



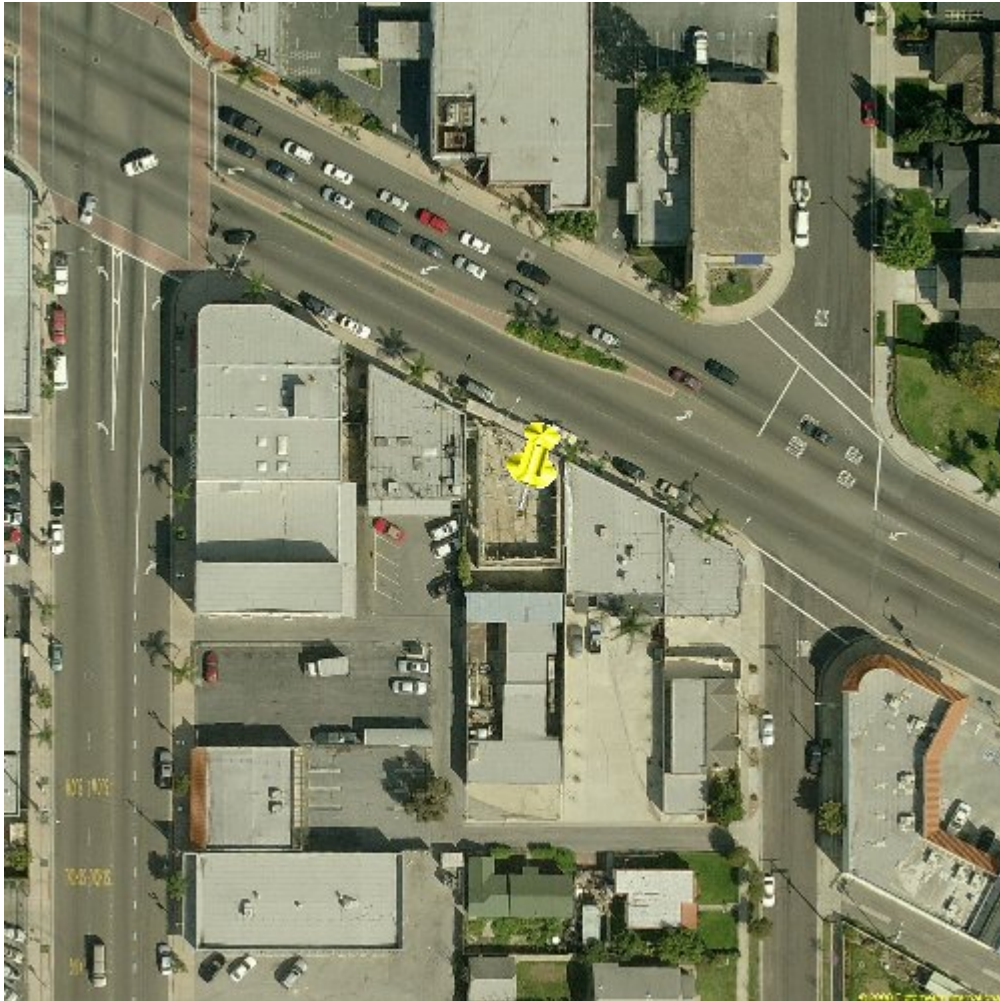
## JCP-LGS Commercial Property Disclosure Reports

### For LOS ANGELES COUNTY

**Property Address:** 2162-2164 LOMITA BLVD ,  
LOMITA, LOS ANGELES COUNTY, CA  
("Property")

**APN:** 7376-017-028  
**Report Date:** 04/15/2009  
**Report Number:** 510314

### AERIAL PHOTO COVER PAGE



*This map is provided for convenience only to show the approximate location of the Property and is not based on a field survey.*

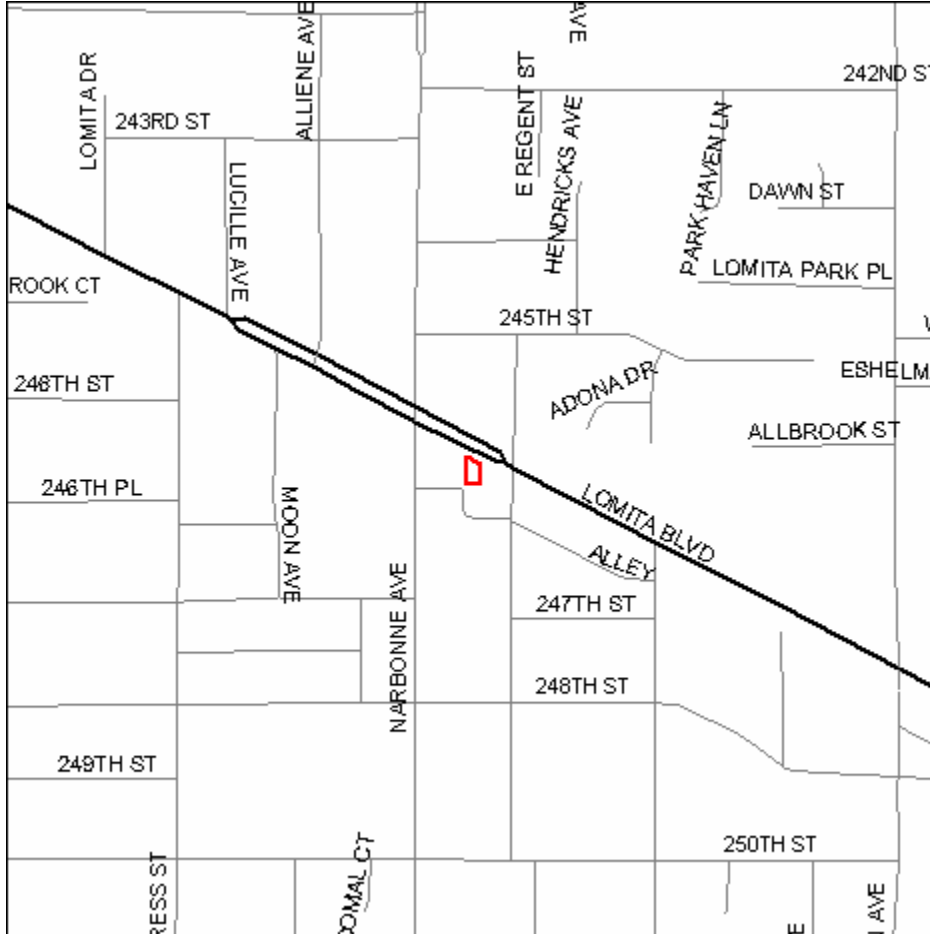
**NOTE TO READER:** *High-resolution aerial photographs are obtained through periodic surveys by low-altitude aircraft. Surveys are repeated at intervals of several years, and their coverage is limited to populated areas. On rare occasions, the air photo on this page will display a black area, or vacant land where buildings now exist. In these cases, the photo happens to be at the edge of the survey coverage area, or it shows land that has been developed since the time of the latest aerial survey. We apologize for these rare instances, which are beyond our control.*

JCP-LGS Property Disclosure Reports | MAP COVER PAGE  
 Natural Hazard Disclosure Report



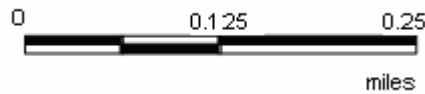
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Subject Property

	Special Flood Hazard Area
	Area of Potential Flooding, Dam Failure
	Very High Fire Hazard Severity Zone
	Wildland Area, Substantial Forest Fire Risk
	Earthquake Fault Zone
	Seismic Hazard Zone, Landslide
	Seismic Hazard Zone, Liquefaction



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**This COMMERCIAL PROPERTY DISCLOSURE REPORT contains the Commercial Natural Hazard Disclosure Report and the Commercial California Property Tax Report. If you would like to also order a Commercial Environmental Report, please contact Customer Service at (800)748-5233**

**THIS REPORT PROVIDES THE STATUTORY DISCLOSURES MANDATED BY CALIFORNIA LAWS SPECIFIED HEREIN AND DELIVERY OF THIS REPORT AND THE EXECUTED STATUTORY FORM IS SUFFICIENT TO MEET THE SAFE HARBOR FOR THE SELLER AND SELLER'S AGENT. THIS REPORT ALSO CONTAINS OTHER IMPORTANT DISCLOSURES AND INFORMATION. SELLER AND SELLER'S AGENT MAY HAVE ADDITIONAL RESPONSIBILITIES FOR CERTAIN DISCLOSURES WITHIN THEIR ACTUAL KNOWLEDGE.**



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Natural Hazard Disclosure Statement

The transferor and his or her agent(s) disclose the following information with the knowledge that even though this is not a warranty, prospective transferees may rely on this information in deciding whether and on what terms to purchase the Property.

