE) ASSESSMENT	16
IN OUT 1915 BOND ACT ASSESSMENT DISTRICT	17
IN OUT MELLO-ROOS COMMUNITY FACILITIES DISTRICT	18
INCLUDED 2024-2025 PROPERTY TAX BILL BREAKDOWN	19
INCLUDED PROPERTY TAX ESTIMATOR	20
NOTICES & ADVISORIES	21
INCLUDED TOXIC MOLD ADDENDUM	21
INCLUDED METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE	21
INCLUDED NOTICE OF DATABASE DISCLOSURE - MEGAN'S LAW	21
INCLUDED WATER-CONSERVING PLUMBING FIXTURES	22
INCLUDED GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES NOTICE	22
INCLUDED FEDERAL FLOOD INSURANCE NOTICE	23
INCLUDED WOOD BURNING HEATER ADVISORY	23
INCLUDED ABANDONED MINES ADVISORY	24
INCLUDED ABANDONED WELLS ADVISORY	24
INCLUDED OIL AND GAS WELL ADVISORY	24
INCLUDED CALIFORNIA'S 2016 ENERGY EFFICIENCY STANDARDS ADVISORY	24
INCLUDED HOME ENERGY EFFICIENCY IMPROVEMENTS TAX CREDIT ADVISORY	25
INCLUDED DUCT SEALING AND TESTING REQUIREMENT ADVISORY	25
INCLUDED ENDANGERED SPECIES ACT ADVISORY	26
INCLUDED NATURALLY OCCURRING ASBESTOS ADVISORY	26
INCLUDED SOLAR ENERGY SYSTEMS NOTICE	26
INCLUDED CARBON MONOXIDE ALARM REQUIREMENT ADVISORY	27
ENVIRONMENTAL DISCLOSURES	28
IN OUT TOXIC RELEASE INVENTORY SITE [TRIS] (1 MILE)	28
IN OUT ENVIROSTOR FACILITY OR SITE (1 MILE)	29
IN OUT SPILLS, LEAKS, INVESTIGATIONS, AND CLEANUPS SITE [SLIC] (1/2 MILE)	30
IN OUT LEAKING UNDERGROUND STORAGE TANKS [LUST] (1/4 MILE)	31
IN OUT NATIONAL PRIORITY LIST [SUPERFUND SITES] (1 MILE)	32
IN OUT RESOURCE CONSERVATION AND RECOVERY ACT [RCRA] (1 MILE)	33
IN OUT MUNICIPAL SOLID WASTE FACILITIES [MSWF] (1/2 MILE)	34
TERMS & CONDITIONS	35

CALIFORNIA NATURAL HAZARD DISCLOSURES



Special Flood

Potential Flooding

Very High Fire

High Fire

Wildland Area

Earthquake Fault

Landslide

Liquefaction

CALIFORNIA NATURAL HAZARD DISCLOSURES

Pursuant to the Natural Hazards Disclosure Act (California Civil Code sections 1103-1103.14), sellers of real property and their agents are required to provide prospective buyers with a “Natural Hazard Disclosure Statement” when the property being sold lies within one or more state-mapped hazard areas. In addition to the Natural Hazard Disclosure Statement, PriorityNHD has included the following information in this report to aid prospective buyers in understanding the purpose and potential impacts associated with the statutorily-required natural hazard disclosures. The following information is not intended to substitute or supersede the information provided on the Natural Hazard Disclosure Statement.

SPECIAL FLOOD HAZARD AREA

The Federal Emergency Management Agency (FEMA) identifies flood hazards, assesses flood risks and partners with states and communities to provide accurate flood hazard and risk data. Flood hazard mapping is an important part of the National Flood Insurance Program (NIPA) because it serves as the basis for flood insurance requirements. Special Flood Hazard Areas are land areas that are at a high risk for flooding, meaning there is at least a one in four chance of flooding during a 30-year period. When a property is identified as a Special Flood Hazard Area, the cost and availability of flood insurance may be impacted.

Based on the maps reviewed, the subject property **IS NOT** located in a Special Flood Hazard Area.

AREA OF POTENTIAL FLOODING/DAM INUNDATION

The California Office of Emergency Services (CalOES) Dam Safety Program requires dam owners to submit copies of inundation maps developed by civil engineers to help determine if a property is within an inundation area. Inundation maps approximate the maximum water surface extents resulting from a complete dam breach and draining of the full reservoir, which can only be verified in the event of an actual dam breach. The actual risk of dam failure is not defined by the inundation maps. In addition to the inundation maps, the CalOES Dam Safety Program coordinates with other state and federal agencies to assure effective dam incident emergency response procedures and planning.

Based on the maps reviewed, the subject property **IS NOT** located in a Area of Potential Flooding/Dam Inundation.

HIGH AND VERY HIGH FIRE SEVERITY ZONE

High and Very High Fire Hazard Severity Zones have been mapped by the California Department of Forestry and Fire Protection to indicate areas with increased fire risk. Fire Hazard is a way to measure the physical fire behavior so that people can predict the damage a fire is likely to cause. Fire hazard measurements include the speed at which a wildfire moves, the amount of heat the fire produces, and most importantly, the burning fire brands that the fire send ahead of the flaming front. Fire Hazard maps are used to guide building construction standards, defensible space clearance around buildings, and property development standards.

Based on the maps reviewed, the subject property **IS** located in a High and Very High Fire Severity Zone.

CALIFORNIA NATURAL HAZARD DISCLOSURES

WILDLAND (FIRE) AREA

The State of California Department of Forestry and Fire Protection (CAL FIRE) designates the Wildland Area or State Fire Responsibility Areas (SRA). SRA lands are those where the State of California is financially responsible for the prevention and suppression of wildfires. Owners of habitable structures located in areas identified as SRA lands may pay a State Responsibility Area Fire Prevention Fee (SRA Fee), which is used to fund a variety of fire prevention activities including fuel reduction projects, evacuation routes, and infrastructure. Fee Payers are still responsible for paying SRA Fee bills that were generated prior to July 1, 2017. No new bills for periods on or after July 1, 2017 will be generated after July 1, 2017.

Based on the maps reviewed, the subject property **IS** located in a Wildland (Fire) Area.

FIRE SEVERITY

["VERY HIGH", "SRA"]

EARTHQUAKE FAULT ZONE

The Alquist-Priolo Earthquake Fault Zoning Act (AP Act) was passed into law following the destructive 1971 San Francisco earthquake. The AP Act provides a mechanism for reducing losses from surface fault rupture on a statewide basis. The intent of the AP Act is to ensure public safety by prohibiting the siting of most structures for human occupancy across traces of active faults that constitute a potential hazard to structures from surface faulting or fault creep. Earthquake Fault Zone maps are delineated and compiled by the California State Geologist. This report is not a substitute for a fault study conducted by a State Licensed geologist.

Based on the maps reviewed, the subject property **IS NOT** located in a Earthquake Fault Zone.

LANDSLIDE SEISMIC HAZARD ZONE

Landslide Seismic Hazard Zones are regulatory zones that encompass areas prone to earthquake-induced landslides. If a property is identified as part of a Landslide Seismic Hazard Zone, it means the state has determined that there is likely weak soil and/or rock present and that these materials can fail during earthquake events unless proper precautions are taken during grading and construction of structures. Within Landslide Seismic Hazard Zones, undeveloped properties are required to obtain a site-specific investigation by a license engineering geologist and/or civil engineer before the property can be subdivided or before most structures can be permitted. The Natural Hazards Disclosure Act requires the State Geologist to establish regulatory zones and to issue appropriate maps to all affected cities, counties and state agencies for their use in planning and controlling construction and development.

