

**The First American
SUBDIVISION PROPERTY DISCLOSURE REPORT
PDR[®]**

Information Provided by:



***First American
Natural Hazard Disclosures***

PLEASE VERIFY THAT THE PROPERTY INFORMATION BELOW IS CORRECT.

Underlying APN ("Property"): N/A

Subdivision: 63019

Project Name: EL DORADO LOFTS

City, State, Zip: LOS ANGELES, CA 90013

Report Date: 03/02/2010

RECIPIENTS

MSGG El Dorado Realty Partners, LLC/Downtown Properties
Attn.: William Stevenson
818 W. 7th St. #410
Los Angeles, Ca 90017

NOTICE

First American Natural Hazard Disclosures ("FANHD") is pleased to provide Recipient with this Subdivision Property Disclosure Report ("PDR[®]") for the Property identified above. Please note that this Subdivision Property Disclosure Report PDR[®] ("Report") is a contract subject to the Methods and Limitations (Section 5) set forth herein which should be reviewed carefully.

*If you have any questions or comments regarding this Report,
please contact FANHD's Customer Service Department at (800) 200-2561.*



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Tract: 63019
Property Address: ,
 LOS ANGELES, LOS ANGELES County, CA

APN: N/A
Report Date: 03/02/2010
Report Number: 704264

Parties: The parties for whom this Report was prepared are the Recipient, any owner(s) of the Property on the Report Date (“Owners”) and any owner or legal entity owned by the Owners and which is designated on the public report application (“DRE Application”) submitted to the California Department of Real Estate (“DRE”) for the Property.

CONTENTS

This Report includes (i) a **Determination Summary** (following pages) showing the disclosure determinations specific to the Property provided in detail in Sections 1 through 4, inclusive, and (ii) the Methods and Limitations (Section 5) and this Report is not complete if any one of these 5 sections is missing. Please note that the determinations and information provided address the disclosures mandated by California law to be provided for 1-4 family California residential properties when being sold or transferred.

SECTION	TITLE	PURPOSE
1.	Statutory Disclosures	The statutory disclosures applicable to the Property as required by California Civil Code § 1103 (the “Law”).
2.	County Level Natural Hazard Disclosures	County level disclosures.
3.	City Level Natural Hazard Disclosures	City level disclosures
4.	Other Disclosures and Advisories	Additional mandated disclosures specific to the property and important advisories and notices dealing with potential general concerns related to home ownership in California but not specific to the Property.
5.	Methods and Limitations (IMPORTANT)	A summary explanation of the methods used to make the disclosure determinations and limitations on liability.

THIS IS A PUBLIC RECORD REPORT ONLY: This Report only provides information identified in this Report. While FANHD has made good faith efforts to report from the Public Records as accurately as possible, the quality, accuracy, and currency of the information contained in these Public Records can vary greatly. For more information regarding a specific disclosure and the related Public Record, please read Sections 1 through 4, inclusive of this Report.

NOT AN INSPECTION REPORT: This Report is not the same thing as a physical inspection report nor a full environmental or geological assessment report. FANHD has not physically inspected the Property. This Report only summarizes the information from the specified Public Records.

LIABILITY PROTECTIONS: Upon filing of the DRE Application, the Parties involved in the DRE Application are protected against loss caused by any error in this Report as specified in Section 5 below entitled “Methods and Limitations.”

NOT AN INSURANCE POLICY: This Report is a binding contract but is not an insurance policy. The price charged for the Report does not cover the costs that would be necessary to provide all of the protections of an insurance policy.

NOT FOR DISCLOSURES TO THIRD PARTIES: This Report may not be used to satisfy any disclosure requirements to third parties including, but not limited to, new home buyers of the Property.



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DETERMINATION SUMMARY

This Report discloses the results of a review of officially adopted maps ("Public Records") containing the information applicable to the Property. For a detailed explanation as to the meaning of each of the disclosures and the reporting standards used to make the determinations, please refer to the Disclosure Explanations in the specific Section as indicated.

SUMMARY AND INDEX OF DISCLOSURES AND ADVISORIES

For a complete explanation of the disclosures summarized below, please refer to the sections and pages indicated.

SECTION 1 STATUTORY DISCLOSURES

State Level Statutory Zone Disclosures

Determination

Flood	A SPECIAL FLOOD HAZARD AREA	NOT IN	See Section 1 Page 1
	AN AREA OF POTENTIAL FLOODING	NOT IN	See Section 1 Page 1
Fire	A VERY HIGH FIRE HAZARD SEVERITY ZONE	NOT IN	See Section 1 Page 2
	A WILDLAND FIRE AREA (SRA)	NOT IN	See Section 1 Page 2
Seismic	AN EARTHQUAKE FAULT ZONE	NOT WITHIN	See Section 1 Page 3
	A SEISMIC HAZARD LANDSLIDE ZONE	NOT IN	See Section 1 Page 3
	A SEISMIC HAZARD LIQUEFACTION ZONE	NOT IN	See Section 1 Page 3

* N/A = The map is not yet released by the State.

SECTION 2 COUNTY LEVEL DISCLOSURES

County Level Zone Disclosures

FAULT	NOT WITHIN	See Section 2 Page 1
LANDSLIDE	NOT WITHIN	See Section 2 Page 1
LIQUEFACTION	Not In	See Section 2 Page 1
HILLSIDE AREA	NOT IN	See Section 2 Page 1
TSUNAMI	NOT IN	See Section 2 Page 1



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DAM INUNDATION	NOT IN	See Section 2 Page 1
FIRE HAZARD	NOT IN	See Section 2 Page 1
DEBRIS FLOW	NOT IN	See Section 2 Page 1
METHANE	NOT IN	See Section 2 Page 1

SECTION 3 CITY LEVEL DISCLOSURES

City Level Zone Disclosures

FAULT	NOT WITHIN	See Section 3 Page 1
FIRE HAZARD	NOT IN	See Section 3 Page 1
METHANE	NOT IN	See Section 3 Page 1