The following are representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn by the State. This information is a disclosure and is not intended to be part of any contract between the transferee and the transferor. THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

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

Yes \_\_\_ No [X] Do not know and information not available from local jurisdiction \_\_\_

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

Yes \_\_\_ No [X] Do not know and information not available from local jurisdiction \_\_\_

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

Yes \_\_\_ No [X]

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISK 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.

Yes \_\_\_ No [X]

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

Yes \_\_\_ No [X]

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

Yes (Landslide Zone) \_\_\_ Yes (Liquefaction Zone) \_\_\_

No [X] Map not yet released by state \_\_\_

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

Signature of Transferor (Seller) \_\_\_\_\_ Date \_\_\_\_\_
Signature of Transferor (Seller) \_\_\_\_\_ Date \_\_\_\_\_
Signature of Agent \_\_\_\_\_ Date \_\_\_\_\_
Signature of Agent \_\_\_\_\_ Date \_\_\_\_\_

Check only one of the following:

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

[X] Transferor(s) and their agent(s) acknowledge that they have exercised good faith in the selection of a third-party report provider, 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.

Third-Party Disclosure Provider(s) Greg Rufe, Chief Operating Officer Date 04/15/2009 Rept. No. 510314
JCP-LGS Disclosure Reports

Transferee represents that he/she has read and understands this document. I (We) also have read and understand the added local hazard, airport, military ordnance, BCDC disclosure, as well as the mold, radon, meth lab, and endangered species advisories and the map cover page contained in this Report.

Signature of Transferee(s) \_\_\_\_\_ Date \_\_\_\_\_
Signature of Transferee(s) \_\_\_\_\_ Date \_\_\_\_\_

ADDITIONAL SIGNATURE REQUIRED: SEE "ACKNOWLEDGEMENT OF RECEIPT"- NEXT PAGE



# ACKNOWLEDGEMENT OF RECEIPT

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**I hereby acknowledge the receipt of the following Disclosures and Advisories:**

**Natural Hazard Report Disclosures and Advisories**  
**(Signature Required on the NHDS Form – See preceding page)**

- ✓ State Level Natural Hazard Disclosures (NHDS Form)
- ✓ Local City and County Level Natural Hazard Disclosures (where applicable)
- ✓ Military Ordnance Disclosure
- ✓ Airport Influence Area / Airport Noise Disclosure
- ✓ Methamphetamine Contaminated Property Disclosure Advisory
- ✓ Mold Advisory
- ✓ Radon Advisory
- ✓ Endangered Species Act Advisory
- ✓ Abandoned Mines Advisory
- ✓ Oil & Gas Well Advisory

**California Property Tax Report Disclosures and Advisories**

- ✓ Notice of Special Tax and Assessment (Mello-Roos and 1915 Bond Act)
- ✓ Notice of Supplemental Property Tax Bill
- ✓ Private Transfer Fee Disclosure Advisory

_____ <b>Transferor (Seller)</b>	_____ <b>Date</b>	_____ <b>Transferor (Seller)</b>	_____ <b>Date</b>
_____ <b>Transferee (Buyer)</b>	_____ <b>Date</b>	_____ <b>Transferee (Buyer)</b>	_____ <b>Date</b>
_____ <b>Agent</b>	_____ <b>Date</b>	_____ <b>Agent</b>	_____ <b>Date</b>



## JCP-LGS Commercial Property Disclosure Reports The Natural Hazard Disclosure Report For LOS ANGELES COUNTY

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### Summary Declaration of Liability Provisions

JCP-LGS Reports Natural Hazard Disclosures("JCP-LGS" 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 by a Member Company ("Report") pursuant to those California laws, underlying statutes, and Public Records cited on the NHDS and herein for a 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 Property for which the Report was issued.

#### Member Companies

- First American Natural Hazard Disclosures, LLC.
- JCP-LGS Disclosures.com

#### 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) JCP-LGS will resolve the claim promptly and in good faith.
- (2) JCP-LGS 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 JCP-LGS 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, JCP-LGS 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: JCP-LGS Disclosure Reports

Greg Rufe, Chief Operating Officer

**Date:** 04/15/2009

**THIS IS A PUBLIC RECORD REPORT ONLY:** This Report only provides information concerning the Property derived from the Public Records identified in this Report. While JCP-LGS 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 3, 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. JCP-LGS has not physically inspected the Property. This Report only summarizes the information from the specified Public Records.

**LIABILITY PROTECTIONS:** Upon consummation of the sale of the Property to Buyer ("Sale Date"), the Parties involved in that sale are protected against loss caused by any error in this Report as specified in the section 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



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## NATURAL HAZARD DISCLOSURE REPORT TABLE OF CONTENTS

This Report includes the sections as identified in this Table of Contents and is not complete if any one of these components is missing. Additional information may also be included in the form of addendums which are provided as an accommodation and are not an official part of this Report.

Sections		PAGE
<b>SIGNATURE SECTION</b>		
Statutory Form	The statutory disclosures applicable to the Property as required by specified California statutes cited in the NHDS (the "Law")..... <b>SIGNATURE REQUIRED</b>	1
Acknowledgement of Receipt	A document summarizing all of the disclosures and advisories contained in the Report ..... <b>SIGNATURE REQUIRED</b>	2
Summary Declaration of Liability Provisions	Explains the liability protection offered in relying on this report.....	3
Table of Contents	Summary of report contents. (This page.).....	4
<b>SUMMARY OF DISCLOSURES SECTION</b>		
Summary of Natural Hazard Disclosure Determinations	A summary of the Statutory (State level) natural hazard disclosures and additional "Local" natural hazard disclosures officially adopted by the County and/or City wherein the Property is located. Not all Counties or Cities have officially adopted maps of sufficient scale to make determinations specific to the Property.....	5 - 6
Summary of Additional Property Specific Disclosures & Advisories	A summary of some of the additional disclosures that could affect the value of the property that the State of California along with the California Association of Realtors have required.....	7 - 8
<b>DISCLOSURE EXPLANATION SECTION</b>		
Explanation of Mandatory State Level Disclosures	State Level Disclosures are defined and explained, and official Public Records used for the determinations as well as the reporting standards are identified.....	9 - 11
Explanation of County and City Disclosures (if applicable)	"Local" County and City Level Disclosures are defined and explained, and official Public Records used for the determinations as well as the reporting standards are identified. Any and all disclosures made in this section are based on the local jurisdictions' <b>officially adopted, publicly available hazard maps that are of useable scale in order to make parcel specific determinations</b> .....	12 - 15
Explanation of Additional Property Specific Disclosures	The State of California along with the California Association of Realtors have required that various property specific disclosures be made that could affect the value of the property. Some of these disclosures are made in this section. ....	16 - 18
Advisories & Notices	Important advisories and notices dealing with potential general concerns related to real property ownership in California but not specific to the Property. These advisories are not mandated.....	19 - 22
Methods and Limitations <b>(IMPORTANT)</b>	A summary explanation of the methods used to make the disclosure determinations and limitations on liability.....	23 - 25



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## SUMMARY OF NATURAL HAZARD DISCLOSURES

\*Map N/A: Map not available, and/or not officially adopted by the jurisdiction, and/or not of sufficient scale from which to make parcel specific determinations.

