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Local Area Disclosures

The following disclosures are intended to provide buyer with information that may affect the subject property. Buyer is advised to consult with a specialist with regard to the impact any specific disclosure may have on the intended use of the property. Buyer may also contact the city council representative for the area where the property is located to obtain additional information.

1. <u>**Report of City Residential Records Regarding the Property:</u>** Buyer is advised that numerous cities in California, including without limitation, Los Angeles, Beverly Hills, Santa Monica, and Culver City, require that prior to the close of escrow, Seller must deliver to Buyer, at Seller's expense, a report regarding all records of the City with respect to the Property. If the Property is residential property located in the City of Los Angeles, a "Report of Residential Property Records and Pending Special Assessment Liens" in accordance with Los Angeles City Ordinance No. 144.942 (9A Report) is required. Buyer and Seller acknowledge that broker(s) is not responsible for the timely delivery of the required reports.</u>

2. <u>Los Angeles Impact Hazard Glazing</u>: Buyer and Seller are aware that City of Los Angeles Ordinance No. 161.136 requires that all external sliding glass doors(the sliding part only) be tempered glass or "impact hazard glazed" with a safety film approved by the City of Los Angeles prior to the close of escrow.

3. **<u>Rent Control</u>**: Buyer is advised that the Property may be subject to a rent control or rent stabilization ordinance which among other things may require the registration of rental units and may govern the ability to evict tenants and provide for relocation fees for tenants. Buyer is advised to obtain a copy of any relevant ordinance and additional information regarding rent control or rent stabilization. Information regarding rent control or rent stabilization ordinances may be obtained from: City of Los Angeles Rent Stabilization Board (866) 557-7368, City of West Hollywood Rent Stabilization Board (323) 848-6450, City of Santa Monica Rent Stabilization Board (310) 458-8751, Beverly Hills Rent Stabilization Board (310) 285-1031.

4. <u>Flight Paths</u>: Buyer is advised that frequency and hours of aerial traffic, flight paths and altitude, and other factors related to airport use are subject to change. Proposals to increase permitted air traffic and flight path routes are currently being reviewed or have been approved. Buyer is advised to investigate all present and future plans for changes to, including without limitation, expansion plans, with respect to flight paths, air traffic, and other airport activity. Contact telephone number for various airports in the Los Angeles area are: Santa Monica Airport (310) 458-8591, Los Angeles International Airport (310) 646-9410, Federal Aviation Administration (310) 725-3300, Bob Hope (Burbank) Airport (818) 840-8840, Van Nuys Airport (818) 785-8838.

5. <u>Los Angeles Airport Expansion</u>: Buyer_is advised that the Los Angeles International Airport ("LAX") is in the planning stages to develop a master plan for LAX expansion through 2015, including the possibility of developing the vacant land north of LAX, the LAX Northside Property. Buyer is advised to contact the LAX Master Plan Program Management Team at their website at <u>www.laxmasterplan.org</u> for additional information.

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6. <u>Subway System/Light Rail/Metro Rail</u>: Buyer is advised that the property may be in or near an area in which a public rail transportation line is being contemplated by public authorities: Any rail line may affect the value or desirability of the property, either beneficially or adversely. Buyer is also advised that the property which is not near a rail line may be impacted. The impact which can occur to property as a result of rail lines include without limitation, changing traffic patterns due to construction and use of the rail line, construction of ventilation systems for a subway, and construction or use of other transportation facilities, such as shuttle connections or parking hubs for use in connection with the rail line. Buyer is advised to obtain additional information regarding the potential impact of any rail line on or near the property. One source for such additional information is MTA customer relations at (213) 922-6235.

7. <u>California Coastal Commission</u>: Buyer is advised that development and construction on the property may be subject to the jurisdiction and requirements of the California Coastal Commission. If the property is located in the City of Malibu, unincorporated areas of Los Angeles County or Ventura County, the Property may also be subject to the jurisdiction and requirements of those governmental entities. The development of beachfront property may also be subject to the determination of "mean high tide lines" as such relates to the boundary lines for beachfront property. For property located in Malibu, Calabasis and Ventura, Buyer is advised to contact the Ventura Office of the California Coastal Commission at (805) 585-1800. For other areas in Los Angeles County, Buyer is advised to contact the California Coastal Commission at (562) 590-5071. Buyer is also advised to contact the State Lands Commission for additional information.