SECTION 4 OTHER DISCLOSURES AND ADVISORIES

Other Zone Disclosures

Determination

Mello-Roos, Special Assessment, and Supplemental Tax Disclosures	N/A
Military Ordnance 1 MILE FORMER MILITARY ORDNANCE SITE RADIUS	NOT WITHIN
Commercial/ Industrial 1 MILE COMMERCIAL OR INDUSTRIAL SITE RADIUS	IN
Airports AIRPORT INFLUENCE AREA	 NOT IN



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AIRPORT NOISE 65 DECIBEL ZONE

NOT WITHIN

**Right to Farm Disclosure
1 MILE STATE-DESIGNATED FARMLAND RADIUS**

MNA



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SECTION 1 **EXPLANATION OF STATUTORY DISCLOSURES**

This Section provides a detailed explanation of certain statutory disclosures made in this Report including identifying the applicable Public Record.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is situated within any of the Statutory Hazard Zones as designated in the Public Record. "NOT IN" shall be reported if no portion of the Property is situated within any of the Statutory Hazard Zones. "Map Not Available" shall be reported if the Property is situated in an area which has not yet been evaluated by responsible government agency.

SPECIAL FLOOD HAZARD AREAS

DETERMINATION

NOT IN a Special Flood Hazard Area. The Property is IN a FEMA-designated Flood Zone X. If the property is located in or partially in any Zone A or V, in certain circumstances some lenders may be required by federal law to require homeowners to purchase and maintain flood insurance.

Zones X: An area of moderate to minimal flood risk.

DISCUSSION: Property in a Special Flood Hazard Area (any type of Zone "A" or "V" as designated by the Federal Emergency Management Agency ("FEMA")) is subject to flooding in a "100-year rainstorm." Federally connected lenders are required to have homeowners maintain flood insurance in these zones. A 100-year flood occurs on average once every 100 years, but may not occur in 1,000 years or may occur in successive years. According to FEMA, a home located within a SFHA has a 26% chance of suffering flood damage during the term of a 30-year mortgage. Other types of flooding, such as dam failure, are not considered in developing these zones. In some cases, the insurance requirement may be waived or modified by obtaining a "Letter of Map Revision" ("LOMR") or "Letter of Map Amendment" ("LOMA") from ("FEMA"). This might be possible where flooding is shallow and fill was placed on the site, appropriate flood control measures were taken, or only the lot and no part of the structure is in the zone. Contact FEMA directly for more information. Flood insurance for properties in Zones B, C, X or D is available but is not required. This disclosure is not the same as a flood certification as required by federal law for certain lenders.

PUBLIC RECORD: Official Flood Insurance Rate Maps ("FIRM") compiled and issued by the Federal Emergency Management Agency ("FEMA") pursuant to 42 United States Code §4001, et seq.

AREA OF POTENTIAL FLOODING

DETERMINATION

NOT IN an area of potential dam inundation.

DISCUSSION: Local governmental agencies, utilities, and owners of certain dams are required to prepare and submit inundation maps for review and approval by the California Office of Emergency Services ("OES"). A property within an Area of Potential Flooding Caused by Dam Failure is subject to potential flooding in the event of a sudden and total dam failure with a full reservoir. Such a failure could result in property damage and/or personal injury. However, dams rarely fail instantaneously and reservoirs are not always filled to capacity. Please note that not all dams (such as federally



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controlled dams) located within the state have been included within these dam inundation zones. Also these maps do not identify areas of potential flooding resulting from storms or other causes.

PUBLIC RECORD: Official dam inundation maps or digital data thereof made publicly available by The State of California Office of Emergency Services ("OES") pursuant to California Government Code §8589.5.

VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHS Zones)

DETERMINATION

NOT IN a very high fire hazard severity zone.

DISCUSSION: VHFHS Zones can be defined by the California Department of Forestry and Fire Protection ("CDF") as well as local fire authorities within "Local Responsibility Areas" where fire suppression is the responsibility of a local fire department. Property located within a VHFHS Zones may have a higher risk for fire damage and, therefore, may be subject to (i) additional construction requirements such as a "Class A" roof for new construction or replacement of existing roofs; and (ii) additional maintenance responsibilities such as adequate vegetation clearance near the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety practices. If the Property is located within a VHFHS Zone, please contact the local fire department for more detailed information. A local agency may exclude or include additional fire zones at their option. Concerned parties should contact the local fire services for more information.

PUBLIC RECORD: Official maps or digital data thereof issued by the California Department of Forestry and Fire Protection ("CDF") pursuant to California Public Resources Code § 51178.

WILDLAND FIRE AREA - STATE RESPONSIBILITY AREA

DETERMINATION

Not in a wildland-state responsibility area.

DISCUSSION: The State Board of Forestry classifies all lands within the State of California based on various factors such as ground cover, beneficial use of water from watersheds, probable damage from erosion, and fire risks. Fire prevention and suppression in all areas which are not within a Wildland - State Responsibility Area ("WSRA") is primarily the responsibility of the local or federal agencies, as applicable.

For property located within a WSRA, please note that (1) there may be substantial forest fire risks and hazards; (2) except for property located within a county which has assumed responsibility for prevention and suppression of all fires, it is NOT the state's responsibility to provide fire protection services to any building or structure located within a WSRA unless the Department has entered into a cooperative agreement with a local agency; and (3) the property owner may be is subject to (i) additional construction requirements such as a "Class A" roof for new construction or replacement of existing roofs; and (ii) additional maintenance responsibilities such as adequate vegetation clearance near the structure, spark screens on chimneys and stovepipes, leaf removal from roofs, and other basic fire-safety practices

The existence of local agreements for fire service is not available in the Public Record and, therefore, is not included in this disclosure. For very isolated properties with no local fire services there may be significant fire risk or only seasonal fire services. If the Property is located within a WSRA, please contact the local fire department for more detailed information.

PUBLIC RECORD: Official maps or digital data thereof issued by the California Department of Forestry and Fire Protection (CDF) pursuant to California Public Resources Code § 4125.



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EARTHQUAKE FAULT ZONE

DETERMINATION

NOT IN an earthquake fault zone designated pursuant to the Alquist-Priolo Act.