### STATE LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A*	Hazards	The Property is:	Refer to page:
	✓		Flood	NOT IN a Special Flood Hazard Area. The Property is IN a FEMA-designated Flood Zone X.	9
	✓		Dam	NOT IN an area of potential dam inundation.	9
	✓		Very High Fire Hazard Severity	NOT IN a very high fire hazard severity zone.	10
	✓		Wildland Fire Area	NOT IN a state responsibility area.	10
	✓		Fault	NOT IN an earthquake fault zone designated pursuant to the Alquist-Priolo Act.	11
	✓		Landslide	NOT IN an area of earthquake-induced land sliding designated pursuant to the Seismic Hazard Mapping Act.	11
	✓		Liquefaction	NOT IN an area of potential liquefaction designated pursuant to the Seismic Hazard Mapping Act.	11

### COUNTY LEVEL DETERMINATIONS

IN	NOT IN	MAP N/A*	Hazards	The Property is:	Refer to page:
	✓		Fault	NOT IN a mapped fault zone or within one-eighth of one mile of a mapped fault trace	13
	✓		Landslide	NOT WITHIN for County Landslide hazard area.	13
✓			Liquefaction	IN Low or Very Low Liquefaction for Liquefaction hazard area.	13
	✓		Dam Inundation	NOT IN a mapped dam or debris basin inundation area	13
	✓		Tsunami	NOT IN a mapped tsunami inundation area	13
	✓		Fire	NOT IN a mapped Fire Zone 4 or Additional Areas of High Fire Hazard	13
	✓		Methane	NOT IN a mapped area of known shallow methane accumulation	13
	✓		Hillside	NOT IN a mapped hillside area	13
	✓		Debris Flow	NOT IN a mapped general area within or adjacent to the Los Angeles Basin impacted by historic mud and debris flooding	13

### CITY LEVEL DETERMINATIONS



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The jurisdiction in which the Property is located is either in an unincorporated area or does not have officially adopted mapped information available at this time from which a geologic determination can be made.



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**SUMMARY OF ADDITIONAL PROPERTY SPECIFIC DISCLOSURES**

IN	NOT IN	MAP N/A	Hazards	The Property is:	Refer to page:
✓			Former Military Ordnance	WITHIN one mile of a formerly used ordinance site.: Lomita Flight Strip	16
	✓		Airport Influence Area	NOT IN an airport influence area.	17
	✓		Airport Noise Area for 65 Decibel	NOT IN a delineated 65 dB CNEL or greater aviation noise zone.	18



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**SUMMARY OF ADVISORIES**

**ADVISORIES**

<b>Advisory</b>	<b>Advisory Notation</b>	<b>Refer to page:</b>
Methamphetamine Contamination	Provides an advisory that a disclosure may be required pursuant to the "Methamphetamine Contaminated Property Cleanup Act of 2005".	19
Mold	Provides an advisory that all prospective purchasers of residential and commercial property should thoroughly inspect the subject property for mold and sources for additional information on the origins of and the damage caused by mold.	19
Radon	Provides an advisory on the risk associated with Radon gas concentrations.	20
Endangered Species	Provides an advisory on resources to educate the public on locales of endangered or threatened species.	21
Abandoned Mines	Provides an advisory on resources to educate the public on the hazards posed by, and some of the general locales of, abandoned mines.	22
Oil and Gas Wells	Provides an advisory on the potential existence of oil and gas wells and sources for additional general and/or specific information.	22



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### STATUTORY NATURAL HAZARD DISCLOSURE EXPLANATIONS

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The statutory Natural Hazard Disclosure Statement on page one of this report does not provide for informing purchasers if the property is only partially within any of the delineated zones or provide additional flood zone information which could be very important to the disclosure process. The following summary is meant to give buyers the additional information they may need to help them in the decision making process and to place the information in perspective.

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#### SPECIAL FLOOD HAZARD AREA

**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 the 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.

**Zones A, AO, AE, AH, A1-A30:** Area of "100-year" flooding - a 1% or greater chance of annual flooding.

**Zones V, V1-V30:** Area of "100-year" flooding in coastal (shore front) areas subject to wave action.

**Zone B:** Area of moderate flood risk. These are areas between the "100" and "500" year flood-risk levels.

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

**Zones C, D:** NOT IN an area of "100-year" flooding. Area of minimal (Zone C) or undetermined (Zone D) flood hazard.

**Note:** If the Property is subject to a Letter of Map Amendment ("LOMA") or a Letter of Map Revision ("LOMR") issued by FEMA, a copy of the LOMA or LOMR must be attached to the Natural Hazard Disclosure Statement ("NHDS") or appropriate disclosure statement. The Company is not always able to determine if the Property is subject to a LOMA or a LOMR. Even if such information is available to the Company, the Company is unable to attach a copy of the LOMA or LOMR to the NHDS. If Seller is aware that the Property is subject to a LOMR or a LOMA, the Seller shall attach a copy to the NHDS and notify the Company.

For more information about flood zones, visit [http://www.floodsmart.gov/floodsmart/pages/about/flood\\_zones\\_explained.jsp](http://www.floodsmart.gov/floodsmart/pages/about/flood_zones_explained.jsp)

**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.

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#### AREA OF POTENTIAL FLOODING (DAM FAILURE)

**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 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.



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### VERY HIGH FIRE HAZARD SEVERITY ZONE (VHFHSZ)

**DISCUSSION:** VHFHSZs 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. Properties located within 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. Contact the local fire department for a complete list of requirements and exceptions.

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

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### WILDLAND FIRE AREA (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 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 or only seasonal fire services there may be significant fire risk. If the Property is located within a WSRA, please contact the local fire department for more detailed information.

**PUBLIC RECORD:** Official maps 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

**DISCUSSION:** Earthquake Fault Zones are delineated and adopted by California as part of the Alquist-Priolo Earthquake Fault Zone Act of 1972. Property in 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.

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

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### SEISMIC HAZARD MAPPING ACT ZONE

**DISCUSSION:** Official Seismic Hazard Zone ("SH Zone") maps 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.

**Earthquake-Induced Landslide Hazard Zones** 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 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.

**Liquefaction Hazard Zones** 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.

**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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**STATUTORY NATURAL HAZARD DISCLOSURE REPORTING STANDARD:** "IN" shall be reported if any portion of the Property is located within any of the above zones as delineated in the Public Record. "NOT IN" shall be reported if no portion of the Property is located within any of the above zones as delineated in the Public Record.

"Map Not Available" shall be reported in areas not yet evaluated by the governing agency according to the Public Record. Please note that "Map Not Available" will be applicable to most portions of the state Official Seismic Hazard Zone ("SH Zone") maps delineate Areas of Potential Liquefaction and Areas of Earthquake-Induced Landsliding.

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# JCP-LGS Commercial Property Disclosure Reports The Natural Hazard Disclosure Report For LOS ANGELES COUNTY

**Property Address:** 2162-2164 LOMITA BLVD ,  
LOMITA, LOS ANGELES COUNTY, CA  
("Property")

**APN:** 7376-017-028  
**Report Date:** 04/15/2009  
**Report Number:** 510314

## LOCAL COUNTY-LEVEL AND CITY-LEVEL NATURAL HAZARD DISCLOSURE EXPLANATIONS

### PUBLIC RECORDS AND LOCAL REPORTING STANDARDS

**HAZARD MAPS IN THE LOCAL GENERAL PLAN:** In addition to those federal and state maps associated with disclosures specified under the Law, counties and cities have additional maps which depict various geologic and seismic hazards that local agencies consider when approving land use and development permit applications. These may include maps contained in the Safety Element and/or Seismic Safety Element of a General Plan that has been officially adopted by a city of county.

Unless otherwise specified, only those officially adopted Safety Element or Seismic Safety Element maps (or digital data thereof) which are publicly available, are of a scale, resolution, and quality that readily enable parcel-specific hazard determinations, and are consistent in character with those statutory federal or state disclosures will be considered for eligible for use as the basis for county- or city-level disclosures set forth in this Report. Please also note:

- If an officially adopted Safety Element or Seismic Safety Element map relies on data which is redundant of that used for state-level disclosures, this Report will indicate so and advise Report recipients to refer to the state-level hazard discussion section for more information.
- If an officially adopted Safety Element or Seismic Safety Element cites underlying maps created by another agency, those maps may be regarded as incorporated by reference and may be used as the basis for parcel-specific determinations if those maps meet the criteria set forth in this section.
- Because county- and city-level maps are developed independently and do not necessarily define or delineate a given hazard the same way, the boundaries for the "same" hazard may be different.

If one or more maps contained in the Safety Element and/or Seismic Safety Element of an officially adopted General Plan are used as the basis for local disclosure, those maps will appear under the "Public Record(s) Searched" for that county or city.

### REPORTING STANDARDS

A good faith effort has been made to disclose all hazard features on pertinent Safety Element and Seismic Safety Element maps with well-defined boundaries; however, those hazards with boundaries that are not delineated will be deemed not suitable for parcel-specific hazard determinations. Some map features, such as lines drawn to represent the location of a fault trace, may be buffered to create a zone to facilitate disclosure. Those map features which can not be readily distinguished from those representing hazards may be included to prevent an omission of a hazard feature. If the width of a hazard zone boundary is in question, "IN" will be reported if that boundary impacts any portion of a property. Further explanations concerning specific map features peculiar to a given county or city will appear under the "Reporting Standards" for that jurisdiction.