8. <u>The Hillside Ordinance</u> (City of Los Angeles): Buyer is advised that The Hillside Ordinance governs development of hillside lots for new construction, additions and remodeling, and establishes regulations and definitions for height, front and side yards, fire protection, lot coverage, parking, street access, sewer connections, and grading. Buyer is advised to contact the City of Los Angeles Departments of Planning, and Building and Safety to determine whether the property is subject to said ordinance and obtin additional information.

9. <u>Hillside and Brush Area Properties:</u> Buyer is advised that certain hillside and brush area properties may require California Fair Plan Insurance coverage. Buyer should allow approximately (4) four weeks for processing this insurance application.

10. <u>Methane Gas:</u> Buyer is advised that if the property is located in Mountaingate and Bel Air Skycrest, those areas are known to have methane gas but properties in those areas are not presently subject to the City of Los Angeles Methane Gas Ordinance. Information regarding the presence of methane gas can be obtained from the homeowner's association of each of these developments. Buyer is advised that if the property is within the Hancock Park or Beverly Center areas, the property may be in an area designated as either high risk or potentially high risk for methane gas and may be subject to the City of Los Angeles Methane Gas Ordinance. Buyer is advised to obtain a copy of the Ordinance and a map of affected areas from the Los Angeles City Ordinance Division, 200 North Spring Street #395, Los Angeles, Ca 90012 (213) 978-1133.

11. <u>Mansionization Ordinance:</u> On May 6th, 2008, the Los Angeles City Council adopted Ordinance No. 179883 amending certain provisions of section 12 and adding Section 13.13 to the Los Angeles Municipal Code to establish new regulations for certain single family residential zoned properties. The ordinance was adopted to address the issues of the "mansionization" of neighborhoods by restricting the maximum allowable square footage of a home located within the flat, non-coastal areas of the city. The maximum allowable square footage is based on the square footage of the lot and applies to new construction and remodels of existing construction. Buyer is advised to obtain a copy of the Ordinance from the City Ordinance Division, 200 North Spring St #395, Los Angeles, Ca 90012 (213) 978-1133. Buyer is further advised to consider the impact of the Ordinance on Buyer's present and future plans with respect to construction on the property.

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12. <u>Interstate 405 Construction Project</u>: The California Department of Transportation is attempting to find a solution to traffic congestion on the 405 Freeway between National Boulevard and Greenleaf Street. Some of the alternatives being considered would involve widening the freeway which could impact neighborhoods on each side of the freeway in this area. Buyer is advised to obtain additional information from the California Department of Transportation at (213) 897-3656 or at <u>www.dot.ca.gov/dist07/travel/projects/move405/.</u>

13. <u>Universal Studios Expansion</u>: Buyer is advised that Universal Studios Inc. is planning to expand its existing 5.4 million square foot development at Universal City to include additional office, studio, hotel, commercial, and entertainment space. Buyer is advised to obtain information regarding the expansion and its potential effect on the Property. Information can be obtained from Universal Studios, Inc. (818)777-1000 and appropriate government agencies.

14. <u>Sunset Boulevard Specific Plan:</u> The City of West Hollywood has implemented a 20 year plan (commencing in 1996) relating to the development of Sunset Boulevard from Havenhurst Drive on the East to Alta Vista on the West. Implementation of the plan may adversely impact traffic and parking as well as views and light for certain properties. Buyer is advised to obtain information regarding the plan, including its timing and potential impact on the property. Information can be obtained from the Planning Department, City of West Hollywood (323)848-6475.

15. <u>Hancock Park Street Lighting Assessment:</u> Buyer is advised that properties located in Hancock Park and Windsor Square may be subject to an assessment for installation and maintenance of certain street lighting fixtures. Buyer is advised to obtain information to determine whether the property is subject to the assessment and the amount of the assessment, if any. Information can be obtained from the Los Angeles County Assessor's Office (213)974-3211.

16. <u>Mulholland Scenic Parkway Specific Plan:</u> Buyer is aware that all property in the City of Los Angeles that is bounded on the East by the Hollywood Freeway, on the West by the Los Angeles City/County line, and within approximately one-half mile North or South of Mulholland Drive is subject to the Mulholland Scenic Parkway Specific Plan, Ordinance #167943 of the City of Los Angeles. If the property lies within the Specific Plan area, Buyer is strongly advised to obtain a copy of the ordinance and to investigate thoroughly the impact that the Specific Plan may have on the property. Buyer may obtain an official copy of the ordinance by calling or going to the Los Angeles City Ordinance Division 200 N. Spring Street #395, Los Angeles, Ca 90012, (213)978-1133.