DISCUSSION: Earthquake Fault Zones are delineated and adopted by California as part of the Alquist-Priolo Earthquake Fault Zone Act of 1972. Property within an Earthquake Fault Zone ("EF Zone") does not necessarily have a fault trace existing on the site. EF Zones are areas or bands delineated on both sides of known active earthquake faults. EF Zones vary in width but average one-quarter (1/4) mile in width with the "typical" zone boundaries set back approximately 660 feet on either side of the fault trace. The potential for "fault rupture" damage (ground cracking along the fault trace) is relatively high only if a structure is located directly on a fault trace. If a structure is not on a fault trace, shaking will be the primary effect of an earthquake. During a major earthquake, shaking will be strong in the vicinity of the fault and may be strong at some distance from the fault depending on soil and bedrock conditions. It is generally accepted that properly constructed wood-frame houses are resistant to shaking damage.

Property that lies partially or entirely within a designated EF Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place. If an active fault is found on a property, structures (including new and replacement structures) generally will not be allowed to be constructed within 50 feet of the fault trace.

PUBLIC RECORD: Official earthquake fault zone or special study zone maps or digital data thereof approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2622.

SEISMIC HAZARD ZONE

DETERMINATION

NOT IN an area of potential liquefaction designated pursuant to the Seismic Hazard Mapping Act. NOT IN an area of earthquake-induced land sliding designated pursuant to the Seismic Hazard Mapping Act.

DISCUSSION: Official Seismic Hazard Zone ("SH Zones") maps currently available from the California Geological Survey pursuant to the Seismic Hazards Mapping Act (California Public Resources Code §2690 *et seq.*) delineate Areas of Potential Liquefaction and Areas of Earthquake-Induced Landsliding. A property that lies partially or entirely within a designated SH Zone may be subject to requirements for site-specific geologic studies and mitigation before any new or additional construction may take place.

Areas of Potential Liquefaction are areas where there is a potential for, or an historic occurrence of liquefaction. Liquefaction is a soil phenomenon that can occur when loose, water saturated granular sediment within 40 feet of the ground surface, are shaken in a significant earthquake. The soil temporarily becomes liquid-like and structures may settle unevenly. The Public Record is intended to identify areas with a relatively high potential for liquefaction but not to predict the amount or direction of liquefaction-related ground displacement, nor the amount of damage caused by liquefaction. The many factors that control ground failure resulting from liquefaction must be evaluated on a site specific basis.

Areas of Earthquake-Induced Landslide are areas where the potential for earthquake-induced landslides is relatively high. Areas most susceptible to these landslides are steep slopes in poorly cemented or highly fractured rocks, areas underlain by loose, weak soils, and areas on or adjacent to existing landslide deposits. The CGS cautions these maps do not capture *all* potential earthquake-induced landslide hazards and that earthquake-induced ground failures are not



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addressed by these maps. Furthermore, no effort has been made to map potential run-out areas of triggered landslides. It is possible that such run-out areas may extend beyond the zone boundaries.

An earthquake capable of causing liquefaction or triggering a landslide may not uniformly affect all areas within a SH Zone.

PUBLIC RECORD: Official seismic hazard maps or digital data thereof approved by the State Geologist and issued by the California Department of Conservation, California Geological Survey pursuant to California Public Resources Code §2696.



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SECTION 2 EXPLANATION OF COUNTY LEVEL DISCLOSURES

This Section provides a detailed explanation of the County level disclosures made in this Report including identifying the applicable Public Record and the Reporting Standard used to make each determination.

The following natural hazard disclosures are provided to give local-level Seismic Safety information for the subject property.

NOTE: California law allows cities and counties to establish policies and criteria stricter than those set by the State respecting, but not limited to, the permitting and development of properties found to be IN or affected by the following and other natural hazards. This information may be used by the local jurisdiction relative to making decisions regarding new development or additional construction. The agencies and jurisdictions that develop the official maps do not necessarily define or delineate hazards in the same way. A site can be *in* a hazard zone from one source and *not in* a hazard zone from another source.

LOS ANGELES County Geologic and Seismic Zone Determination

This Property is:

- not in a mapped area of known shallow methane accumulation
- not in a mapped dam or debris basin inundation area
- not in a mapped fault zone or within one-eighth of one mile of a mapped fault trace
- not in a mapped fire zone 4 or additional areas of high fire hazard
- not in a mapped general area within or adjacent to the los angeles basin impacted by historic mud and debris flooding
- not in a mapped hillside area
- not in a mapped tsunami inundation area
- not within for county landslide
- IN not in for county liquefaction

NOTE: If the site is in a locally mapped hazard zone or if information of concern exists in another source, the property may require a geologic study prior to any new or additional construction. The disclosures above are material facts and should prudently be disclosed to buyers in addition to the Statutory Natural Hazard Disclosures. Additional sources of information which are not officially adopted, may be available at the local jurisdiction that are not reported here.

LOS ANGELES COUNTY GEOLOGIC ZONES DISCUSSION

PUBLIC RECORD(S) SEARCHED: The following Public Records, created by the County Department of Regional Planning and Leighton & Associates and incorporated into the Safety Element of the County General Plan as adopted by the County Board of Supervisors in 1990, are utilized for those county-level disclosures below: "Fault Rupture Hazards and Historic Seismicity," "Landslide Inventory," "Liquefaction Susceptibility," "Engineering Geologic Materials," "Flood and Inundation Hazards," and "Wildland and Urban Fire Hazards."

FAULT

- **Active Faults:** Several faults and fault segments not included as part of the Earthquake Fault Zone Act are considered active by the County. Zones from 1000 feet to 1.2 miles wide have been defined by the County around these faults. Properties in these zones are at some risk for fault rupture (surface cracking along the fault).
- **Potentially Active Faults:** Faults active in the last 750,000 years but with no historical activity (past 11,000 years) are considered "potentially active" by the County. Zones from 1000 feet to 1.2 miles wide have been defined by the County



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around these faults. Properties within a Potentially Active Fault Zone may be at some risk for fault rupture, but the risk is probably lower than that for active faults.

- **Conditionally Active Faults:** Faults active between 750,000 and 2,000,000 years ago are considered "conditionally active" by the County. Properties located directly on one of these faults are at an undetermined but relatively small risk of rupture.