### PUBLIC RECORDS VS. ON-SITE EVALUATIONS

Mapped hazard zones represent evaluations of generalized hazard information. Any specific site within a mapped zone could be at less or more relative risk than is indicated by the zone designation. A site-specific evaluation conducted by a geotechnical consultant or other qualified professional may provide more detailed and definitive information about the Property and any conditions which may or do affect it.

### PROPERTY USE AND PERMITTING

No maps beyond those identified as "Public Record(s)" have been consulted for the purpose of these local disclosures. These disclosures are intended solely to make Report recipient(s) aware of the presence of mapped hazards. For this reason – and because local authorities may use on these or additional maps or data differently to determine property-specific land use and permitting approvals - Report recipients are advised to contact the appropriate local agency, usually Community Development, Planning, and/or Building, prior to the transaction to ascertain if these or any other conditions or related regulations may impact the Property use or improvement.



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## 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 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 of 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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## CITY-LEVEL GEOLOGIC AND SEISMIC ZONES DISCUSSION

This Report reviews the officially adopted geologic hazard maps in the Safety Element that each city in California is required to include in its General Plan. The city the subject property is located in has either not officially adopted hazard zonation maps in its General Plan at an appropriate scale to delineate where hazards may exist on a single parcel basis or will not make such maps available outside city offices. However, all Parties should be California is "earthquake country." Faults that may exist in this city or in neighboring regions could cause earthquake shaking or other fault related-phenomena on the Property. Other geologic hazards such as, but not limited to liquefaction (a type of soil settling that can occur when loose, water-saturated sediments are shaken significantly in an earthquake) may occur in certain valley floor areas and landslides are a possibility in any hillside area. Such potential natural hazards may exist and be delineated on other sources used by the city in its Planning, Engineering, or Building Departments. Such potential sources are not reviewed in this report.

• • • END OF LOCAL AREA DISCLOSURES AND DISCUSSIONS SECTION • • •



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## ADDITIONAL PROPERTY SPECIFIC DISCLOSURES

### FORMER MILITARY ORDNANCE SITE DISCLOSURE

**DISCUSSION:** Former Military Ordnance (FUD) sites can include sites with common industrial waste (such as fuels), ordnance or other warfare materiel, unsafe structures to be demolished, or debris for removal. California Civil Code §1102.15 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. NOTE: most FUD sites do not contain unexploded ordnance. Only those FUD sites that the U.S. Army Corps of Engineers (USACE) has identified to contain Military Ordnance or have mitigation projects planned for them are disclosed in this report. Additional sites may be added as military installations are released under the Federal Base Realignment and Closure (BRAC) Act. Active military sites are NOT included on the FUD site list.

**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:** If one or more facility identified in the Public Record is situated within a one (1) mile radius of the Property, "WITHIN" shall be reported. The name of that facility or facilities shall also be reported.

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### AIRPORT INFLUENCE AREA DISCLOSURE

#### **DISCUSSION:**

**Certain airports are not disclosed in this report.** JCP-LGS has made a good faith effort to identify the airports covered under California Business and Professions Code, Section 11010. Sources consulted include official land use maps and/or digital data made available by a governing Airport Land Use Commission (ALUC) or other designated government body. Most facilities for which an Airport Influence Area has been designated are included on the "California Airports 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 "California Airports List", airports that are physically located outside California, heliports and seaplane bases that do not have regularly scheduled commercial service, and private airports or military air facilities unless specifically identified in the "California Airports List". **If the seller has actual knowledge of an airport 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.**

Most facilities for which an Airport Influence Area has been designated are included on the "California Airports List" maintained by the California Department of Transportation's Division of Aeronautics. The inclusion of military and private airports varies by County, and heliports and seaplane bases are not included, therefore, airports in these categories may or may not be included in this disclosure.

**NOTE:** Proximity to an airport does not necessarily mean that the property is exposed to significant aviation noise levels. Alternatively, there may be properties exposed to aviation noise that are greater than two miles from an airport. Factors that affect the level of aviation noise include weather, aircraft type and size, frequency of aircraft operations, airport layout, flight patterns or nighttime operations. Buyer should be aware that 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 (2) 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 area.



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### AIRPORT NOISE DISCLOSURE

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

Under the Federal Aviation Administration's *Airport Noise Compatibility Planning Program* Part 150, certain 65 decibel (dB) Community Noise Equivalent Level (CNEL) contour maps have been produced for some airports. ***Not all airports have produced noise exposure maps. A property may be near or at some distance from an airport and not be within a delineated noise exposure area, but still experience aviation noise. Unless 65dB CNEL contour maps are published, helipads and military sites are not included in this section of the Report.***

The *Airport Noise Compatibility Planning Program* is voluntary and not all airports have elected to participate. Furthermore, 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. Buyer should be aware that aviation noise levels can vary seasonally or change if airport usage changes after a map is published or after JCP-LGS receives the updated maps within the schedule set by JCP-LGS. JCP-LGS 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 buildings 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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## ADVISORIES

### METHAMPHETAMINE CONTAMINATED PROPERTY DISCLOSURE ADVISORY

**DISCUSSION:** According to the "Methamphetamine Contaminated Property Cleanup Act of 2005" a property owner must disclose in writing to a prospective buyer if local health officials have issued an order prohibiting the use or occupancy of a property contaminated by meth lab activity. The owner must also give a copy of the pending order to the buyer to acknowledge receipt in writing. Failure to comply with these requirements may subject an owner to, among other things, a civil penalty up to \$5,000. Aside from disclosure requirements, this new law also sets forth procedures for local authorities to deal with meth-contaminated properties, including the filing of a lien against a property until the owner cleans up the contamination or pays for the cleanup costs.

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### MOLD ADVISORY

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

As part of a buyer's physical inspection of the condition of a property, the buyer should consider engaging an appropriate and qualified professional to inspect and test for the presence of harmful molds and to advise the buyer of any potential risk and options available. This advisory is not a disclosure of whether harmful mold conditions exist at a property or not. No testing or inspections of any kind have been performed by The Company. Any use of this form is acknowledgement and acceptance that The Company does not disclose, warrant or indemnify mold conditions at a property in any way and is not responsible in any way for mold conditions that may exist. Information is available from the California Department of Health Services Indoor Air Quality Section fact sheet entitled, "Mold in My Home: What Do I Do?" The fact sheet is available at [www.cal-iaq.org](http://www.cal-iaq.org) or by calling (510) 540-2476.

The Toxic Mold Protection Act of 2001 requires that information be developed regarding the potential issues surrounding naturally occurring molds within a home. Information was written by environmental authorities for inclusion in the *Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants* booklet developed by the California Environmental Protection Agency and the Department of Health Services. It is found in Chapter VI of that booklet, and includes references to sources for additional information. This booklet is available online at: <http://www.dhs.ca.gov/childlead/pdfs/ResEnviroHaz2005.pdf>

**For local assistance, contact your county or city Department of Health, Housing, or Environmental Health.**



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### RADON ADVISORY

**DISCUSSION:** For its Radon Advisory, JCP-LGS uses the updated assessment of radon exposure published in 1999 by the Lawrence Berkeley National Laboratory (LBNL) and Columbia University, under support from the U.S. Environmental Protection Agency (EPA), the National Science Foundation, and the US Department of Energy (published online at <http://eetd.lbl.gov/IEP/high-radon/USgm.htm>). Based on this recent assessment, JCP-LGS's radon advisory is as follows:

**All of California's 58 counties have a predicted median annual-average living-area concentration of radon below 2.0 pCi/L (picocuries per liter of indoor air) -- which is well below the EPA's guideline level of 4 pCi/L and equivalent to the lowest hazard zone (Zone 3) on the 1993 EPA Map of Radon Zones**

The "median concentration" means that half of the buildings in a county are expected to be below this value and half to be above it. All houses contain some radon, and a few houses will contain much more than the median concentration. **The only way to accurately assess long-term exposure to radon in a specific house is through long-term testing (sampling the indoor air for a year or more). The EPA recommends that all buildings be tested for radon.** Columbia University's "Radon Project" website offers help to homeowners in assessing the cost vs. benefit of testing a specific house for radon or modifying it for radon reduction (see <http://www.stat.columbia.edu/radon/>).