Based on the maps reviewed, the subject property **IS NOT MAPPED.**

LIQUEFACTION SEISMIC HAZARD ZONE

Liquefaction Seismic Hazard Zones are regulatory zones that encompass areas prone to liquefaction or the failure of water-saturated soil. If a property is identified as part of a Liquefaction Seismic Hazard Zone, it means the state has determined that there is likely weak soil and/or rock present and that these materials can fail during earthquake events unless proper precautions are taken during grading and construction of structures. Within Liquefaction Seismic Hazard Zones, undeveloped properties are required to obtain a site-specific investigation by a licensed engineering geologist and/or civil engineer before the property can be subdivided or before most structures can be permitted. The Natural Hazards Disclosure Act requires the State Geologist to establish regulatory zones and to issue appropriate maps to all affected cities, counties and state agencies for their use in planning and controlling construction and development.

Based on the maps reviewed, the subject property **IS NOT MAPPED.**

ADDITIONAL DISCLOSURES

AB38 FIRE HARDENING AND DEFENSIBLE SPACE DISCLOSURE

In 2007, CalFire mapped the State into various Fire Hazard Severity Zones consisting of Moderate, High, or Very High Fire Hazards. Homes located in High and Very High Fire Hazard zones have special Fire Hardening and Defensible Space requirements.

Fire Hardening consists of various building standards or retrofits that protect the home itself from catching fire. Embers produced by nearby wildfires can ignite vulnerable areas of a home if the structure is not properly adapted. Replacing wood or combustible building materials with non-combustible materials, covering vents and rain gutters with metal mesh, dual paned windows with tempered glass, as well as having walls, decks, and other exterior surfaces made of non-combustible materials are all examples of building standards or retrofits that can harden a home against wildfires.

For an extensive list of steps to harden a home, visit:

<https://www.readyforwildfire.org/prepare-for-wildfire/get-ready/hardening-your-home/>

Properties within High and Very High Fire Hazard Severity Zones are required to comply with defensible space rules for the safety of the property. Defensible space consists of two zones; one for the area within 30 feet of the structure, and one for the area within 100 feet of the structure. Each zone requires homeowners to take specific measures to keep a nearby fire away from structures. Requirements for defensible space zones consist of horizontal and vertical spacing between plants and the structure or other plants, removal of dead plants, grass, and weeds, keeping woodpiles at least 30 feet away from the structure, as well as various other ways to landscape the area within 100 feet of structures.

For a complete list of requirements for each zone, visit:

<https://www.readyforwildfire.org/prepare-for-wildfire/get-ready/defensible-space/>

If the property is in a High or Very High Fire Hazard Severity Area, and the property was built before January 1, 2010 when the Wildland Urban Interface Building Codes were updated, PriorityNHD recommends the seller include a Home Fire Hardening Disclosure and Advisory like C.A.R. form FHDS to satisfy the seller's disclosure requirements regarding Home Fire Hardening. The seller may also obtain an inspection through CalFire regarding compliance with applicable defensible space and fire hardening requirements.

This property is in the jurisdiction of the following CalFire Unit:

SAN LUIS OBISPO UNIT

(805) 543-4244

635 N SANTA ROSA, SAN LUIS OBISPO, CA 93405

<https://calfireslo.org/>

CalFire Defensible Space Inspection Request Form:

<https://survey123.arcgis.com/share/e659f03a6e8447af8663e42cf48f60fd>

Property Address: 2995 ATASCADERO RD, MORRO BAY, CA 93442

Property County: SAN LUIS OBISPO

Parcel Number (APN): 073-011-045

Local Vegetation Management Ordinance: Section 14.01.020 (Morro Bay)

Required for Close of Escrow: No

Based on the maps reviewed, the subject property **IS** located in a High or Very High Fire Hazard Severity Area.

ADDITIONAL DISCLOSURES

AIRPORT INFLUENCE AREA

Pursuant to California Civil Code Section 1103.4, notice to potential buyers is required if a property is encompassed within an airport influence area, which is defined as "an area in which current or future airport related noise, overflight, safety or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses." Where publicly available at the time of the report, airport influence area maps from county Airport Land Use Commissions (ALUC) were reviewed. Airport influence area maps can be found within a county's Airport Land Use Comprehensive Plan, available to the public through most county planning departments. Some airports have not published influence area maps and the property may still be subject to some of the annoyances or inconveniences associated with proximity to airport operations. A property within an Airport Influence Area may be subject to annoyances and inconveniences associated with proximity to airport operations. Inclusion of private and military airports vary on maps from the ALUC vary by county and may or may not be included in this disclosure report. Questions or concerns about Airport Influence Area should be addressed to the local Airport Land Use Commission.

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

Based on the maps reviewed, the subject property **IS NOT** located in an Airport Influence Area.

FAA APPROVED LANDING SITES (2 MILES)

Pursuant to California Civil Code Section 1102.17, certain sellers of residential real property who have actual knowledge that the property is adjacent to, or zoned to allow, an industrial use described in Section 731(a) of the Code of Civil Procedure, or affected by a nuisance created by such a use, must give written notice of that knowledge as soon as practicable before transfer of title. Industrial uses identified in Section 731(a) include but are not limited to airport uses. Aircraft landing facilities listed herein, if any, consist of those owned by the United States Federal Government (Military aviation), public and privately owned civil and commercial aviation facilities; except private landing facilities (restricted public access), glider ports and facilities that have not been assigned a current location identifier by the Federal Aviation Administration (FAA). Airports physically located outside California were not included in this report. According to information available from the FAA, following aircraft landing facilities were reported within the estimated distance of the subject Property:

Based on the maps reviewed, the subject property **IS NOT** located within 2 miles of a FAA Approved Landing Site.

ADDITIONAL DISCLOSURES

COMMERCIAL/INDUSTRIAL USE ZONE (1 MILE)

Pursuant to California Civil Code Section 1102.17, certain sellers of residential real property who have actual knowledge that the property is adjacent to, or zoned to allow, an industrial use described in Section 731(a) of the Code of Civil Procedure, or affected by a nuisance created by such a use, must give written notice of that knowledge as soon as practicable before transfer of title. This report includes a search of properties zoned for commercial, manufacturing, or airport use within one mile of the subject property.

Based on the maps reviewed, the subject property **IS** located within 1 mile of a Commercial/Industrial Use Zone.

FORMER MILITARY ORDNANCE SITE (1 MILE)

California Civil Code Section 1102.15 requires certain sellers of residential real property who have actual knowledge of any former federal or state ordnance locations within one mile of the subject property to give written notice of that knowledge as soon as practicable before transfer of title. "Former federal or state ordnance locations" means areas identified by an agency of the federal or state government as an area once used for military training purposes, which may contain potentially explosive munitions.

Based on the maps reviewed, the subject property **IS NOT** located within 1 mile of a Former Military Ordnance Site.

CALIFORNIA LAND CONSERVATION ACT ("WILLIAMSON ACT")

The California Land Conservation Act of 1965, also known as the Williamson Act, allows for voluntary contracts between landowners and local governments that restrict parcels of land to agricultural or open space use in exchange for reduced property tax assessments. A Williamson Act contract is initially for a minimum term of ten years but local jurisdictions have the option to increase the initial term up to twenty years. Williamson Act contracts run with the land and are binding on all subsequent landowners. The contract is automatically extended by one year after the tenth and subsequent years unless a request for non-renewal is filed by either party. A request for non-renewal begins a 9 year term during which the tax assessments gradually increase to the full fair market value at which time the contract is terminated. The use of the property will then be controlled by the local jurisdiction's use and zoning laws.

Williamson Act contracts can be canceled only by the landowner's petition; however the minimum penalty for canceling a contract is 12.5 percent of the unrestricted, fair market value of the property. There are also penalties for breach of a contract, caused by the owner intentionally using the land for other than agriculture or making the land unusable for the contracted purposes. Contact the planning department to obtain information on requirements for entering into a Williamson Act contract and the uses allowed. Local government uniform rules and the specific Williamson Act contract can be more restrictive than the Williamson Act Government Code provisions. For more information contact the Department of Conservation, Division of Land Resource Protection at 916-324-0850 or visit its website <http://www.conservation.ca.gov/dlrp/lca>. The county assessor's office also maintains information on parcels affected by the Williamson Act. Los Angeles, San Francisco, Del Norte, Yuba, Inyo and Modoc Counties do not participate in the program. For more information contact: California Department of Conservation, Division of Land Resource Protection (916) 324-0850 - <http://www.conservation.ca.gov/dlrp/lca/Pages/Index.aspx>

Based on the maps reviewed, the subject property **IS NOT** located in a California Land Conservation Act ("Williamson Act").