Reporting Standards: If any portion of the Property is within either a fault zone or one-eighth of one mile (660 feet) of a fault not contained within such a fault zone as delineated in the Public Record, "WITHIN" shall be reported.

LANDSLIDE INVENTORY

- **Slope Stability Zones** The County Safety Element inventories landslides and slope stability hazards. The minimum size of a slide is five acres, but clusters of slides may be shown as a single landslide. Bedrock landslides are categorized as definite and probable. They are also distinguished as 5 to 100 acres in size and greater than 100 acres in size. A delineated landslide is not a definitive statement of a site's stability, either now or in the future. Many slides are mitigated during development. For detailed stability information, a geotechnical consultant should be retained.
- **Area Impacted by Storm-Induced Landsliding:** Areas that experienced storm-induced shallow landsliding during the particularly wet years of 1969, 1978, and 1980 have been delineated on the maps.
- **Area of Shallow Surficial Landslides:** These areas include regions in the Santa Monica and San Gabriel Mountains and the Puente Hills where abundant shallow landslides may occur.

Reporting Standards: Mapped "Definite" and "Probable" Bedrock Landslides 5-100 acres in size, as well as mapped Storm-Induced Landslide Areas, are mapped uniformly and do not effectively take into account either size or direction; therefore, if any portion of the Property is within a Landslide or Slope Stability Zone as delineated in the Public Record, or is within one-quarter of one mile (1,320 feet) of either, "IN" shall be reported.

LIQUEFACTION

Liquefaction is a liquid-like soil condition which may occur during strong earthquake shaking if the groundwater is shallow and the subsurface soils are loose and cohesionless (such as sands).

- **Liquefiable Areas (Zone L):** These are areas where groundwater is less than 30 feet deep. While presence within this zone does not necessarily mean that liquefaction will occur during earthquake shaking, this zone has a higher potential for liquefaction.
- **Potentially Liquefiable Areas (Zone PL):** Flat-lying valley areas of relatively low liquefaction potential.
- **Low Liquefaction Susceptibility (Zone LL):** Flat to gently sloping areas of relatively low liquefaction potential.
- **Very Low Liquefaction Susceptibility (Zone VL):** Areas not normally susceptible to liquefaction.

Reporting Standards: This Report discloses if any portion of the Property is in either (1) a Liquefiable Area or a Potentially Liquefiable Area OR (2) a Low Liquefaction Susceptibility Zone or a Very Low Liquefaction Susceptibility Zone as delineated in the Public Record. If a Property is situated within a Liquefiable or Potential Liquefiable Area AND a Low or Very Low Liquefaction Susceptibility Zone, only the former will be reported.



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HILLSIDE AREAS AND DEBRIS FLOW AREAS

- **"Hillside Areas"** are subject to slope instability, particularly if slope gradients exceed 25 percent. If a Property is in a designated Hillside Area it does not necessarily mean that landslides exist on the property or that landsliding is imminent or probable.
- **"Debris Flow Areas"** are those identified in the Public Record impacted by historic mud and debris flooding in the years 1969, 1978, and 1980; however, these are restricted to areas within and adjacent to the Los Angeles Basin only. Furthermore, the public record advises that historical damage does not predict, nor preclude, impact of these or other hillside areas in future storms.

Reporting Standards: If any portion of the Property is within a Hillside Area or a Debris Flow as delineated in the Public Record, "IN" shall be reported, respectively.

DAM INUNDATION

- **Dam inundation areas** may be subject to flooding in the event of dam failure. They are defined assuming an instantaneous dam failure with a full reservoir. However, dams rarely fail instantaneously and reservoirs are not always filled to capacity.

Reporting Standards: If any portion of the Property is within a Dam or Debris Basin Inundation Area as delineated in the Public Record, "IN" shall be reported.

TSUNAMI INUNDATION

- **Tsunami inundation areas** have been designated as a zone of moderate risk for tsunami (seismic sea wave or "tidal wave") run-up. The tsunami zone may be inundated by waves which recur on average of once every 500 years.

Reporting Standards: If any portion of the Property is within a Tsunami Inundation Area as delineated in the Public Record, "IN" shall be reported.

FIRE HAZARDS

- **Fire Zone 4** encompasses most of the areas having a potential for woodland and brush fires. These areas require strategies to enforce stringent fire enforcement measures including fire-resistant construction materials, brush clearance, fire breaks, and fuel load management requirements.
- **Areas of High Fire Hazard** represents areas outside Fire Zone 4 but having features similar to those included in Fire Zone 4. Within wildland areas, fires are most likely to start in areas of man's activity such as roads, campgrounds, cabins, wood cutting areas, power lines, and the urban-wildland interface.

Reporting Standards: If any portion of the Property is within either a Fire Zone 4 or Area of High Fire Hazard as delineated in the Public Record, "IN" shall be reported.

AREAS OF KNOWN SHALLOW METHANE ACCUMULATION

Several areas in the County are known to be the sites of shallow methane gas accumulations. The absence of methane gas areas on the map is not a guarantee of the absence of gas in the soil. Most of the shallow methane found to date seems to be spatially associated with shallow oil and gas fields.

Reporting Standards: If any portion of the Property is within an Area of Known Shallow Methane Accumulate as delineated in the Public Record, "IN" shall be reported.



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SECTION 3 **EXPLANATION OF CITY LEVEL DISCLOSURES**

This Section provides a detailed explanation of the City level disclosures made in this Report including identifying the applicable Public Record and the Reporting Standard used to make each determination.

The following natural hazard disclosures are provided to give local-level seismic safety information for the subject property.

NOTE: California law allows cities and counties to establish policies and criteria stricter than those set by the State respecting, but not limited to, the permitting and development of properties found to be IN or affected by the following and other natural hazards. This information may be used by the local jurisdiction relative to making decisions regarding new development or additional construction. The agencies and jurisdictions which develop the official maps do not necessarily define or delineate hazards in the same way. A site can be *in* a hazard zone from one source and *not in* a hazard zone from another source.