**NOTE:** JCP-LGS does not use the EPA's 1993 map for advisory purposes because that map shows "short-term" radon exposure averaged by county. It was based on "screening measurements" that were intentionally designed to sample the worst-case conditions for indoor air in US homes--using spot checks (sampling for just a few days), in the poorest air quality (with sealed doors and windows), at the worst time of the year (winter), in the worst part of the house (the basement, if one was available). These short-term, winter, basement measurements are both biased and variable compared to long-term radon concentrations (averaged over a year) in the living area of a house. Long-term concentrations are a more accurate way to judge the long-term health risk from radon. For the above reasons, the EPA expressly disclaims the use of its 1993 map for determining whether any house should be tested for radon, and authorizes no other use of its map for property-specific purposes. For additional information about EPA guidelines and radon testing, see "Chapter VII--Radon", in the California Department of Real Estate's *Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants* -- available online at <http://www.dhs.ca.gov/childlead/pdfs/ResEnviroHaz2005.pdf>



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### ENDANGERED SPECIES ACT ADVISORY

**DISCUSSION:** 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.

In California alone, over 300 species of plants and animals have been designated under the ESA as threatened or endangered, and over 80 species have critical habitats designated for them. Most California counties are host to a dozen or more protected species and, in many cases, 10 or more species have designated critical habitats within a county.

**ADVISORY:** 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 MORE INFORMATION:** Complete and current information about the threatened and endangered species in California that are Federally listed in each county -- including all critical habitats designated there -- is available on the website of the U.S. Fish & Wildlife Service, the Federal authority which has enforcement responsibility for the ESA.

**For Northern California visit:**

[http://www.fws.gov/sacramento/es/spp\\_lists/auto\\_list\\_form.cfm](http://www.fws.gov/sacramento/es/spp_lists/auto_list_form.cfm)

**For Southern California visit:**

[http://www.fws.gov/carlsbad/CFWO\\_Species\\_List.htm](http://www.fws.gov/carlsbad/CFWO_Species_List.htm)



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### ABANDONED MINES ADVISORY

**DISCUSSION:** According to the California Department of Conservation, Office of Mine Reclamation, since the Gold Rush of 1849, tens of thousands of mines have been dug in California. Many were abandoned when they became unproductive or unprofitable. The result is that California's landscape contains many thousands of abandoned mines, which can pose health, safety, or environmental hazards on and around the mine property. Mines can present serious physical safety hazards, such as open shafts or adits (mine tunnel), and they may create the potential to contaminate surface water, groundwater, or air quality. Some abandoned mines are such massive problems as to earn a spot on the Federal Superfund environmental hazard list.

No California law requires the disclosure of abandoned mines in a real estate transaction, unless the existence of an abandoned mine is within the actual knowledge of the Seller and is deemed to be a fact material to the transaction.

The Office of Mine Reclamation (OMR) and the U.S. Geological Survey maintain a database of abandoned mines -- however, it is known to be incomplete and based on maps that are often decades out of date. Many mines are not mapped because they are on private land. The OMR warns that **the State's abandoned mines database "should NOT be relied upon for...the obligations of sellers of real property and their disclosure obligations under California law."** (See reference below.)

**This Report does not contain an abandoned mines disclosure from any government database or map or any other source.**

Parties concerned about the possible existence or impact of abandoned mines in the vicinity of the Property are advised to retain a State-licensed geotechnical consultant to study the site and issue a report. Other sources of information include, but are not limited to, the State Office of Mine Reclamation at (916) 323-9198 (website: <http://www.conservation.ca.gov/OMR>), and the Engineering, Planning or Building Departments in the subject City and County.

**FOR MORE INFORMATION:** For more information visit the State Office of Mine Reclamation's website at: [http://www.conservation.ca.gov/omr/abandoned\\_mine\\_lands/california\\_abandoned\\_mines/Pages/overview.aspx](http://www.conservation.ca.gov/omr/abandoned_mine_lands/california_abandoned_mines/Pages/overview.aspx)

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### OIL & GAS WELL ADVISORY

California is currently ranked fourth in the nation among oil producing states. Surface oil production is concentrated mainly in the Los Angeles Basin and Kern County, and in districts elsewhere in the state. In recent decades, real estate development has rapidly encroached into areas where oil production has occurred. Because the state'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.

According to the California Department of Conservation ("DOC"), to date, about 187,000 oil, gas, and geothermal wells have been drilled in California and around 88,000 are still in use. The remaining wells (1) are used intermittently ("shut-in" wells), (2) have been sealed ("capped") under the supervision of the DOC's Division of Oil, Gas and Geothermal Resources, or (3) have been abandoned and have no known responsible operator -- these are called "orphan" wells. The state has a special fund that pays the cost of safely capping orphan wells, however, that program is limited in its scope and progress.

**Buyer should be aware that the DOC database lists oil and gas wells in LOS ANGELES County, and those may include orphan wells. Health and safety hazards may be associated with oil and gas wells, whether orphan, capped or active, including, 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 More Information

For general information, visit the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources at <http://www.consrv.ca.gov/dog/>



# JCP-LGS Commercial Property Disclosure Reports The Natural Hazard Disclosure Report For LOS ANGELES COUNTY

**Property Address:** 2162-2164 LOMITA BLVD ,  
LOMITA, LOS ANGELES COUNTY, CA  
("Property")

**APN:** 7376-017-028  
**Report Date:** 04/15/2009  
**Report Number:** 510314

## 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 JCP-LGS under this Report. Please read this section to fully understand the limitations of this Report and JCP-LGS's responsibilities.

### **A. LIMITATIONS ON PUBLIC RECORD INFORMATION AND THIS REPORT**

JCP-LGS 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.
- JCP-LGS 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 JCP-LGS in making each determination are specified in the Disclosure Explanations (Sections 1 through 3, 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, JCP-LGS 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**

JCP-LGS 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 3, 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 JCP-LGS is not responsible for advising the Parties of any changes to the determinations that may occur after the Report Date. As a courtesy, JCP-LGS will update this Report at no cost during the transaction process for which this Report was issued, if requested.



## JCP-LGS Commercial Property Disclosure Reports The Natural Hazard Disclosure Report For LOS ANGELES COUNTY

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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 JCP-LGS, **only** upon receipt by JCP-LGS of payment of the full price of the Report. This Report may be relied upon only by the Parties to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than the Seller, the Buyer and their Agents, (b) for any other real property, or (c) for any future transactions involving the Property. The price paid for the Report does not include any amounts for protection of such other parties.

### **F. ERRORS AND OMISSIONS INSURANCE**

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

### **G. LIMITATIONS ON JCP-LGS'S LIABILITY**

JCP-LGS 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 JCP-LGS 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 JCP-LGS to provide this Report for the price charged, and to help streamline the process of resolving any disputes between the Parties and JCP-LGS, the Buyer, Seller and Agents 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 JCP-LGS 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 One Million Dollars (\$1,000,000) cumulatively, whichever is less, shall be paid under this Report. The Party making such claim must notify JCP-LGS promptly of such claim, take no action which will adversely affect JCP-LGS's liability or defenses to such claim and the Party must fully cooperate with JCP-LGS in the defense of such claim. The Party shall cooperate with providing reasonable evidence of the claim as requested by JCP-LGS.**
- **JCP-LGS 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).**
- **JCP-LGS will defend the Parties regarding a claim made in accordance with the foregoing provisions. JCP-LGS shall have the right to choose the legal counsel and control the defense of such claim as it reasonably determines.**
- **JCP-LGS 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 the Sale Date.**



## JCP-LGS Commercial Property Disclosure Reports The Natural Hazard Disclosure Report For LOS ANGELES COUNTY

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### **H. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE**

Sellers of real property and their agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of hazards potentially affecting the Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.

### **I. OTHER AGREEMENTS**

This Report sets forth the complete, integrated agreement between JCP-LGS 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 JCP-LGS and the Parties. In the event that any dispute arises between JCP-LGS and any Parties arising out of or relating to this Report or its subject matter, or any act or omission of JCP-LGS, the prevailing party shall be entitled to recover his, her or its reasonable costs, including attorneys' fees, from the losing party.



# California Property Tax Disclosure Report™

**Property Address:** 2162-2164 LOMITA BLVD ,  
LOMITA, LOS ANGELES COUNTY, CA

**APN:** 7376-017-028  
**Report Date:** 04/15/2009  
**Report Number:** 510314

## California Property Tax Disclosure Report™

The parties for whom this Report was prepared are the owner of the Commercial Property on the Report Date ("Seller"), the buyer of the Commercial Property under contract of sale as of the Report Date ("Buyer") and their respective licensed real estate agents ("Agents"). Seller, Buyer and the Agents are sometimes referred to herein as "Party" or "Parties."