ADDITIONAL DISCLOSURES

TSUNAMI INUNDATION HAZARD AREA

A tsunami is a sea wave typically generated by a submarine earthquake, but may be caused by an offshore landslide or volcanic action. A large offshore earthquake, typically a magnitude 7 or greater, may generate a tsunami. Properties located along the California coastline have a potential for inundation from a tsunami. Although early warning systems may provide sufficient warning from distant tsunamis, near-shore generated tsunamis may reach the coast in a matter of minutes. Therefore, homeowners should contact their local emergency management agency and become knowledgeable about tsunami warning signs and local evacuation plans.

Based on the maps reviewed, the subject property **IS NOT** located in a Tsunami Inundation Hazard Area.

RIGHT TO FARM (1 MILE)

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

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

Based on the maps reviewed, the subject property **IS** located within 1 mile of a farm or ranch land.

ADDITIONAL DISCLOSURES

MINING OPERATIONS (1 MILE)

The California Department of Conservation, Office of Mine Reclamation, maintains a database of map coordinate data submitted annually by mine operators in the State. Section 1103.4 of the California Civil Code requires notice if a property is within one mile of a mine operation for which the mine owner or operator has reported map coordinate data to the Office of Mine Reclamation, pursuant to Section 2207 of the Public Resources Code. (Note: not all mine operators have provided map coordinate data to the Office of Mine Reclamation).

If the subject Property is within one mile of a mine, the following statement applies:

NOTICE OF MINING OPERATIONS:

This property is located within one mile of a mine operation for which the mine owner or operator has reported mine location data to the Department of Conservation pursuant to Section 2207 of the Public Resources Code. Accordingly, the property may be subject to inconveniences resulting from mining operations. You may wish to consider the impacts of these practices before you complete your transaction.

Based on the maps reviewed, the subject property **IS NOT** located within 1 mile of a Mining Operation.

ADDITIONAL DISCLOSURES

CRITICAL HABITAT AREA

The California Endangered Species Act establishes critical habitats for any species listed under the Act. A critical habitat is defined as a specific area within the geographical area occupied by the species at the time of listing, if the area contains physical or biological features essential to conservation. Pursuant to Section 2052.1 of the Fish and Game Code, if measures are required to mitigate impacts to a threatened species, those measures will be roughly proportional to the impact on those species.

PriorityNHD recommends the buyer contact the local planning department and the California Department of Fish & Wildlife to ascertain what, if any, considerations might be involved as a result of being in or nearby habitat sensitive areas. Additional information is available at: <https://www.wildlife.ca.gov/Conservation/CESA>.

Based on the maps reviewed, the subject property **IS** located in a Critical Habitat Area.

SUSTAINABLE GROUNDWATER MANAGEMENT ACT

The Sustainable Groundwater Management Act (SGMA) is a package of three bills (AB 1739, SB 1168, and SB 1319) providing local agencies with a framework for managing groundwater basins in a manner ensuring basin resiliency and benefiting both present and future generations. The SGMA defines sustainable groundwater management as the management of groundwater supplies in a manner that can be maintained during the planning and implementation horizon (50-year time period) without causing undesirable results. Recognizing that groundwater is most effectively managed at the local level, the SGMA empowers local agencies to achieve sustainability within 20 years. The Department of Water Resources (DWR) has identified 515 alluvial groundwater basins as the initial boundaries for groundwater management. A local agency, combination of local agencies, or county may establish a Groundwater Sustainability Agency. It is the GSA's responsibility to develop and implement a Groundwater Sustainability Plan (GSP) that considers all beneficial uses and users of groundwater in the basin. High and medium priority basins are required to develop a GSP. Low and Very Low priority basins are encouraged, but not required, to develop a GSP.

Additional information is available at: <https://water.ca.gov/Programs/Groundwater-Management/SGMA-Groundwater-Management>.

Based on the maps reviewed, the subject property **IS NOT** located in a basin identified by the Sustainable Groundwater Management Act.

ADDITIONAL DISCLOSURES

RADON POTENTIAL AREAS

Radon is a gas that is produced from the radioactive decay of uranium and thorium found in certain rock and soil types. Radon, an odorless and colorless gas, can move from the soil into buildings. Exposure to concentrated levels of radon can increase a person's risk of developing lung cancer. The Highest Radon Potential, Zone 1, is set at 4.0pCi/l and above by the U.S. Environmental Protection Agency (EPA). The EPA recommends indoor radon testing for all homes and recommends radon reduction measures for homes with radon levels of 4.0pCi/l and above. Radon testing kits can be purchased by homeowners or homeowners can hire contractors to provide the testing.

Select areas have detailed maps showing areas of higher potential concentrations of Radon. These maps are designed to assist and guide governments and organizations. These maps and their resulting determinations should not be used to determine radon levels in a given area or house. Only in-home testing can determine the specific level of radon in a home. This information should influence the decision to conduct in-home radon testing during escrow. For more information, visit the California Department of Public Health at: <https://www.cdph.ca.gov/Programs/CEH/DRSEM/Pages/EMB/Radon/Radon.aspx>

Based on the maps reviewed, the subject property **IS** located in a an area with mapped radon potential.

Zone Potential: Low

Zone Description: Less than 5 percent of home indoor-radon measurements in this study area are likely to exceed the U.S. EPA recommended action level of 4 picocuries per liter

ADDITIONAL DISCLOSURES

FOGHORN PROXIMITY DISCLOSURE

Foghorns, are navigational aids used to assist mariners in periods of reduced visibility and are maintained by the Coast Guard. Foghorns can be activated manually, remotely, by sensing fog, or other means. The Coast Guard is in the process of replacing many fog detectors with mariner radio activated foghorns. To activate, mariners key their VHF-FM radio a designated number of times on a specific channel to activate the signal. While active, the sound signal will produce short bursts of sound at a given interval for 15-60 minutes.

Foghorns range from 140-150 decibels, a volume that can be heard from 3-5 miles away depending on conditions. In perfect conditions, the sounds can be heard up to 8 miles away. Prospective buyers of property within 5 miles of an operational foghorn are advised to do further research into any nuisance that might be caused by the use of foghorns.

Based on the maps reviewed, the subject property **IS NOT** located within 5 Miles of an operational Foghorn.

CALIFORNIA COASTAL ZONE

The California Coastal Commission was established by voter through Proposition 20 in 1972 and later made permanent by the Legislature in 1976. Members appointed by the governor, the Senate Rules Committee, the speaker of the Assembly, local elected officials, and the public at large with non-voting members from the Resources Agency, California State Transportation Authority, and the State Lands Commission compose the quasi-judicial state agency.

The coastal zone covers 3 miles into the ocean from the shore, and anywhere from a few hundred feet, to 5 miles inland. Inside of this zone, the Coastal Commission works with state and local governments to create Local Coastal Programs (LCP). LCPs address issues including but not limited to 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 statutory standards outlined in the LCPs are applied to planning and regulatory conditions. The standards affect development activities which include construction of buildings, divisions of land, and changes in the intensity of use of land or public access to coastal waters. Development within the coastal zone requires a coastal development permit before development can begin.

Based on the maps reviewed, the subject property **IS NOT** located within the California Coastal Zone.

ADDITIONAL DISCLOSURES

GOVERNMENT BOOKLETS

Government agencies have provided booklets for the education of homeowners containing important information about Mold, Home Energy Conservation, Earthquake Safety, Lead in the Home, and other hazards. Additional copies of these booklets in English and Spanish can be found on our website at <https://www.prioritynhd.com/resources>.