LOS ANGELES Geologic and Seismic Zone Determination

This Property is:

- not in a city-designated fault rupture study area
- not in a city-designated very high fire hazard severity zone
- not in an city-designated methane or methane buffer zone

CITY OF LOS ANGELES GEOLOGIC ZONES DISCUSSION

PUBLIC RECORD(S) SEARCHED: The following Public Records, contained in the Seismic Safety Element of the City General Plan as adopted by the Los Angeles City Council in 1996 is utilized for those city-level disclosures below: "Alquist-Priolo Special Study Zones & Fault Rupture Study Areas", Brush Fire Hazard Areas", and "Selected Wildfire Hazard Areas." In addition, "Methane and Methane Buffer Zones Map" is used for that disclosure required by the City's "Methane Seepage District Regulations," Chapter IX, Article 1, Division 71, City of Los Angeles Municipal Code, amended in its entirety by Ordinance Number 175,790 effective 29 March 2004.

FAULT RUPTURE STUDY AREA

"Fault Rupture Study Areas" have been defined and delineated by the City of Los Angeles. These areas include some of the same Alquist-Priolo Earthquake Fault Zones identified by the California Geological Survey pursuant to the Alquist-Priolo Earthquake Fault Zoning Act. Please refer to "Earthquake Fault Zone" on the natural hazard disclosure statement to see if the Property is within an Earthquake Fault Zone. It is important to note that a property situated within a "Fault Rupture Study Area" is not necessarily located on a fault trace or within several hundred feet of a fault trace. These zones are bands located on both sides of known or suspected active faults. These Areas are more than one-quarter of one mile wide in some locations.

Reporting Standards: If any portion of the Property is within a Fault Rupture Study Area as delineated in the Public Record, "WITHIN" shall be reported.

FIRE HAZARD

Brush Fire Hazard Areas: Brush fires continue to be a major threat to life and property throughout the region due to unique fuel, terrain and climatic conditions. The hazard is especially great when the dry "Santa Ana" winds arrive, usually in the fall and winter seasons. The desert blown Santa Ana winds turn vegetation to tinder and spread localized fires quickly. The City of Los Angeles has mapped the following areas fire hazard severity zones for brush fire hazard areas:

- **High** - tend to be areas with chaparral or woodland vegetation and moderate to steep topography.



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- **Moderate** - tend to be areas with grassland or sage scrub plant with steep topography. Landfills are also considered moderate because of the unique type of risk they pose.
- **Low** - areas tend to be hillside areas with grassland or sage scrub plant communities and moderate topography. Fire breaks and electric power transmission line corridors area Low Fire Hazard Severity areas because they may have been cleared of natural vegetation which reduces the risk of fire.
- **Wildfire Hazard Areas: Mountain Fire Districts** were established in January 1963 as a direct result of the November 1961 Bel Air Fire. A total of 484 homes were lost during that conflagration. In April 1971, the **Fire Buffer Zones** were established as a direct result of the wind driven Chatsworth Fire in September of 1971 where 198 homes were destroyed or damaged. For more information about brush clearance, risks, and building requirements, please contact the City of Los Angeles Fire Department

Reporting Standards: If any portion of the Property is within any of the aforementioned Fire Hazard Areas as delineated in the Public Record, "IN" shall be reported.

METHANE ZONE & BUFFER ZONE

The City has set forth minimum requirements for the control of methane intrusion emanating from geologic formations only. All new buildings and paved areas located in a Methane Zone or Methane Buffer Zone shall comply with these requirements and the City's Methane Mitigation Standards which provide information describing installation procedures, design parameters and test protocols for the methane gas mitigation systems. Section 91.7104.3.5 of the City Code states that Single Family Dwellings and buildings accessory to single family dwellings shall comply with all the Methane Mitigation requirements of Table 71 ("MINIMUM METHANE MITIGATION REQUIREMENTS") except for specified mitigation systems which may be substituted: For more information please consult Division 71 of the City of Los Angeles Municipal Code or contact the City of Los Angeles Building Department.

Reporting Standards: If any portion of the Property is within a Methane Zone or Methane Buffer Zone as delineated in the Public Record, "IN" shall be reported.



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SECTION 4 **OTHER DISCLOSURES AND ADVISORIES**

This Section provides a detailed explanation of the Other Disclosures and Advisories made in this Report including identifying the applicable Public Record and the Reporting Standard used to make each determination.

MELLO-ROOS and SPECIAL ASSESSMENT DETERMINATION

NO DETERMINATIONS MADE IN THIS REPORT

Discussion

California laws allow "special taxes" and "special assessments" to be levied against a parcel of real property in addition to ad valorem property taxes in order to help fund benefits such as streets, curbs, gutters and underground sewer and water infrastructure. The Mello-Roos Community Facilities Act ("Mello-Roos") and the Improvement Bond Act of 1915 ("1915 Bond Act") are two of these assessment laws, and assessments made under these laws carry a disclosure obligation as of January 1, 2002 (California Civil Code § 1102.6b).

When either of these assessment laws is activated, an assessment lien is placed against each affected parcel of property and a special assessment appears on the property tax bill until the amortized debt is fully paid. An important feature of "Mello-Roos" and "1915 Bond Act" assessment districts is that the lien has a priority status. If the assessment tax is not paid on time, the home can be foreclosed upon and sold through an accelerated foreclosure process. Even though a "special" or "supplemental assessment" may appear on the property tax bill, it is not necessarily a "Mello-Roos" or "1915 Bond Act" bond assessment subject to a property lien or a specific disclosure requirement.

**Note: A comprehensive property tax disclosure report can be ordered along with this Report.
Please contact FANHD for additional information**



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FORMER MILITARY ORDNANCE SITE DISCLOSURE

DETERMINATION

The Property is **NOT WITHIN** one mile of a Formerly Used Defense (FUD) site containing military ordnance.

DISCUSSION

California Civil Code §1102.15 requires the seller of residential real property who has actual knowledge of any "Former Ordnance Locations" (former state or federal ordnance locations which have been identified by an agency or instrumentality of the federal or state government as an area once used for military training purposes which may contain potentially explosive munitions) within the "neighborhood area" (defined as within one (1) mile of the residential real property) to give written notice of that knowledge to buyer as soon as practicable before transfer of title.