### PART 1. INTRODUCTION AND SUMMARY:

This Report discloses the results of an electronic search of specified government lists ("Databases") containing real property tax information concerning the Commercial Property. To understand the information provided, please read this entire Report.

#### The Commercial Property:

- A. IS  IS NOT  Subject to one or more Mello-Roos Community Facilities Districts.
- B. IS  IS NOT  Subject to one or more 1915 Bond Act Assessment Districts.
- C. IS  IS NOT  Subject to other direct assessments.

For more detailed information as to the foregoing determinations, please review Part 2 and Part 3.

**THIS IS A DATABASE REPORT ONLY:** This Report only provides information from the Databases identified in this Report. While FANHD has made good faith efforts to report from the Databases as accurately as possible, the quality, accuracy, and currency of the information contained in these Databases can vary greatly. For more information regarding a specific Database, please read Part 2 of this Report.

**LIABILITY PROTECTIONS:** Upon consummation of the sale of the Commercial Property to Buyer ("Sale Date"), the Parties involved in that sale are protected against loss caused by an error in this Report as specified in Part 8 entitled "Methods and Limitations." The Parties understand that this is a report product and not an insurance policy.

### BUYER'S ACKNOWLEDGEMENT

**Buyer(s) acknowledge(s) receipt of this California Property Tax Disclosure Report™ as well as the Notice of Special Tax and Assessment contained herein by his/her/their signature(s) on the Acknowledgement of Receipt form that is a part of this report package.**



# California Property Tax Disclosure Report <sup>TM</sup>

**Property Address:** 2162-2164 LOMITA BLVD ,  
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**APN:** 7376-017-028  
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## PART 2. CURRENT TAX BILL SUMMARY

The following is a summary of information contained in the 2008-2009 year secured property tax bill. It is provided for informational purposes only. Ad valorem tax assessments are calculated annually based on the assessed value of the land and improvements. Upon transfer of ownership, the assessed value will be reset to the sale price which can result in a substantial change in the taxes assessed. Please see Parts 5 and 6 of this Report for more information regarding ad valorem taxes and supplemental taxes.

Total Assessed Value:	\$141,132
1 <sup>st</sup> Installment Due 11/01/2008	\$ 1,208.97
2 <sup>nd</sup> Installment Due 03/01/2009	\$ 1,208.97
Total Annual Tax Liability	\$ 2,417.94

### GENERAL AD VALOREM TAXES

ASSESSMENT TYPE	AMOUNT	CONTACT PHONE
AD VALOREM ASMT.	\$ 1,624.70	213-974-2111

### OTHER DIRECT ASSESSMENTS

ASSESSMENT TYPE	DESCRIPTION	AMOUNT	CONTACT PHONE
CO FIRE DEPT	LA COUNTY FIRE DEPT	\$ 66.37	213-974-2111
COUNTY LIBRARY	COUNTY LIBRARY ASSESSMENTS	\$ 27.29	213-974-2111
FIXED ASSESSMENT	L.A. COUNTY SEWER MAINT	\$ 202.50	213-974-2111
FLOOD CONTROL	L.A. COUNTY FLOOD CONTROL	\$ 36.57	213-974-2111
LA WEST MOSQ AB	LOS ANGELES COUNTY WEST VECTOR	\$ 5.26	213-974-2111
LOMITA ST LIGHT	LOMITA LIGHTING DISTRICT	\$ 51.00	213-974-2111
SAN DIST #5	COUNTY SANITATION DISTRICT #5	\$ 206.28	213-974-2111
TRAUMA/EMERG	LA COUNTY TRAUMA/EMERGENCY SVC	\$ 63.27	213-974-2111
WB MWD STDBY CHG	WEST BASIN MWD STANDBY CHARGE	\$ 120.00	213-974-2111

### MELLO-ROOS ASSESSMENTS

This property is **not subject to** Mello-Roos Community Facilities Districts

### 1915 BOND ACT ASSESSMENTS

ASSESSMENT TYPE	DESCRIPTION	AMOUNT	CONTACT PHONE
1915 BOND ASMT	REGIONAL PARK AND OPEN SPACE	\$ 14.70	213-738-2983



# California Property Tax Disclosure Report <sup>TM</sup>

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	DISTRICT		
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# California Property Tax Disclosure Report <sup>TM</sup>

**Property Address:** 2162-2164 LOMITA BLVD ,  
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**APN:** 7376-017-028  
**Report Date:** 04/15/2009  
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## PART 3. NOTICE OF SPECIAL TAX/ASSESSMENT

### TO THE PROSPECTIVE PURCHASER OF THE COMMERCIAL PROPERTY KNOWN AS:

Parcel Number: 7376-017-028  
Property Address: 2162-2164 LOMITA BLVD , LOMITA, LOS ANGELES COUNTY, CA  
Report Date: 04/15/2009

### THIS IS A NOTIFICATION TO BUYER PRIOR TO PURCHASING THE COMMERCIAL PROPERTY.

#### A. Mello-Roos Community Facilities Districts:

If the Commercial Property is within the Mello-Roos community facilities district listed below, it is subject to a special tax that will appear on the property tax bill. This special tax is in addition to the ad valorem property taxes and any other charges and benefit assessments that will be itemized on the property tax bill and the proceeds of this tax or assessment are used to provide public facilities or services that are likely to particularly benefit the real property. This special tax may not be imposed on all parcels within the city or county where the property is located.

The current tax levy, maximum tax levy, the maximum tax escalator, and the authorized facilities and/or services which are being paid for by the special taxes are indicated below. THE BUYER SHOULD TAKE THIS TAX AND THE BENEFITS FROM THE PUBLIC FACILITIES AND SERVICES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE COMMERCIAL PROPERTY.

**Note:** If “yes” is marked under Accelerated Foreclosure, please see Part 4 for more detailed information.

#### Mello-Roos Assessment Districts Applicable to the Commercial Property

This property is **not subject to** Mello-Roos Community Facilities Districts

#### B. 1915 Bond Act Assessment Districts:

If the Commercial Property is within a 1915 Bond assessment district listed below, this assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to all real property within the assessment district. The bonds will be repaid from annual assessment installments against the property within the assessment district.

Annual assessment installments of such an assessment district will appear on the real property tax bills and are in addition to the ad valorem property taxes and any other charges and levies that will be itemized on the property tax bill. If the assessment installments are not paid when due each year, the Commercial Property may be foreclosed upon and sold.

The annual assessment installment against the Commercial Property and the public facilities that are being financed by the proceeds from the sale of bonds that are being repaid by the assessments are indicated below.

THE BUYER SHOULD TAKE ANY ASSESSMENT(S) AND THE BENEFITS FROM THE PUBLIC FACILITIES FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THE COMMERCIAL PROPERTY.



# California Property Tax Disclosure Report <sup>TM</sup>

**Property Address:** 2162-2164 LOMITA BLVD ,  
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AGENCY	IMPROVEMENTS AND/OR FACILITIES	MATURITY DATE	
REGIONAL PARK AND OPEN SPACE DISTRICT	LAND PURCHASES, DEVELOPMENT OF LAND FOR PARKS, PRESERVATION OF OPEN SPACE AND HABITATS, TRAIL UPKEEP.	2018/2019	
CONTACT	PHONE NUMBER	LEVY	ACCELERATED FORECLOSURE
WARREN OLIVERAS	213-738-2983	\$ 14.70	YES

**Note:** If “yes” is marked in the last column of the following chart indicating Accelerated Foreclosure, please see Part 4 for more detailed information.

**Database Date:** 2008-2009

A COPY OF THE RESOLUTION CONFIRMING ASSESSMENTS THAT SPECIFIES MORE PRECISELY HOW THE ASSESSMENTS ARE APPORTIONED AMONG PROPERTIES IN THE ASSESSMENT DISTRICT CAN BE OBTAINED BY CALLING THE CONTACT NAME AND NUMBER LISTED ABOVE. THERE MAY BE A CHARGE FOR THIS DOCUMENT NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENT

## C. Approved Assessment Districts Which Have Been Formed and Authorized But Are Not Yet Funded

Please be advised that certain assessment districts may have been formed and authorized but have not yet been funded. Accordingly no assessment lien will appear in the County Assessor records. However, the information regarding such districts may appear on your preliminary report issued by a title company. If the assessment district has not been formed or funded, the improvements have also not been constructed. If the district is subsequently formed, the assessments may then appear on the property tax bill.