RESIDENTIAL GOVERNMENT BOOKLETS

A Brief Guide to Mold, Moisture, and Your Home
<https://www.prioritynhd.com/resources/mold.pdf>

What is Your Home Energy Rating?
<https://www.prioritynhd.com/resources/energyrating.pdf>

Homeowner's Guide to Earthquake Safety (2020 Edition)
<https://www.prioritynhd.com/resources/earthquakesafety.pdf>

Protect Your Family From Lead in Your Home
<https://www.prioritynhd.com/resources/lead.pdf>

Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords, and Tenants
<https://www.prioritynhd.com/resources/environmentalhazards.pdf>

COMMERCIAL GOVERNMENT BOOKLETS

Mold Remediation in Schools and Commercial Buildings
<https://www.prioritynhd.com/resources/moldremediation.pdf>

Commercial Property Owner's Guide to Earthquake Safety
<https://www.prioritynhd.com/resources/commercialearthquakesafety.pdf>

TAX INFORMATION

TRANSFER FEE NOTICE

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

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

To determine if the property is subject to a Transfer Fee, OBTAIN COPIES OF ALL EXCEPTIONS LISTED ON THE PRELIMINARY TITLE REPORT FROM THE TITLE COMPANY AND READ THEM TO DETERMINE IF ANY TRANSFER FEES ARE APPLICABLE. Please be aware that private transfer fees may be difficult to identify by simply reading the title report.

Civil Code Section 1102.6(e) requires the transferor to notify the transferee of whether a private transfer fee applies and if present, to disclose certain specific information about the fee.

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

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

NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL

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

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

TAX INFORMATION

PROPERTY ASSESSED CLEAN ENERGY (PACE) ASSESSMENT

Property Assessed Clean Energy (PACE) Assessments are contractual assessment liens against the property for financing energy efficiency and renewable energy improvements on private property; both residential and commercial. Typical repayment times PACE loans are between 10 and 20 years, though some could be longer, but vary depending on the contract.

PACE assessments are a debt of property, meaning the debt is tied to the property as opposed to the owner of the property. Therefore, the repayment obligation may transfer with property ownership if the new owner and any first mortgage holder agree to assume the obligation. Fannie Mae and Freddie Mac will not purchase mortgage loans secured by properties with an outstanding PACE loan unless the terms of the PACE loan program do not provide for lien priority over the first mortgage liens. Therefore, some lending institutions may require that any PACE assessments be paid off before lending money in a real estate transaction.

This report discloses any PACE assessments that are included on the most recent property tax roll published by the county. Read the preliminary title report for more recent information on liens on the property.

THE SUBJECT PROPERTY **IS NOT** CURRENTLY SUBJECT TO PROPERTY ASSESSED CLEAN ENERGY ASSESSMENT(S).

TAX INFORMATION

1915 BOND ACT ASSESSMENT DISTRICT

xxImprovement Bond Act of 1915 Assessments Districts, also known as the 1915 Act bond, help to finance certain public capital improvements and infrastructure like streets, curbs, gutters, and underground sewer and water infrastructure. The money required to fund the improvements is obtained in advance through the issuance of municipal bonds. A special assessment lien is placed on the property within the Assessment District. The lien amount is calculated according to the specific benefit that an individual property receives from the improvement(s) and is amortized over a period of years and can be prepaid at any time. In most instances but not all, the assessment is placed on the secured tax roll and is collected with your annual county real property taxes.

If this property is subject to the Improvement Bond Act of 1915 Lien Assessment(s) listed below, the lien(s) will be repaid from annual assessment installments levied by the assessment district that will appear on the property tax bill, but which are in addition to the regular property taxes and any other charges and levies that will be listed on the property tax bills. Each assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to property within that assessment district.

THE SUBJECT PROPERTY **IS NOT** CURRENTLY SUBJECT TO IMPROVEMENT BOND ACT OF 1915 LIEN ASSESSMENT(S).

TAX INFORMATION

MELLO-ROOS COMMUNITY FACILITIES DISTRICT

Community Facilities Districts (CFD), also known as Mello-Roos Districts, are special districts established by local agencies as a means to finance certain public capital facilities and services especially in developing areas and areas undergoing rehabilitation. A special tax lien is placed on each property within the district for the annual payment of principal and interest as well as administrative expenses. The annual special tax continues until the bond is paid, or until revenues are no longer needed. Mello-Roos tax amounts may vary, and in some cases increase, or the term of the payments may be extended, especially if additional bonds are issued. These special taxes are usually collected with regular property tax installments.

If this property is subject to the Mello-Roos CFD(s) lien(s) listed below, it is subject to a special tax that will appear on your property tax bill that is in addition to the regular property taxes and any other charges and benefit assessments on the property. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. There is a maximum special tax that may be levied against this parcel each year to pay for public facilities. This amount may be subject to increase each year based on the special tax escalator listed below (if applicable). The annual tax charged in any given year may not exceed the maximum tax amount. However, the maximum tax may increase if the property use changes, or if the home or structure size is enlarged. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid. If additional bonds are issued, the estimated end date of the special tax may be extended.

THE SUBJECT PROPERTY **IS NOT** CURRENTLY SUBJECT TO MELLO-ROOS COMMUNITY FACILITIES SPECIAL TAX LIEN(S):

TAX INFORMATION

2024-2025 PROPERTY TAX BILL BREAKDOWN

This is an estimate of the original secured property tax charges for the reported subject property in this disclosure using information obtained from the County on a specified date. Changes made by the County or the underlying public agencies levying charges against this property after the specified date may not be reflected in this report.

GENERAL AD VALOREM TAXES

General: Prop 13	San Luis Obispo County Tax Collector	(805) 781-5831	\$7,084.92
General: Ad Valorem	San Luis Obispo County Tax Collector	(805) 781-5831	\$744.92

DIRECT AND/OR SPECIAL ASSESSMENTS

ASSESSMENT NAME	CONTACT AGENCY	CONTACT NUMBER	LEVY
TOTAL 2024-2025 AMOUNT			\$7,829.84

TAX INFORMATION

This worksheet contains two sections to assist buyers in estimating their property taxes and supplemental tax bills. This worksheet is for estimation purposes only and is not a substitute to the County's property tax bill. Supplemental Tax Bills are not paid through escrow and are not accounted for in the impound account of your mortgage lender. Properties that are undeveloped, or possible exemptions for the property are not reflected in this estimate. To use our interactive tax estimator, please go to <https://www.prioritynhd.com/tax-estimator>.

PROPERTY TAX ESTIMATOR

	Estimated Purchase Price	
X	Estimated Ad Valorem Tax Rate	0.01105142
=	Multiply Estimated Purchase Price by Estimated Ad Valorem Tax Rate. This is your Estimated Ad Valorem Tax.	
+	Direct Assessments Total (includes Mello-Roos and 1915 Bond Act Assessments).	\$0.00
=	Add Estimated Ad Valorem Tax and Direct Assessments Total. This is your Total Estimated Annual Tax Amount after sale.	

SUPPLEMENTAL TAX BILL ESTIMATOR

	Estimated Purchase Price	
-	Current Net Taxable Value (NTV)	\$708,492
=	Subtract Current NTV from Estimated Purchase Price. This is your Estimated Supplemental Assessed Value.	
X	Estimated Ad Valorem Tax Rate	0.01105142
=	Multiply Estimated Supplemental Assessed Value by Estimated Ad Valorem Tax Rate. This is your Estimated Full-Year Supplemental Tax Amount. This is also your Second Estimated Supplemental Tax Bill if close of escrow is Jan-May.	
X	Closing Month Percentage (from table below)	
=	Multiply Estimated Full-Year Supplemental Tax Amount by Closing Month Percentage. If close of escrow is Jan-May, this is your First Estimated Supplemental Tax Bill. If close of escrow is Jun-Dec, this is your Total Estimated Supplemental Tax Bill.	
=	Total Estimated Supplemental Tax Amount If close of escrow is Jan-May, add First and Second Estimated Supplemental Tax Bills. If close of escrow is Jun-Dec, Total Estimated Supplemental Tax Amount is equal to the First Estimated Supplemental Tax Bill.	