Besides former military sites which may have contained ordnance, other Sites may also include real properties containing industrial waste (such as fuels), ordnance or other warfare materiel, unsafe structures to be demolished, or other debris. California Civil Code Section 1102 only requires disclosure of those sites containing unexploded ordnance. "Military ordnance" is any kind of munitions, explosive device/material or chemical agent used in military weapons. Unexploded ordnance are munitions that did not detonate. Only those Sites that the USACE has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this Report.

NOTE: Active military bases are NOT eligible FUD Sites; however, portions of currently active facilities that were previously operated or owned by DOD may be reported. In some rare cases the Public Record may not effectively differentiate those divested Sites and may as a result include the currently operated facility within the study area for that Site.

PUBLIC RECORD: Data contained in Inventory Project Reports, Archives Search Reports, and related materials produced for, and made publicly available in conjunction with, the Defense Environmental Restoration Program for Formerly Used Defense Sites by the U.S. Army Corps of Engineers. Sites for which no map has been made publicly available shall not be disclosed.

REPORTING STANDARD: "IN" shall be reported if one or more facility identified in the Public Record is situated within a one (1) mile radius of the Property. The name of that facility shall also be reported. "NOT IN" shall be reported if no facility identified in the Public Record is situated within a one (1) mile radius of the Property.



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COMMERCIAL/INDUSTRIAL ZONE DISCLOSURE

DETERMINATION

Based on publicly-available parcel zoning records only:

The Property IS within one-mile of a property that is zoned for industrial or commercial use.

DISCUSSION: Pursuant to California Civil Code § 1102.17, the seller of residential real property who has actual knowledge that his/her property is affected by or zoned to allow commercial or industrial use (as defined in California Code of Civil Procedure § 731a) must give written notice of that knowledge to the buyer as soon as practicable before transfer of title. CCP 731a defines industrial use as areas in which a city and/or county "...has established zones or districts under authority of law wherein certain manufacturing or commercial or airport uses are expressly permitted...."

The "Commercial/Industrial Zoning Disclosure" made in this Report DOES NOT purport to determine whether the Property is or is not "**affected by**" a commercial or industrial zone. As stated above, that determination must be based upon ACTUAL KNOWLEDGE of the seller of the Property.

The disclosure provided in this Report only identifies if any parcels of property zoned for commercial or industrial use exists within a one (1) mile of the Property. It is very common that the general vicinity around a home will have one or more properties that are zoned for commercial or industrial use such as restaurants, gasoline stations, convenience stores, golf courses, country clubs, etc.

PUBLIC RECORD: Based on publicly-available hardcopy and/or digital zoning and land use records for California cities and counties.

REPORTING STANDARD: "IN" shall be reported if one or more property identified in the Public Record as "commercial," "industrial," or "mixed use" is situated within a one (1) mile radius of the Property. Please note that an airports facility that may be classified as public use facility in the Public Record will be reported as "commercial/industrial" in this disclosure. "NOT IN" shall be reported if no property classified by Public Record as "commercial," "industrial," or "mixed use" is situated within a one (1) mile radius of the Property.



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AIRPORT INFLUENCE AREA DISCLOSURE

DETERMINATION

Based on certain mapped Airport Influence Areas determined by a County Airport Land Use Commission, the following determination can be made:

The Property is NOT IN an officially-designated Airport Influence Area (AIA) and is NOT WITHIN two (2) statute miles of an airport for which no AIA has been officially designated.

DISCUSSION: Certain airports are not disclosed in this Report. FANHD has made a good faith effort to identify the airports covered under California Civil Code § 1102.6a(d) and California Business and Professions Code 11010 *et seq.* Most facilities for which an Airport Influence Area (also referred to as an "Airport Referral Area") has been designated are included in the "California Aeronautical Facilities, Airports & Heliports, (FAA) 5010 Airport Master Records" list maintained by the California Department of Transportation's Division of Aeronautics. Not disclosed in this Report are public use airports that are not in the Master Records List—airports that are physically located outside California, heliports and seaplane bases that do not have regularly scheduled commercial service, private airports, and military air facilities unless included in materials provided by the ALUC or other designated government body.

NOTE: Proximity to an airport does not necessarily mean that a property is exposed to significant aviation noise levels. Alternatively, there may be properties exposed to aviation noise that are more than two (2) miles from an airport. Factors that affect the level of aviation noise can include weather, aircraft type and size, frequency of aircraft operations, airport layout, flight patterns or nighttime operations. Aviation noise levels can vary seasonally or change if airport usage changes.

PUBLIC RECORD: Based on officially adopted land use maps and/or digital data made publicly available by the governing ALUC or other designated government body. If the ALUC or other designated government body has not made publicly available a current officially adopted airport influence area map, then California law states that "a written disclosure of an airport within two (2) statute miles shall be deemed to satisfy any city or county requirements for the disclosure of airports in connection with transfers of real property."

REPORTING STANDARD: "IN" shall be reported along with the facility name(s) and the "Notice of Airport in Vicinity" if any portion of the Property is situated within either (a) an Airport Influence Area as designated on officially adopted maps or digital data or (b) a two mile radius of a qualifying facility for which an official Airport Influence Area map or digital data has not been made publicly available by the ALUC or other designated governing body. "NOT IN" shall be reported if no portion of the Property is within either such area.



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AIRPORT NOISE DISCLOSURE

DETERMINATION

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

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

DISCUSSION: California Civil Code § 1102.17 requires that the seller(s) of residential real property who has (have) actual knowledge that his/her property is affected by airport use must give written notice of that knowledge as soon as practicable before the transfer of title.

Not all airports have produced noise exposure maps. A property may be near or even at some distance from an airport and not be within a delineated noise exposure area, but still experience aviation noise. Unless 65dB CNEL contour maps are published, helipads and military sites are not included in this section of the Report.

The *Airport Noise Compatibility Planning Program* is voluntary and not all airports have elected to participate. Not all property in the vicinity of an airport is exposed to 65dB CNEL or greater average aviation noise levels. Conversely a property may be at some distance from an airport and still experience aviation noise. Purchasers should also be aware that aviation noise levels can vary seasonally or change if airport usage changes after a map is published or after FANHD has received the annual updated maps within the schedule set by FANHD. FANHD uses the most seasonally conservative noise exposures provided.