# California Property Tax Disclosure Report <sup>TM</sup>

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## PART 4. ACCELERATED FORECLOSURE INFORMATION

Certain assessment or bond issues may contain accelerated foreclosure liens which have priority over other real property taxes and are a legal right included as part of the security for the obligation. The issuers of such bonds are often contractually required to monitor and collect delinquent assessments quickly. Accordingly these assessments are not subject to the five (5) year waiting period applicable to ad valorem real property taxes. If the real property is subject to such an assessment and the taxes are not paid promptly, the real property may be foreclosed upon and sold at public auction on an expedited basis. **Therefore, it is extremely important that the real property tax bill be paid on time to prevent the accelerated foreclosure.**

If the Commercial Property is subject to an assessment or bond issue with an accelerated foreclosure lien, the detailed information is disclosed below.

### A. Mello-Roos Community Facility Districts

This property **is not subject** to a Mello Roos Community Facility District Tax containing an accelerated foreclosure provision.

### B. 1915 Bond Act Assessment Districts

AGENCY	CHARGE AMOUNT	END YEAR
REGIONAL PARK AND OPEN SPACE DISTRICT	\$ 14.70	2018/2019



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## PART 5. AD VALOREM TAX INFORMATION

### A. TAX BILL INFORMATION AS OF REPORT DATE

As of the Report Date, the following is a summary of the current year secured real property tax bill applicable to the Commercial Property and is provided ***for informational purposes only***. Ad valorem taxes are calculated annually based on the assessed value of the land and improvements. When a parcel of real property is sold, the assessed values are reset to the sales price. Ad valorem taxes *can increase dramatically if the sales price differs from the current assessed value of the real property!* Also certain exemptions and exclusions may be available to the existing owner which may not be available to Buyer.

**Ad Valorem Taxes** (Historical information only based on Seller's current tax bill)

AGENCY	DESCRIPTION	CONTACT NAME	CONTACT PHONE	AMOUNT
LOS ANGELES COUNTY	AD VALOREM ASMTS.	LOS ANGELES COUNTY TREASURER	213-974-2111	\$ 1,624.70

Buyer is advised that the foregoing information is of general interest only and will **not** be applicable to the Buyer. Upon acquisition of the Commercial Property, Buyer may be subject to increased ad valorem taxes based on the sales price of the Commercial Property. Please see the subsection B below to calculate the estimated ad valorem taxes applicable after the sale.



# California Property Tax Disclosure Report <sup>TM</sup>

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## B. CALCULATING AD VALOREM TAXES AFTER SALE (ESTIMATE ONLY)

### PROPERTY TAX ESTIMATOR

The following calculation method is provided to assist Buyer in *estimating* the approximate amount of the ad valorem taxes that the Commercial Property will be for the 2008-2009 (tax year) based on the assessed valuation being equal to the sales price. The amount derived is only an estimate and is not a substitute for a tax bill from the County, nor does it anticipate new property tax charges, fees or other changes in the property tax rates for the new tax year. Please see subsection D below for general information about Ad Valorem Taxes.

1	Estimated Sales Price .....	•	1	\$ _____
2	Estimated Ad Valorem Tax Rate .....	•	2	<u><b>0.01151</b></u>
3	Multiply line 1 by line 2. This is your Estimated Ad Valorem Tax.....	•	3	\$ _____
4	Mello Roos, 1915 Bonds, and/or Other Direct Assessments	•	4	<u><b>\$793.24</b></u>
5	Add lines 3 and 4. Total Estimated Annual Tax Amount After Sale	•	5	\$ _____

The information in this subparagraph B is an estimate only. The purpose of this “ESTIMATOR” is to assist Buyer in planning for ad valorem taxes which will be applicable after the Sale Date. This “ESTIMATOR” requires the Buyer’s projection of the purchase price of the Commercial Property. Please note that potential exemptions and exclusions are not reflected in this estimate. FANHD is not responsible or liable for any losses, liabilities or damages resulting from use of this Property Tax Estimator.

## C. AD VALOREM TAX EXEMPTIONS, EXCLUSIONS & RELIEF

California law provides certain exemptions or exclusions from reassessments. In order to determine if Buyer may qualify for any exemptions or exclusions or to obtain a comprehensive list of available exemptions and exclusions, please contact the County Tax Assessors Office (213-974-2111) or visit the County website at <http://ttax.co.la.ca.us/default.htm> . Additional information is also available on the website for the California Board of Equalization at [www.boe.ca.gov](http://www.boe.ca.gov)

### Reassessment Due to Decline in Value

Real estate markets are cyclical. In a less competitive market there are more sellers than buyers, and real estate prices can drop, sometimes precipitously. When a property is sold, in most cases its assessed value for tax purposes is set equal to the sale price. A drop in market value can mean the original assessment, and your property tax bill, is too high.

The County Tax Assessors Office is required to lower the assessment of any real property if it is higher than the current market value as of January 1 of each year. Each case is reviewed individually upon request by the property owner for the current year or the upcoming year. The annual deadline for filing an appeal – the "assessment appeal filing date" – for LOS ANGELES County is November 30. For more information or to obtain a property tax reassessment request form, contact the Tax Assessors Office or visit the County website; or contact First American Commercial Real Estate Services, our in-house commercial tax assessment professionals, for details and/or assistance with your filing, at (800) 359-3908.

## D. GENERAL INFORMATION REGARDING AD VALOREM TAXES



# California Property Tax Disclosure Report <sup>TM</sup>

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County assessors must value property in accordance with the California Constitution and the California Revenue & Taxation Code and related laws and regulations.

Full cash value, also known as "market value" or "fair market value," means the amount of cash or its equivalent which property would bring if exposed for sale in the open market.

A property's "base year value," for real property assessed under Proposition 13, is the property's full cash value as of the date of the latest change in ownership or completion of new construction.

An "adjusted base year value" (sometimes also referred to as the "factored base year value") is the property's base year value adjusted by an annual inflation factor, not to exceed two percent (2%) per year.

Taxable value is the value upon which the base property taxes are calculated. For most real property, this is the adjusted base year value or the property's current market value, whichever is lower.

The assessment roll is the official list of all assessable property in the county.

The lien date is the "moment" of valuation for all property. Annually, the taxable status and value of property is determined as of 12:01 a.m. on January 1. The fiscal tax year runs from July 1 to June 30.

Proposition 13 limits the general property tax rate to one percent (1%) of the assessed value, plus an amount for the debt service on any bonds approved by popular vote. The tax rate will vary depending upon where the property is located.

For more information regarding your tax bill we invite you to visit our website at:  
[http://www.fanhd.com/Portals/0/fanhd/pdf/FANHD\\_Tax\\_Disclosure\\_Addendum.pdf](http://www.fanhd.com/Portals/0/fanhd/pdf/FANHD_Tax_Disclosure_Addendum.pdf)

## PART 6. SUPPLEMENTAL TAX INFORMATION

### A. SUPPLEMENTAL TAX DISCLOSURE

The following notice is mandated by California Civil Code Section 1102.6c:

#### **NOTICE OF YOUR 'SUPPLEMENTAL' PROPERTY TAX BILL**

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any question concerning this matter, please call your local Tax Collector's Office."



# California Property Tax Disclosure Report <sup>TM</sup>

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## B. CALCULATING SUPPLEMENTAL TAXES AFTER SALE (ESTIMATE ONLY)

### SUPPLEMENTAL TAX ESTIMATOR

The following schedule is provided to **estimate** the potential amount of the **supplemental taxes** on a given property and does **NOT** include the amount of the regular annual ad valorem property tax. The following calculation provides an estimate of the supplemental property taxes that can be expected during the first year of ownership, and should be used for planning purposes only.