MONTH PERCENTAGE TABLE

Month	Factor	Month	Factor	Month	Factor	Month	Factor
January	0.4167	April	0.1667	July	0.9167	October	0.6667
February	0.3333	May	0.0833	August	0.8333	November	0.5833
March	0.2500	June	1.000	September	0.7500	December	0.5000

NOTICES & ADVISORIES

These notices are not substitutes for seller's disclosure obligations pursuant to state law. Please see Real Estate Transfer Disclosure Statement for more information.

TOXIC MOLD ADDENDUM

California law (California Civil Code Section 1102.6 et seq.) requires any seller, transferor, or lessor of residential, commercial or industrial property; or public entity that owns, leases, or operates a building provide a written disclosure to prospective purchasers, prospective tenants, renters, or occupants if the seller, transferor, lessor, or public entity has knowledge of mold conditions or in specified instances has reasonable cause to believe, that mold (visible or hidden) that exceeds permissible exposure limits is present that affects the unit, or building. The California Department of Public Health is designated as the lead agency for identifying, adopting, and determining permissible exposure limits to mold in indoor environments, mold identification and remediation efforts. For more information, please visit: <https://www.cdph.ca.gov/Programs/CCDPHP/DEODC/EHLB/IAQ/Pages/Mold.aspx>

METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE

California law (Health and Safety Code Section 25400.28) requires property owners to notify prospective buyers in writing of any pending order that would prevent the use or occupancy of a property because of methamphetamine laboratory activity, and to provide the prospective buyer with a copy of the pending order. Receipt of a copy of the pending order shall be acknowledged in writing by the prospective buyer. The "Methamphetamine Contaminated Property Cleanup Act of 2005," chapter 6.9.1 specifies human occupancy standards for property that is subject to the act. These standards will be replaced by any that are devised by the Department of Toxic Substance Control, in consultation with the Office of Environmental Substance Control. In addition, this act outlines procedures for local authorities in dealing with methamphetamine contaminated properties, including the use of a property lien. This disclosure is meant to inform prospective buyers of the California disclosure law regarding methamphetamine lab activity, and does not indicate or imply that a particular property is or has been contaminated according to law. For more information, please reference the following EPA Pamphlet: https://www.epa.gov/sites/production/files/documents/meth_lab_guidelines.pdf.

NOTICE OF 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.

NOTICES & ADVISORIES

WATER-CONSERVING PLUMBING FIXTURES

Pursuant to California Civil Code 1101.4, all residences built on or before January 1, 1994, are to be equipped with water-conserving plumbing fixtures after January 1, 2017.

Pursuant to California Civil Code 1101.5, all multifamily and commercial properties built on or before January 1, 1994, are to be equipped with water-conserving plumbing fixtures after January 1, 2019. Any multifamily or commercial property altered or improved to increase the floor area by 10%, or is more than \$150,000, requires water-conserving plumbing fixtures.

These regulations do not apply to registered historical sites, properties where a licensed plumber has determined that water conserving plumbing fixtures are not feasible for the property, or for a building that is permanently disconnected from water service.

The installation of water-conserving plumbing fixtures is not a point-of-sale requirement. Seller's are required to disclose to the buyer the requirements concerning water-conserving plumbing fixtures and whether or not the property contains any non-compliant water fixtures.

Non-compliant water fixtures include: any toilet manufactured to use more than 1.6 gallons of water per flush, any urinal manufactured to use one than 1 gallon of water per flush, any showerhead manufactured with a flow capacity greater than 2.5 gallons of water per minute, or any interior faucet with a flow capacity greater than 2.2 gallons of water per minute.

GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES NOTICE

This notice is being provided to simply inform you that information about 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 <https://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.

NOTICES & ADVISORIES

FEDERAL FLOOD INSURANCE NOTICE

Floods can have a devastating effect on communities, causing loss of life, property damage, and loss of income, and can have an adverse effect on government functioning. As such, the federal government has designed measures that are intended to aid disaster assistance by encouraging insurance coverage for those properties in flood disaster areas. To that end, in addition to the flood disclosure in the Natural Hazard Disclosure Statement, Federal law (U.S. Code Title 42, Chapter 68, subchapter III, § 5154a(b)(1)) requires a seller, no later than the date on which a property is to be transferred, to notify a buyer of the requirement to purchase and maintain flood insurance, if disaster relief assistance (including a loan assistance payment) has been previously provided on that property and such assistance was conditioned on obtaining flood insurance according to Federal law. If a buyer fails to obtain and maintain flood insurance on a property disclosed to have been in a previous federal disaster area and that received disaster relief assistance, then no Federal disaster relief assistance will be made available should that property subsequently be in a flood disaster area. State law also prohibits "state disaster assistance from being provided to a person required to maintain flood insurance by state or federal law, who has canceled or failed to maintain that coverage."

Your mortgage lender may require you to purchase flood insurance in connection with your purchase of this property. The National Flood Insurance Program provides for the availability of flood insurance and establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Recent changes to federal law (The Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014, in particular) will result in changes to flood insurance premiums that are likely to be higher, and in the future may be substantially higher, than premiums paid for flood insurance prior to or at the time of sale of the property. As a result, purchasers of property should not rely on the premiums paid for flood insurance on this property previously as an indication of the premiums that will apply after completion of the purchase. In considering purchase of this property you should consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, current and anticipated future flood insurance premiums, whether the prior owner's policy may be assumed by a subsequent purchaser of the property, and other matters related to the purchase of flood insurance for the property. You may also wish to contact the Federal Emergency Management Agency (FEMA) for more information about flood insurance as it relates to this property. The information contained here is not intended to indicate whether a property has been in a Federal disaster area and has received Federal disaster relief assistance, but merely to indicate an additional flood insurance disclosure requirement related to future disaster relief assistance availability.

WOOD BURNING HEATER ADVISORY

The Clean Air Act defines the EPA's responsibilities for protecting and improving the nation's air quality and the stratospheric ozone layer. The EPA has developed ambient air quality trends for particle pollution, also called Particulate Matter (PM). Under the Clean Air Act, EPA sets and reviews national air quality standards for Particulate Matter (PM). Air quality monitors measure concentrations of PM throughout the country. EPA, state, tribal and local agencies use that data to ensure that PM in the air is at levels which protect public health and the environment. Approximately 10 million wood stoves are currently in use in the United States, and 70 to 80 percent of them are older, inefficient, conventional stoves that emit PM. The Great American Woodstove Changeout is a voluntary program administered by the EPA designed to reduce particle pollution from woodstoves by encouraging people to replace older, more polluting stoves with EPA-certified stoves and fireplace inserts. It also provides information on building more efficient, less polluting fires. Certain jurisdictions have established legal requirements to reduce wood smoke. For example, some communities have restrictions on installing wood-burning appliances in new construction. For more information on possible regulations in your area go to <https://www.epa.gov/burnwise>.

NOTICES & ADVISORIES

ABANDONED MINES ADVISORY

According to the Abandoned Mine Lands Unit of the State of California Department of Conservation, there are more than 165,000 mine features on more than 47,000 abandoned mine sites in the State of California. Mines can present serious physical safety hazards such as open shafts and tunnels, and they may create the potential to contaminate surface water, groundwater, or even air quality. Approximately 84 percent of those sites contain physical safety hazards. The public is warned against entering any open shafts or mine openings.

Some abandoned mines are such massive problems and have earned a spot on the Federal Superfund Environmental Hazards 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. For more information please visit the Abandoned Mine Lands Unit website: https://www.conservation.ca.gov/dmr/abandoned_mine_land.

ABANDONED WELLS ADVISORY

According to the California Department of Water Resources, an abandoned or "permanently inactive well" is a well that has not been used for a period of one year. Abandoned wells that are not properly sealed are a potential hazard to people and animals and may be a potential site of illegal waste disposal. Abandoned wells may allow contamination of groundwater. Abandoned wells should be destroyed in accordance with methods developed by the Department of Water Resources pursuant to Section 13800 of the Water Code.