Federal funding may be available to help airports implement noise reduction programs. Such programs vary and may include purchasing properties, rezoning, and insulating homes for sound within 65dB areas delineated on CNEL maps. Airport owners have also cooperated by imposing airport use restrictions that include curfews, modifying flight paths, and aircraft limitations.

PUBLIC RECORD: Certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps produced under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150.

REPORTING STANDARD: "IN" shall be reported if any portion of the Property is situated within a 65 decibel Community Noise Equivalent Level contour identified in the Public Record. "NOT IN" shall be reported if no portion of the Property is situated within a 65 decibel Community Noise Equivalent Level contour identified in the Public Record.



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RIGHT TO FARM DISCLOSURE

DETERMINATION

The California Department of Conservation, Division of Land Resource Protection, has not designated important farmland areas for the county (or portion thereof) in which the Property is located. Therefore, no determination is provided here.

DISCUSSION: California has a "Right to Farm Act" (Civil Code Section 3482.5) to protect farming operations. When agricultural land within the State's agricultural areas is bought and sold, the purchasers are often not made aware of the fact that there are right-to-farm laws. This has led to confusion and a misunderstanding of the actual uses of the land or uses of the surrounding agricultural lands.

In 2008 the State of California enacted Assembly Bill 2881 to limit the exposure of farmers to nuisance lawsuits by homeowners in neighboring developments. The mechanism of this bill is a formal notification of the buyer, through a "Notice of Right to Farm" in an expert disclosure report, that advises the buyer if the subject property is within one mile of farmland as defined in the bill.

If the seller has actual knowledge of an agricultural operation in the vicinity of the subject property that is not disclosed in this report, and that is material to the transaction, the seller should disclose this actual knowledge in writing to the buyer.

PUBLIC RECORD: Based on the most current available version of the "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection, utilizing solely the county-level GIS map data, if any, available on the Division's Farmland Mapping and Monitoring Program website, pursuant to Section 11010 of the Business and Professions Code, and Section 1103.4 of the California Civil Code.

REPORTING STANDARD: "IN" shall be reported and the "Notice of Right to Farm" provided if any portion of the Property is situated within, or within one mile of, a parcel of real property designated as "Prime Farmland," "Farmland of Statewide Importance," "Unique Farmland," "Farmland of Local Importance," or "Grazing Land" in the public record. "NOT IN" shall be reported if no portion of the Property is within that area.

Some counties, or parts thereof, are not included in the Public Record because they have not been mapped for farmland parcels under this State program. Typically, this is because the county area is public land and not planned for incorporation, or, in the case of San Francisco, the county is entirely incorporated. In those instances, we report "Map Not Available" above, or "MNA" in the Summary of Disclosures and Advisories at the beginning of this report.



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TSUNAMI MAP ADVISORY

DISCUSSION: The California Emergency Management Agency (CalEMA), the University of Southern California Tsunami Research Center (USC), and the California Geological Survey (CGS) have prepared maps that depict areas of maximum tsunami inundation for all populated areas at risk to tsunamis in California (20 coastal counties). The maps were publicly released in December 2009 with the stated purpose that the maps are to assist cities and counties in identifying their tsunami hazard and developing their coastal evacuation routes and emergency response plans only.

These maps specifically contain the following disclaimer:

Map Disclaimer: This tsunami inundation map was prepared to assist cities and counties in identifying their tsunami hazard. It is intended for local jurisdictional, coastal evacuation planning uses only. This map, and the information presented herein, **is not a legal document and does not meet disclosure requirements for real estate transactions nor for any other regulatory purpose.** The California Emergency Management Agency (CalEMA), the University of Southern California (USC), and the California Geological Survey (CGS) make no representation or warranties regarding the accuracy of this inundation map nor the data from which the map was derived. Neither the State of California nor USC shall be liable under any circumstances for any direct, indirect, special, incidental or consequential damages with respect to any claim by any user or any third party on account of or arising from the use of this map.

A tsunami is a series of ocean waves or surges most commonly caused by an earthquake beneath the sea floor. These maps show the maximum tsunami inundation line for each area expected from tsunamis generated by undersea earthquakes and landslides in the Pacific Ocean. Because tsunamis are rare events in the historical record, the maps provide no information about the probability of any tsunami affecting any area within a specific period of time.

Although these maps may not be used as a legal basis for real estate disclosure or any other regulatory purpose, the CGS has, however, provided diagrams of the maps online which the public can view. To see a maximum tsunami inundation map for a specific coastal community, or for additional information about the construction and/or intended use of the tsunami inundation maps, visit the websites below:

State of California Emergency Management Agency, Earthquake and Tsunami Program:
<http://myhazards.calema.ca.gov/>

University of Southern California –Tsunami Research Center:
<http://www.usc.edu/dept/tsunamis/2005/index.php>

State of California Geological Survey Tsunami Information:
http://www.conservation.ca.gov/cgs/geologic_hazards/Tsunami/index.htm

National Oceanic and Atmospheric Agency Center for Tsunami Research (MOST model):
<http://nctr.pmel.noaa.gov/time/background/models.html>



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SECTION 5 **METHODS AND LIMITATIONS**

This Section will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the determination and the Public Record, and (c) the responsibilities and liabilities of FANHD under this Report. Please read this section to fully understand the limitations of this Report and FANHD's responsibilities.

A. LIMITATIONS ON PUBLIC RECORD INFORMATION AND THIS REPORT

FANHD has accurately reported the information in the Public Records with respect to the Property as of the Report Date. With respect to the Public Records, it is important to understand that:

- The Public Records may not be accurate, current, fully detailed, or complete.
- A parcel of real property may be affected by hazards that have not been identified in the Public Records.
- There may be other governmental Public Records with relevant information which are not included in this Report.
- FANHD does not make any representations as to:
 - The significance or extent of any hazard disclosed.
 - Any related health or risk of the hazard to humans or animals or how they may affect the Property.
 - The drinking water sources for the Property.
 - Any information regarding the Property after the Report Date.