- 1 Estimated Sales Price..... • 1 \$ \_\_\_\_\_
- 2 Estimated Current Assessed Value ..... • 2 \$141,132
- 3 Subtract line 2 from line 1.  
Estimated Supplemental Assessed Value ..... • 3 \$ \_\_\_\_\_
- 4 Multiply line 3 by 0.01151. (The Estimated Ad Valorem Tax Rate  
for the Commercial Property)  
Estimated Full-Year **Supplemental** Tax Obligation ..... • 4 \$ \_\_\_\_\_

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

- 5 Enter the Month-of-Sale Factor from **TABLE 1** below..... • 5 \_\_\_\_\_
- 6 Multiply line 4 by line 5.  
Estimated Supplemental Tax Bill # 1 ..... • 6 \$ \_\_\_\_\_
- 7 Enter the amount on line 4.  
Estimated Supplemental Tax Bill # 2 ..... • 7 \$ \_\_\_\_\_
- 8 Add lines 6 and 7. Total estimated Supplemental Tax Bill..... • 8 \$ \_\_\_\_\_

**If the Sale Date for the Commercial Property falls during the months of June through December, Buyer will receive ONE supplemental tax bill. The supplemental tax can be estimated by completing lines 9 and 10 below:**

- 9 Enter the Month-of-Sale Factor from **TABLE 2** below..... • 9 \_\_\_\_\_
- 10 Multiply line 4 by line 9.  
Total Estimated Supplemental Tax Bill ..... • 10 \$ \_\_\_\_\_

**TABLE 1. Month-of-Sale Factor**

<b>Jan</b>	0.4170
<b>Feb</b>	0.3333
<b>Mar</b>	0.2500
<b>Apr</b>	0.1667
<b>May</b>	0.0866

**TABLE 2. Month-of-Sale Factor**

<b>Jun</b>	1.0000
<b>Jul</b>	0.9167
<b>Aug</b>	0.8333
<b>Sep</b>	0.7500
<b>Oct</b>	0.6670
<b>Nov</b>	0.5830
<b>Dec</b>	0.5000

The information in this subparagraph B is an estimate only. The purpose of this "ESTIMATOR" is to assist Buyer in planning for the supplemental taxes. The estimated supplemental tax is not a substitute for the supplemental bill and may not be relied upon as such. This "ESTIMATOR" requires the Buyer's projection of the purchase price of the Commercial Property as well as month in which the transaction will be consummated. Please note that potential exemptions and exclusions are not reflected in these estimations. FANHD is not responsible or liable for any losses, liabilities or damages resulting from use of this Supplemental Tax Estimator.



# California Property Tax Disclosure Report <sup>TM</sup>

**Property Address:** 2162-2164 LOMITA BLVD ,  
LOMITA, LOS ANGELES COUNTY, CA

**APN:** 7376-017-028  
**Report Date:** 04/15/2009  
**Report Number:** 510314

## C. GENERAL INFORMATION REGARDING SUPPLEMENTAL TAXES

California law mandates the county assessor to reappraise real property upon a change in ownership or completion of new construction. The assessor's office issues a supplemental assessment which reflects the difference between the prior assessed value and the new assessment. This value is prorated based on the number of months remaining in the fiscal tax year which ends June 30.

Notices of the supplemental assessment are mailed out to the property owners prior to the issuance of the supplemental tax bill or refund if the value is reduced. The taxes or refund based on the supplemental assessment are in addition to the regular annual tax bill.

The supplemental tax will be due from the current owner in addition to the regular tax assessment. Accordingly for the first year of ownership, Buyer should plan for this additional payment.

## PART 7. DOCUMENTARY TRANSFER TAX ADVISORY: Governmental Assessments Paid at the Close of Escrow

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

**How Much?** The "one-time" payment is made at the close of escrow and routinely documented on the HUD-1 Settlement Statement. The amount of the Transfer Tax is typically based on the value or sales price of the real estate that is transferred. The county rate is one dollar and ten cents (\$1.10) for each one thousand dollars (\$1,000) of value. The rate for non-charter ("general law") cities is one-half of the county rate and is credited against the county tax due. Charter cities may impose a Transfer Tax at a rate higher than the county rate.

For any city or county in California, the Transfer Tax rate ("Tax Rate Table") is available at no charge from many sources, most conveniently on the website of the **California Local Government Finance Almanac** (sponsored by the California League of Cities):

<http://www.californiacityfinance.com/PropTransfTaxRates.pdf>

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

**Who Pays?** The law states that, "the Transfer Tax must be paid by the person who makes, signs or issues any document subject to the tax, or for whose use or benefit the document is made, signed or issued." In practice, this means that the payment of the Transfer Tax is customarily made by the Seller or the Buyer, or shared by both, depending on the jurisdiction in which the transferred Property is located.

## PART 8. METHODS AND LIMITATIONS -- PLEASE READ!

This Part will summarize (a) the methods used in creating this Report, (b) the limitations with respect to the data provided, and (c) the responsibilities and liabilities of FANHD under this Report. Please read this entire Part 8 carefully to understand the limitations of this Report and FANHD's responsibilities.



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## **A. LIMITATIONS ON TAX INFORMATION**

FANHD has accurately reported the information in the Databases as of the dates of each Database as specified in Part 2 ("Database Dates"). With respect to the Databases, it is important to understand that:

- The Databases may not be accurate, current, fully detailed, or complete.
- A parcel of real property may be subject to an assessment district that has been approved but not created as of the Report Date.
- Changes may have occurred in the Databases since the Database Date specified above.
- There may be other governmental databases with relevant information which are not included in this Report.
- Personal property taxes are not included in this Report.
- Supplemental taxes can be assessed based on improvements to the real property after they have been completed and the assessor becomes aware of same. Supplemental taxes are **not** included in the Databases.
- Assessment districts which have been created but not funded are not included.

## **B. FANHD DOES NOT CONSTANTLY CHECK DATABASES FOR CHANGES**

Each Database used in this Report is updated by the applicable governmental agency at various intervals as determined by that agency having responsibility for the database ("Responsible Agency") and may be made at any time and without notice. FANHD maintains an update schedule and makes reasonable efforts to use updated information but it cannot feasibly do so on a constant basis, and the complexities of obtaining and adapting the data into a usable format for preparing this Report necessitates some delay once the updated information is obtained. For these reasons, FANHD reports information as of the date when the Database was last updated by FANHD which specific date is specified as the "Database Date" for each Database in Part 2.

## **C. LIMITATIONS IN THIS REPORT**

FANHD does not make any representations as to:

- The accuracy, validity or completeness of the Databases.
- Any information in a Database after the Database Date for that Database.
- Any information regarding the Commercial Property after the Report Date.

This Report only provides information electronically derived from the Databases in accordance with the Methods and Limitations.

## **D. 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 to the transaction for which it has been purchased. This Report cannot be relied upon (a) by any persons other than Seller, Buyer and their Agents, (b) for any other real property, or (c) for any future transactions involving the Commercial Property. The price paid for the Report does not include any amounts for protection of such other parties.

## **D. LIMITATIONS ON FANHD'S LIABILITY**

Given the limited nature of this Report, and the fact that FANHD is reporting, not assuming liability, FANHD is not responsible for:

- Any inaccuracies or incompleteness of the information in the Databases.
- Inaccurate address information provided for the Commercial Property.
- Any other information not contained in the specified Databases.



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- Any information known by one of the Parties.
- Any changes to the information in the Databases after the Database Date.

**This Report is not an insurance policy** and does not provide the same protections as an insurance policy. It does not obligate FANHD to defend any Party against any claims, and FANHD shall not have any duty to defend against any claims pursuant to California Civil Code § 2778 or otherwise. The price of this Report has not been based upon any responsibility for defense costs, nor for assumption of all tax liability. The premium for an insurance product 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, Buyer, Seller and Agents 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 Commercial Property as of the Report Date, caused by the error or omission but not in excess of the present value of the total tax amount under-reported which would payable for the first tax year of new ownership.**
- **FANHD shall not be liable for indirect, consequential, or punitive damages (including, but not limited to, emotional distress or pain and suffering).**

FANHD shall not be liable to a Party for any matters known to that Party or its Agent (including errors in this Report) and not disclosed in writing to both the other Parties and FANHD prior to the date the Commercial Property is sold by Seller to Buyer.

### **E. SELLER AND SELLER'S AGENT'S RESPONSIBILITY OF FULL DISCLOSURE**

Sellers of real property and their Agents should always fully disclose all material facts regarding the real property which they are selling. Regardless of the information in this Report, if Seller or Seller's Agent has any actual knowledge of tax information potentially affecting the Commercial Property, that information should be promptly disclosed in writing to the Buyer and the Buyer's Agent.

### **F. 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.

If any provision of this Report, or its application to any circumstance, is held to be invalid, unenforceable, or void, the remainder of this Report shall remain in full force and effect and enforced to the fullest extent possible.

**END OF REPORT**