OIL AND GAS WELL ADVISORY

California is ranked fourth in the nation among oil producing states. Surface oil production is concentrated mainly in Southern California, and in districts elsewhere in the State. However, because the California's oil production has been in decline since the 1980's, thousands of oil and gas wells have been shut down or abandoned, and many of those wells are in areas where residential neighborhoods now exist. Buyer should be aware that the Department of Conservation database lists oil and gas wells in any county, and those may include abandoned wells. Health and safety hazards may be associated with oil and gas wells, whether abandoned, capped or active, but not limited to, soil and groundwater contamination, oil and methane seeps, fire hazards, air quality problems, and physical safety hazards to humans and animals. For general information, visit the California Department of Conservation, Division of Oil, Gas and Geothermal Resources at:

<https://www.conservation.ca.gov/calgem/Pages/Oil-and-Gas.aspx>.

CALIFORNIA'S 2016 ENERGY EFFICIENCY STANDARDS ADVISORY

The California Energy Commission adopted Title 24, Building Energy Efficiency Standards for 2016. Under these standards, local governments must adopt and enforce building codes that require certain energy efficient features in residential buildings including but not limited to high-performance insulation within walls and attics, high-efficacy luminaires, and reduction of duct leakage. For more information, visit the California Energy Commission at

<https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards>.

NOTICES & ADVISORIES

HOME ENERGY EFFICIENCY IMPROVEMENTS TAX CREDIT ADVISORY

According to the DOE, the higher replacement cost of SEER 13-compliant air conditioning system will be offset by a savings of up to 23 percent in monthly energy costs. The California Energy Commission notes that leaking ductwork accounts for up to 25 percent of the heating costs of a typical home. Therefore, compliance with the new Federal and State standards offers substantial benefits to the property owner, as well as significant environmental benefits through decreased energy consumption, compared with older systems. In addition, consumers who purchase and install specific products, such as energy efficient windows, insulation, doors, roofs, and heating and cooling equipment in the home can receive a tax credit of up to \$500 beginning January 2006. For more information visit <https://www.energy.gov/search/site?keywords=tax+credit>.

DUCT SEALING AND TESTING REQUIREMENT ADVISORY

The Energy Policy and Conservation Act directs the Department of Energy (DOE) to establish minimum efficiency standards for various products, including central air conditioners and heat pumps. The DOE has amended the energy conservation standards for residential central air conditioners and heat pumps manufactured for sale in the United States. As of January 23, 2006, these products are required to be manufactured with an energy rating of 13 SEER (SEER, Seasonal Energy Efficiency Ratio, is the measurement of energy efficiency for the cooling performance of central air conditioners and heat pumps). This amended SEER rating is 30 percent more efficient than 10 SEER, the previous standard. This new standard applies to split system air conditioners and heat pumps and small duct, high velocity systems manufactured after January 23, 2006. Products manufactured prior to this date with a SEER rating of less than 13 may still be sold and installed. Homeowners are not required to replace or upgrade existing central air conditioning units or heat pumps to comply with the new standards. Additional information may be found at: http://www.eere.energy.gov/buildings/appliance_standards/residential/central_ac_hp.html or at www.cheers.org.

As of October 1, 2005, home's ducts tested for leaks when the central air conditioner or furnace is installed or replaced. Ducts that leak 15 percent or more must be repaired to reduce the leaks. After your contractor tests and fixes the ducts, you choose whether to have an approved third-party field verifier check to make sure the duct testing and sealing was done properly or to have your house included in a random sample where one in seven duct systems are checked. Duct sealing is not required in the following situations: 1) when homes are in specific coastal climates; 2) when systems have less than 40 feet of ductwork in unconditioned spaces like attics, garages, crawlspaces, basements or outside the building, or 3) when ducts are constructed, insulated or sealed with asbestos. There also are specific alternatives that allow high efficiency equipment and added duct insulation to be installed instead of fixing duct leaks. You also should know that any contractor failing to obtain a required building permit and failing to test and repair your ducts is violating the law and exposing you to additional costs and liability. Real estate law requires you to disclose to potential buyers and appraisers whether or not you obtained required permits for work done on your house. If you do not obtain a permit, you may be required to bring your home into compliance with code requirements for that work and you may have to pay penalty permit fees and fines prior to selling your home. According to the California Energy Commission, these duct sealing requirements apply when the following are replaced: the air handler, the outdoor condensing unit of a split system air conditioner or heat pump, the cooling or heating coil, or the furnace heat exchanger. More information may be found at <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards>.

NOTICES & ADVISORIES

ENDANGERED SPECIES ACT ADVISORY

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

An awareness of threatened and endangered species and/or critical habitats is not reasonably expected to be within the actual knowledge of a seller. No federal or state law or regulation requires a seller or seller's agent to disclose threatened or endangered species or critical habitats, or to otherwise investigate their possible existence on real property. Therefore, buyer is advised that, prior to purchasing a vacant land parcel or other real property, buyer should consider investigating the existence of threatened or endangered species, or designated critical habitats, on or in the vicinity of the Property which could affect the use of the Property or the success of any proposed (re)development. For additional information, please visit the U.S. Fish & Wildlife Service at: <http://www.fws.gov>.

NATURALLY OCCURRING ASBESTOS ADVISORY

Asbestos is the common name for a group of silicate minerals that are made of thin, strong fibers. It occurs naturally in certain geologic settings in California, most commonly in ultrabasic and ultramafic rock, including serpentine rock. These rocks are commonly found in the Sierra Foothills, the Klamath Mountains, Coast Ranges, and along some faults. While asbestos is more likely found in these rock formations, its presence is not certain. Because asbestos is a mineral, asbestos fibers are generally stable in the natural environment. The fibers will not evaporate into the air. Some naturally occurring asbestos can become friable, or crushed into a powder. This may occur when vehicles drive over unpaved roads or driveways that are surfaced with ultrabasic, ultramafic or serpentine rock, when land is graded for building purposes, or at quarrying operations. Weathering and erosion may also naturally release asbestos. Friable asbestos can become suspended in the air, and under these conditions, asbestos fibers represent a significant risk to human health. Asbestos is a known carcinogen, and inhalation of asbestos may result in the development of lung cancer. PriorityNHD recommends that the buyer(s) visit the California Department of Conservation, Division of Mines and Geology website for further information and maps at <https://www.conservation.ca.gov/cgs/mineral-hazards/asbestos>.

SOLAR ENERGY SYSTEMS NOTICE

On and after January 1, 2018 the seller or transfer of residential real property within a common interest development shall disclose to the perspective buyer(s) or transferee the existence of any solar energy system owned by the seller and the related responsibilities of the owner according to California Civil Code Section 4746.

The owner and each successive owner of the solar energy system is required to maintain a homeowner liability coverage policy at all times and to provide the homeowner's association with the corresponding certificate of insurance within 14 days of approval of the application and annually thereafter.

The owner and each successive owner of the solar energy system is responsible for the cost of damage to the common area, exclusive use common area, or separate interests resulting from the installation, maintenance, repair, removal, or replacement of the solar energy system.

Further, the owner and each successive owner of the solar energy system is responsible for the cost of maintenance, repair, and replacement of the solar energy system until it has been removed and for the restoration of the common area, exclusive use common area, or separate interests after removal. The new owner will be responsible for the same disclosures mentioned above to subsequent buyers.

NOTICES & ADVISORIES

CARBON MONOXIDE ALARM REQUIREMENT ADVISORY

Carbon Monoxide is created when fuels, such as gasoline, wood, coal, natural gas, propane, oil, or menthane, burn incompletely. Carbon monoxide poisoning is the leading cause of accidental poisoning deaths in the United States. Low levels of carbon monoxide poisoning can cause shortness of breath, mild headaches, nausea, and fainting. Carbon monoxide is called the “silent killer” or “invisible killer” because the gas cannot be seen or smelled. Carbon monoxide alarms are designed to alert residents before exposure to carbon monoxide causes a health hazard.

