

## TERMS AND CONDITIONS

### ACCEPTANCE OR USE OF THIS REPORT CONSTITUTES APPROVAL AND ACCEPTANCE OF THE TERMS, CONDITIONS, AND LIMITATIONS STATED HEREIN.

This Report was prepared by JCP-LGS Disclosure Reports ("JCP-LGS"). This Report is for the exclusive use and reliance of the lessor, lessee and their respective agents ("Recipients"), if any. It may be used only in conjunction with the transaction contemplated by the Recipients. This Report is not intended to be and may not be used for any other purposes, including but not limited to appraisal or valuation of the Property.

This Report is valid solely for the transaction presently contemplated between this lessor and this lessee relating to the Property address and assessor's parcel number (APN) furnished by the lessor or the leasing agent as shown on page one (1) of this Report. Lessor is responsible for verifying the accuracy of the property address and APN within five (5) days of receipt of this Report. Upon timely notification of an inaccurate address or APN, JCP-LGS will issue a replacement report.

- A. **No Third Party Reliance on This Report.** This Report may not be used by or relied upon by any other parties, including but not limited to lenders or subsequent lessors or lessees, nor shall there be any third party beneficiaries regardless of their relationship with or to the Recipients, or the Property. JCP-LGS makes no representation or covenant as to the Report's effect on the value of the Property as a result of the various disclosures contained in this Report.
- B. **Multiple Parcels Are Treated as One.** If multiple adjacent parcels are being leased as a single property or in a single transaction, this Report treats them as if they were a single parcel. That is, hazards that affect an individual parcel will be disclosed as affecting all parcels. Should Recipients desire a disclosure with regard to each parcel separately, a separate report must be ordered for each such parcel.
- C. **Changes to Government Record After Report Date.** The disclosures contained in this Report are valid only as of the date shown on page one (1) of this Report. JCP-LGS shall have no duty or obligation to inform Recipients of any changes or governmental actions pertaining to or affecting the Property coming effective after the date shown on page one (1) of this Report. It is recommended that a request for an updated Report be made if the Property remains inactive for an extended period of time after this Report is issued.
- D. **Government Record Sources.** JCP-LGS has relied solely upon records and information specifically referred to in this Report for preparation of this Report. These records and information were supplied by various governmental agencies. JCP-LGS assumes that the records and information supplied by various governmental agencies are complete and accurate. Consequently, JCP-LGS shall not be responsible for any inaccuracies or omissions in public records or in information reported by various governmental agencies. No physical inspection of the Property has been made.
- E. **Report Is Not an Insurance Product.** JCP-LGS shall have no responsibility or liability for any costs or consequences arising due to the need, or lack of need, for earthquake insurance or flood hazard insurance. The National Flood Insurance Program or an insurance agent should be contacted for information regarding flood insurance. An insurance agent should be contacted for earthquake insurance information.
- F. **JCP-LGS Limitation on Liability**
1. 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 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.
  2. JCP-LGS's total liability and responsibility to all Recipients collectively for any and all liabilities, causes of action, claim or claims, including but not limited to claims for breach of contract or negligence, shall be limited to the price paid for the Report. JCP-LGS expressly disclaims any liability for Recipients indirect, incidental and/or consequential damages, including without limitation lost profits even if such damages are foreseeable. In the event of any error, omission or inaccuracy in the JCP-LGS Report for which JCP-LGS is liable, JCP-LGS shall have no duty to defend or pay any attorneys' fees, costs or expenses incurred by the Recipients, or any of them. The Recipients, and each of them, expressly waive the benefits of California Civil Code Section 2778. JCP-LGS has not conducted an independent investigation of the accuracy of the information provided by the Recipient. JCP-LGS assumes no responsibility for the accuracy of information provided by the Recipient. JCP-LGS shall be subrogated to all rights of any claiming party against anyone including, but not limited to, another party who had actual knowledge of a matter and failed to disclose it to the Recipients in writing prior to the close of escrow.
- G. **Reporting of Risk Elements for Condominium Projects, Planned Unit Developments, and Other Properties with Common or Undivided Interests.** Because California's Residential Natural Hazard Disclosure Law requires disclosure if any portion of the Property is located within a specified natural hazard area/zone, the Report must indicate that the subject Property falls within the area/zone if any portion of such a condominium project, planned unit development, or common area is located within a specified hazard area/zone.
- H. **JCP-LGS' Database Updates.** Each database used in this Report is updated by the responsible agency at various intervals. Updates for a database are determined by the responsible agency and may be made at any time and without notice. JCP-LGS maintains an update schedule and makes reasonable efforts to use updated information. For these reasons, JCP-LGS reports information as of the date when the database was last updated by JCP-LGS. That date is specified as the "Database Date" for each database.
- I. **Governing Law.** The Report shall be governed by, and construed in accordance with, the laws of the State of California.
- J. **Small Claims or Arbitration.** This provision constitutes an agreement to arbitrate disputes on an individual basis. Any party may bring an individual action in small claims court instead of pursuing arbitration. All disputes and claims arising out of or relating to the Report must be resolved by binding arbitration. This Report to arbitrate includes, but is not limited to, all disputes and claims between JCP-LGS, Transferor(s) and Transferee(s) and claims that arose prior to purchase of the Report. This agreement to arbitrate applies to Transferor(s) and Transferee(s) successors in interest, assigns, heirs, spouses, and children. As noted above, a party may elect to bring an individual action in small claims court instead of arbitration, so long as the dispute falls within the jurisdictional requirements of small claims court.

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

The arbitration is governed by the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (the "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Agreement, and will be administered by the AAA. Company will pay all AAA filing, administration and arbitrator fees for any arbitration it initiates and for any arbitration initiated by another party for which the value of the claims is \$75,000 or less, unless an arbitrator determines that the claims have been brought in bad faith or for an improper purpose, in which case the payment of AAA fees will be governed by the AAA Rules. A COPY OF THESE RULES IS AVAILABLE FROM THE AAA'S WEB SITE AT [WWW.ADR.ORG](http://WWW.ADR.ORG) OR ON REQUEST FROM THE COMPANY. THE ARBITRATION AWARD MAY INCLUDE ATTORNEY'S FEES IF ALLOWED BY FEDERAL, STATE, OR OTHER APPLICABLE LAW AND MAY BE ENTERED AS A JUDGMENT IN ANY COURT OF PROPER JURISDICTION.

The arbitration will take place in the same county in which the property covered by the Report is located. The Federal Arbitration Act will govern the interpretation, applicability and enforcement of this arbitration agreement. This arbitration agreement will survive the termination of this Report.

- K. **Severability.** If any provision of the Terms and Conditions to this Report is determined to be invalid or unenforceable for any reason, then such provision shall be treated as severed from the remainder of the Terms and Conditions, and shall not affect the validity and enforceability of all of the other provisions of the Terms and Conditions.
- L. **Other Agreements.** This Report constitutes the entire, integrated agreement between JCP-LGS and Recipients, and supersedes and replaces all prior statements, representations, negotiations, and agreements.

**END OF REPORT**