B. REPORTING STANDARDS

The Reporting Standards utilized by FANHD in making each determination are specified in the Disclosure Explanations (Sections 1 through 4, inclusive) of this Report. If the Property is near the state border, hazards which may be in the adjoining state or nation are not disclosed in this Report. Where appropriate, FANHD may use the assessor's rolls, cadastral-type maps, photographic enlargements of maps and various cartographic techniques to locate the site on the appropriate map. The respective determination is made as accurately as reasonably possible using these maps. For purposes of defining property lines, the assessor's parcel number and parcel maps are used. Any errors in the assessor's rolls may affect the determination procedures. If the Public Record is not of sufficient accuracy or scale that a reasonable person can determine if the Property is within a delineated hazard area or zone, "IN" or "YES" will be reported for the corresponding disclosure.

C. NOT AN INSPECTION REPORT

FANHD does not perform a physical examination or any testing of the Property. This Report only provides information electronically derived from the specific Public Record identified for each disclosure in the Disclosure Explanation (Sections 1 through 4, inclusive) of this Report. This Report should not be considered a substitute for an on-site environmental and/or geological or engineering assessment. If additional information is desired, the Parties are encouraged to investigate other sources and to consult an environmental expert, a geologist, an engineer or other expert.

D. CHANGES TO PUBLIC RECORD AFTER REPORT DATE

The Parties are advised that the Public Records may change after the Report Date and FANHD is not responsible for advising the Parties of any changes to the determinations that may occur after the Report Date. As a courtesy, FANHD will update this Report at no cost during the transaction process for which this Report was issued, if requested.



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E. ONLY THE PARTIES MAY RELY ON THIS REPORT

This Report is valid, the Parties may rely on the Report, and a contract is formed with FANHD, **only** upon receipt by FANHD of payment of the full price of the Report. This Report may be relied upon only by the Parties for the purpose of providing the necessary subdivision application information to the DRE. This Report cannot be relied upon (a) by any persons or entities other than the Parties (b) for any other real property, (c) for any future transactions involving the Property, or (d) for any real property which is not being developed as 1-4 family residential property. The price paid for the Report does not include any amounts for protection of such other parties.

F. ERRORS AND OMISSIONS INSURANCE

FANHD maintains errors and omissions insurance. As of the Report Date, FANHD has \$20M aggregate in errors and omissions insurance.

G. LIMITATIONS ON FANHD'S LIABILITY

FANHD is not responsible for:

- Any inaccuracies or incompleteness of the information in the Public Records.
- Inaccurate address information provided for the Property.
- Any other information not contained in the specified Public Records as of the Report Date.
- Any information which would be disclosed by a physical inspection of the Property.
- Any information known by one of the Parties.
- The health or risk to humans or animals that may be associated with any of the disclosed hazards.
- The costs of investigating or remediating any of the disclosed hazards.

This Report is not an insurance policy and does not provide the same protections as an insurance policy. The price of this Report has been established with the understandings of the responsibilities of FANHD as set forth in this Section. The premium for an insurance policy would be significantly greater than the cost of this Report. The Parties acknowledge that claims for damages beyond actual losses can significantly increase the costs of Reports and make prompt resolution of claims more difficult. In order to induce FANHD to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and FANHD, the Parties agree that if there is a material error or omission in this Report:

- **The Party who suffers damages as a result of such error or omission shall be entitled at most to recover from FANHD the actual proved damages measured by the difference in the fair market value of the Property as of the Report Date, caused by the error or omission but not in excess of sale price of the Property to the Buyer. The Party making such claim must notify FANHD promptly of such claim, take no action which adversely affect FANHD's liability or defenses to such claim and the Party must fully cooperate with FANHD in the defense of such claim. The Party shall cooperate with providing reasonable evidence of the claim as requested by FANHD.**
- **FANHD shall not be liable for indirect, consequential, personal injury, physical damage or punitive damages (including, but not limited to, emotional distress or pain and suffering).**
- **FANHD will defend the Parties regarding a claim made in accordance with the foregoing provisions. FANHD shall have the right to choose the legal counsel and control the defense of such claim as it reasonably determines.**
- **FANHD shall be subrogated to all rights of the claiming Party against anyone including, but not limited to, another Party who had actual knowledge of a matter and failed to disclose it to the other Parties in writing prior to filing of the DRE Application.**



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H. PARTY'S RESPONSIBILITY OF FULL DISCLOSURE

Regardless of the information in this Report, if a Party has any actual knowledge of hazards potentially affecting the Property, that information must be disclosed in the DRE Application.

I. OTHER AGREEMENTS

This Report sets forth the complete, integrated agreement between FANHD and the Parties. Evidence of prior or contemporaneous statements, representations, promises or agreements shall not be admissible to vary the terms of this written agreement. This agreement may not be changed or amended except by a written document signed by an authorized representative of FANHD and the Parties. In the event that any dispute arises between FANHD and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of FANHD, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.

J. CANCELLATION FEE

Recipient agrees that a cancellation fee of One Hundred Dollars (\$100.00) shall be remitted to FANHD should the DRE Application not be filed for any reason.



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Summary Declaration of Liability Provisions

First American Natural Hazard Disclosures ("FANHD" or "The Company"), a division of First American Natural Hazard Disclosures LLC and a member of the First American Family of Companies, hereby declares that Recipients of a natural hazard disclosure report issued pursuant to California Civil Code §1103 *et seq.* for a residential transaction are provided the following assurances and protections.

Recipients

- Buyers, Sellers and their respective real estate agents and brokers involved in the sale of the residential property for which the Report was issued.

Protections

All Recipients of a Report shall enjoy the following assurances and protections if their Report contains an error which results in damages as defined in the Report ("Error") upon proper tender of the claim:

1. FANHD will resolve the claim promptly and in good faith.
2. FANHD will defend a Recipient against legal action brought against that Recipient as a result of the Error or otherwise resolve the Error without economic loss to the Recipient.
3. Recipients will enjoy the benefits of amounts received by FANHD from its errors and omissions ("E&O") insurance carrier as a result of the Error.
4. To the extent that economic loss resulting from the Error is not paid by the E&O insurance proceeds, FANHD shall be liable for any remaining loss.

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

By: First American Greg Rufe, Chief Operating Officer

Date: 03/02/2010



END OF REPORT