California Residential Code R315 requires carbon monoxide detectors in all existing buildings and new construction where either or both of the following exist: the dwelling unit contains a fuel-fired appliance or fireplace, or the dwelling unit has an attached garage with an opening that communicates with the dwelling unit. In the case where an addition is made to an existing dwelling not previously requiring a carbon monoxide alarm, or a fuel-burning heater, appliance, or fireplace is added to an existing dwelling, new carbon monoxide alarms shall be installed. Carbon monoxide alarms shall be placed in the following locations: 1) outside of each separate sleeping area in the immediate vicinity of the bedrooms, 2) on every occupiable level of a dwelling unit, including basements, 3) where a fuel-burning appliance is located within a bedroom or its attached bathroom, a carbon monoxide alarm shall be installed within the bedroom.

For more information on carbon monoxide or to get a list of approved carbon monoxide alarms, visit <http://www.fire.ca.gov>. To review CalFire's safety bulletin visit: <https://www.fire.ca.gov/media/5324/carbonmonoxide.pdf>.

ENVIRONMENTAL DISCLOSURES

This report identifies known hazardous waste/contaminated sites, solid waste landfills, and leaking underground fuel tanks in proximity to the subject site. The databases used were obtained from selected government agencies in charge of collecting and keeping such records. This report is NOT a Phase I Environmental Site Assessment. For the purposes of this report, only known contaminated sites, solid waste landfills, and leaking underground storage tanks are reported from selected government databases.

TOXIC RELEASE INVENTORY SITE [TRIS] (1 MILE)

According to the United States Environmental Protection Agency (EPA), the Toxics Release Inventory (TRI) Program is intended to provide the public with information about TRI chemicals, including releases, waste management and pollution prevention from TRI-reporting facilities. TRI tracks the management of certain toxic chemicals that may pose a threat to human health and the environment. U.S. facilities in different industry sectors must report annually how much of a chemical is released to the environment and/or managed through recycle, energy recovery and treatment. More information about TRI data can be found here:

<https://www.epa.gov/toxics-release-inventory-tri-program/tri-data-and-tools>.

Based on the database reviewed, the subject property **IS NOT** located within 1 Mile of a Known Toxic Release Inventory Site (TRIS)

ENVIRONMENTAL DISCLOSURES

ENVIROSTOR FACILITY OR SITE (1 MILE)

According to the Department of Toxic Substance Control (DTSC), EnviroStor is the department's data management system for tracking the cleanup, permitting, enforcement, and investigation activities at hazardous waste facilities, sites with known contaminants, or sites where there may be reasons to investigation further. The EnviroStor database can be accessed through the DTSC website at: <http://www.envirostor.dtsc.ca.gov>.

Based on the database reviewed, the subject property **IS NOT** located within 1 Mile of a Known EnviroStor Facility

ENVIRONMENTAL DISCLOSURES

SPILLS, LEAKS, INVESTIGATIONS, AND CLEANUPS SITE [SLIC] (1/2 MILE)

The California State Water Resources Control Board Spills, Leaks, Investigations & Cleanups (SLIC) program oversees soil and water investigations, corrective actions, and human health risk assessments as sites with current or historic unauthorized discharges, which have adversely affected or threaten to adversely affect waters of the State. Procedures for Site investigation and remediation are specified in State Water Resources Control Board Resolution No. 92-49 entitled Policies and Procedures for investigation and Cleanup and Abatement of discharges under Water Code Section 13304. A site is given a “closed” status when the remaining contamination in the soil, surface water, groundwater, or air meets a risk or cleanup threshold determined not to pose a threat to human health or the environment. Sites with an “open” status require further cleanup to be granted a “closed” status. The Geotracker database can be found at:

<https://geotracker.waterboards.ca.gov/>.

Based on the database reviewed, the subject property **IS NOT** located within 1/2 Mile of a Known California Spills, Leaks, Investigations, and Cleanups Site

ENVIRONMENTAL DISCLOSURES

LEAKING UNDERGROUND STORAGE TANKS [LUST] (1/4 MILE)

The California Environmental Protection Agency's State Water Resources Control Board administers the Underground Storage Tank (UST) Program. A UST is defined as any tank or combination of tanks, that is used for the storage of hazardous materials and that is stored partially or totally beneath the ground. "Geotracker" is the State's database system used by State and regional boards, and local agencies to track and archive data from released of hazardous materials from USTs. The Geotracker database can be found here:

<http://geotracker.waterboards.ca.gov/>.

Based on the database reviewed, the subject property **IS NOT** located within 1/4 Mile of a Known Leaking Underground Storage Tank

ENVIRONMENTAL DISCLOSURES

NATIONAL PRIORITY LIST [SUPERFUND SITES] (1 MILE)

The United States Environmental Protection Agency (EPA) maintains a list of national priorities, sometimes referred to as Superfund sites, among the known releases or threatened releases of hazardous substances, pollutants, or contaminants throughout the United States and its territories. This list is known as the National Priorities List (NPL). According to the EPA, the NPL is intended to primarily guide the EPA in determining which sites warrant further investigation. Inclusion of a site on the NPL does not in itself reflect a judgment of the activities of its owner or operator, does not require those persons to undertake any action, or assign liability to any person. More information regarding the NPL can be found at:

<https://www.epa.gov/superfund/superfund-national-priorities-list-npl>

Based on the database reviewed, the subject property **IS NOT** located within 1 Mile of a Known National Priority List Site (Superfund Site)

ENVIRONMENTAL DISCLOSURES

RESOURCE CONSERVATION AND RECOVERY ACT [RCRA] (1 MILE)

According to the United States Environmental Protection Agency (EPA), the Resource Conservation and Recovery Act (RCRA) is the law that creates the framework for the proper management of hazardous and non-hazardous solid waste. Hazardous waste handler information is contained in the RCRAInfo database; a national program management and inventory system about hazardous waste handlers. The RCRAInfo database can be used to identify and locate data for specific handlers and to find a wide range of information on treatment, storage, and disposal facilities regarding permit/closure status, compliance with Federal and State regulations, and cleanup activities. The RCRAInfo database can be found here:

<https://enviro.epa.gov/facts/rcrainfo/search.html>.

Based on the database reviewed, the subject property **IS** located within 1 Mile of a Known Resource Conservation and Recovery Act Site (RCRA)

FACILITIES AND SITES

- SITE NAME: SPRINTNEXTEL CA7380
 ADDRESS: 3030 BEAR RIDGE RD, MORRO BAY, CA
 DISTANCE FROM PROPERTY: 0.28 miles
- SITE NAME: VERIZON WIRELESS HWY 41 BEAR RIDGE
 ADDRESS: 3030 BEAR RIDGE RD, MORRO BAY, CA
 DISTANCE FROM PROPERTY: 0.28 miles
- SITE NAME: ATT MOBILITY MORRO CREEK79544
 ADDRESS: 3030 BEAR RIDGE RD, MORRO BAY, CA
 DISTANCE FROM PROPERTY: 0.28 miles
- SITE NAME: CRUZESS AVOCADO FARM
 ADDRESS: 2900 ATASCADERO, MORRO BAY, CA
 DISTANCE FROM PROPERTY: 0.67 miles
- SITE NAME: FLAV R MOR FARMS
 ADDRESS: 2890 ATASCADERO RD, MORRO BAY, CA
 DISTANCE FROM PROPERTY: 0.84 miles

ENVIRONMENTAL DISCLOSURES

MUNICIPAL SOLID WASTE FACILITIES [MSWF] (1/2 MILE)

According to the United States Environmental Protection Agency (EPA), a municipal solid waste landfill (MSWLF) is a discrete area of land or excavation that receives household waste. Each facility is managed by the state where it is located. In California, the Solid Waste Information System (SWIS) facility database contains information on solid waste facilities, operations and disposal sites. The database contains information about location, owner, operator, facility type, regulatory and operational status, authorized waste types and local enforcement agency inspection and enforcement records. The SWIS facility database can be found here:

<https://www2.calrecycle.ca.gov/SolidWaste/Site/Search>.

Based on the database reviewed, the subject property **IS NOT** located within 1/2 Mile of a known Solid Waste Facility

TERMS & CONDITIONS

This PriorityNHD Natural Hazard Disclosure Report ("**Report**") is subject to each of the following Terms and Conditions. Each recipient of the Report, including transferor, seller, transferee, buyer, and their agents/brokers ("**Recipient**") agrees that the Report is subject to the following Terms and Conditions, and each Recipient agrees to be bound by such. By accepting or using this Report, Recipients hereby agree to be bound by all the terms, conditions, disclaimers and limitations of liability contained herein. If for any reason Recipient(s) does not intend to be bound by the conditions, limitations and disclaimers herein, or otherwise finds this Report unacceptable, Recipient(s) should immediately contact PriorityNHD.

This Report is made for the real property specifically described 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, including but not limited to 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.

- 1. Scope of Report.** The purpose of this Report is to assist Recipients in determining whether the Property is located within specified natural hazard zones and property tax districts, and in proximity to those specified environmental sites, where applicable. PriorityNHD has not performed a physical or visual inspection of the property and this Report is not a substitute for a physical or visual inspection of the subject property. PriorityNHD 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 subject property. PriorityNHD has no information concerning whether the Property can be developed or improved. Recipient(s) is advised to consult the local Planning Department to determine whether factors beyond the scope of this Report may limit the buyers(s) ability to use or improve the Property. The Report is not a title report, and no determination is made and no opinion is expressed, or intended, by this Report as to title to the Property or liens against the Property, recorded or otherwise, or whether the Property is comprised of legal lots in conformance with the California Subdivision Map Act or local ordinances. PriorityNHD has not independently verified the accuracy of the Assessor's Parcel Number ("APN") provided by Recipient(s). This report is not a warranty or policy of insurance.
- 2. Additional Disclosure Obligations.** Pursuant to California law, Recipient(s) are obligated to make certain natural hazard and real estate disclosures in connection with the transfer of certain real property. Additionally, material facts that are within Recipient's actual knowledge must be disclosed.
- 3. Third Party Disclaimer.** The information contained in this Report is intended for the exclusive use and benefit of Recipients. There shall be no third party beneficiary or third party reliance on this Report. This Report may not be used in a subsequent transaction or for any other real property. PriorityNHD expressly disclaims all liability, including without limitation liability for negligence and breach of contract, to all third parties and otherwise.
- 4. Public Records.** PriorityNHD relies upon the public records and databases identified in the Report without conducting an independent investigation of their accuracy. PriorityNHD assumes no responsibility for the accuracy or timeliness of the public records identified in the Report. PriorityNHD expressly disclaims and excludes any and all other express and implied warranties, including, without limitation, warranties of merchantability or fitness for a particular purpose.
- 5. Database Changes.** Updates to databases used in this Report are determined by the managing agency and may be made at any time and without notice. PriorityNHD maintains an update schedule and makes commercially reasonable efforts to use updated information. For these reasons, PriorityNHD reports information as of the date when the database was last updated by PriorityNHD. That date is specified as the "Database Date" for each database. PriorityNHD cannot certify that the data is up to the minute or otherwise timely and is under no duty to update this Report if and when the databases are updated subsequent to the Database Date specified in this Report.
- 6. California, City/County Natural Hazard Disclosures, and Notices & Advisories.** The purpose of this Report is to assist Recipients in providing disclosures about whether the subject property is located in any of the six statutorily-required natural hazard areas. PriorityNHD is also providing City/County natural hazard disclosures, other real estate disclosures, and notices and advisories on conditions which may impact the subject property. These additional disclosures, notices and advisories are either required by state law, local ordinance, or the information is readily and publicly available. No determination is made and no opinion is expressed or intended by this Report concerning the need to purchase earthquake, flood or fire insurance for the subject property. City/County natural hazard disclosures are provided as an accommodation. PriorityNHD assumes no responsibility for the accuracy of any information included in the City/County natural hazard disclosures or otherwise.
- 7. Governing Law/Venue.** The Report shall be governed by and construed in accordance with the internal laws of the State of California.

TERMS & CONDITIONS

8. **Tax Disclosures (if included in Report).** The purposes of the tax disclosures are to make preliminary determinations regarding whether secured tax rolls contain Mello-Roos Community Facilities District Special Taxes or Improvement Bond Act of 1915 Lien Assessments against the subject property, and to assist the Recipient(s) in fulfilling his/her duty to comply with California Civil Code Section 1102.6b. No determination is made and no opinion is expressed or intended by the Report concerning the existence of property tax liabilities.
9. **Environmental Disclosures (if included in Report).** The purpose of the environmental disclosures is to assist the Recipients in providing information regarding the subject property's proximity to certain site(s) impacted by certain environmental conditions. PriorityNHD has not verified the accuracy or completeness of the databases containing environmental data. No determination is made and no opinion is expressed or intended by the Report concerning 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. This Report does not include the significance or extent of any health hazards, contamination or remediation of any site identified in this Report.
10. **Limitation of Liability to Recipient(s).** PriorityNHD has prepared this report based upon public records and databases without independent verification of the accuracy of the information contained therein. PriorityNHD is not liable to Recipient(s) for errors, inaccuracies, untimeliness, or omissions in this Report when such errors, inaccuracies or omissions were based upon information contained in the public records and databases, or were known to exist by Recipient(s) on the date of delivery of this Report to Recipient(s). PriorityNHD's total liability to all Recipients collectively for any claim, including but not limited to claims for breach of contract or negligence, shall be for actual proven damages only caused directly by PriorityNHD's error. Actual proven damages shall be measured by the difference in fair market value of the subject property caused by the error or omission as of the date of the Report.
11. **Indemnification.** PriorityNHD will indemnify the owner of any property for which it issues a report, and that owner's real estate broker, agent, escrow agent, and transaction coordinator in any transaction related to the issuance of the report, for damages incurred to the extent that they are caused by the negligent acts, errors or omissions of PriorityNHD or its employees or agents.
12. **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 which are not resolved in small claims court must be resolved by binding arbitration. This agreement to arbitrate includes, but is not limited to, all disputes and claims between PriorityNHD, seller(s) and buyer(s) and claims that arose prior to purchase of the Report. This agreement to arbitrate applies to seller(s) and buyer(s) successors in interest, assigns, heirs, spouses, and children. Any arbitration must take place on an individual basis. PriorityNHD, seller(s) and buyer(s) agree that they are waiving any right to a jury trial and to bring or participate in a class action or representative lawsuit. Recipient(s) agree that the arbitrator lacks the power to consider claims for injunctive or declaratory relief, or to grant relief affecting 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. Company will pay all AAA filing, administration and arbitrator fees for any arbitration it initiates and for any arbitration initiated by another party unless an arbitrator determines that the claims have been brought in bad faith or for an improper purpose, in which case the payment of AAA fees will be governed by the AAA Rules. A COPY OF THESE RULES IS AVAILABLE FROM THE AAA'S WEB SITE AT WWW.ADR.ORG OR ON REQUEST FROM THE COMPANY. THE ARBITRATION AWARD MAY INCLUDE ATTORNEY'S FEES IF ALLOWED BY FEDERAL, STATE, OR OTHER APPLICABLE LAW AND MAY BE ENTERED AS A JUDGMENT IN ANY COURT OF PROPER JURISDICTION. The arbitration will take place in San Diego County or Fresno County. 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.
13. **Severability.** In the event any provision of the Terms and Conditions to this Report is determined to be invalid or unenforceable under applicable law, then such provision shall be deemed as severed from the remainder of the Terms and Conditions, and all of the other provisions of the Terms and Conditions shall remain in full force and effect.
14. **Other Agreements.** This Report constitutes the entire, integrated agreement between PriorityNHD and Recipients, and supersedes and replaces all prior statements, representations, negotiations, and agreements. This Report and its Terms and Conditions may not be modified or amended except in a formal writing signed by PriorityNHD and Recipient(s).