17. <u>Pacific Palisades Tract 9300</u>: Buyer is advised that the Deed of Conveyance for certain properties located in Tract 9300 of Pacific Palisades provides in part, "No building or other structure shall be erected or the erection thereof done on said premises until the plans and specifications thereof shall have first been presented to, and approved in writing by the Palisades Corporation, its successors or assigns, as to outward appearance and design." The Pacific Palisades Civic League is the successor to the Palisades Corporation. The quoted language governs all exterior construction, alterations and additions. Any change of the outward appearance and design for buildings, signs, fences, satellite dishes, or other structures or features must be approved by the Reversionary Rights Committee of The Pacific Palisades Civic League. Buyer is advised to review the Deed to the property to determine if these restrictions apply, and if so, to determine the potential impact on the property. Information can be obtained from The Pacific Palisades Civic League.

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18. **Protected Tree Preservation:** Buyer is aware of the existence of a Los Angeles City Ordinance (Ordinance #177404) that regulates and encourages the preservation of oak trees and other "protected trees" within the City of Los Angeles. For more information regarding which trees fall within the category of "protected Trees" and what restrictions apply to such trees and before removing, relocating or altering any trees on the subject property. A permit is generally required to relocate, remove or alter any protected tree. Buyer is advised to contact the Bureau of Street Services at (800)996-2489 regarding the issuance of a permit. The seller and Real Estate Brokers are not experts in this area and cannot give specific advice to Buyer with respect to this matter. Buyer may also visit www.cityofla.org for additional information.

19. <u>Santa Monica Historical Resources Inventory:</u> Buyer is advised that the City of Santa Monica maintains a Historical Resources Inventory to guide the City in land use planning and other decisions. Such inventory includes properties designated as Landmarks, Structures of Merit, or contributors to Historic Districts. Buyer is advised to determine whether the property is part of such inventory or part of an Historic District and to determine the impact of such inclusion or designation on the property.

20. <u>Santa Monica Real Estate Transfer Disclosure:</u> Buyer is informed that if the property has been designated by the City of Santa Monica as a landmark, structure of merit, or a contributor to a historic district, or has been identified in the City's Historic Resources Inventory or any update thereto, the owner or the selling agent of the property shall provide the buyer with notice informing the buyer of the property's historic status. The owner or the selling agent shall provide the notice to the buyer as soon as practicable before transfer of title. The buyer shall execute a receipt therefore as furnished by the City and said receipt shall be delivered to the City Clerk as evidence of compliance with the provisions of this chapter.

21. <u>California Incline Reconstruction</u>: The City of Santa Monica is planning to replace the California Incline between PCH and Ocean Avenue. A portion of the existing Incline is a concrete bridge structure that was built in 1939. The bridge is structurally deficient, does not meet current seismic standards and will be removed and replaced using federal and local funds. The California Incline will be closed to traffic during construction. Access to and from PCH will be directed to Moomat Ahiko Way (near) McClure Tunnel/Ocean Avenue) while the California Incline is closed. Project schedule: October 2009 to September 2010.

22. <u>Pier Bridge (Colorado Avenue) Rehabilitation:</u> The City of Santa Monica is planning to rehabilitate the bridge on Colorado Avenue Between Ocean Avenue and the Santa Monica Municipal Pier. The concrete bridge structure was built in 1930. The bridge is structurally deficient, does not meet current seismic standards and is to be rehabilitated or replaced using federal and local funds. The bridge crosses over Moomat Ahiko Way and PCH at the McClure Tunnel. PCH traffic should not be impacted during construction, however, local street closures and detours may be required during construction. Project schedule: January 2010 to December 2010.

23. <u>Proposition O Projects located along Pacific Coast Highway:</u> The following five Proposition O projects, which include Low Flow Diversions (LFD) and Best Management Practices (BMPs), will be constructed along Pacific Coast Highway between Pacific Palisades and the Hyperion Wastewater Treatment Plant. Construction is anticipated to occur between the summer of 2009 and the fall of 2010. Projects: (1) Marquez, (2) Temescal Canyon, (3) Coastal Interceptor Relief Sewer, (4) Santa Monica Canyon, (5) Temescal Canyon Park Stormwater BMP,

24. <u>Sylmar to Pacific Ocean DC Electrode Replacement:</u> The Los Angeles Department of Water and Power (DWP) plans to build a new underground power line from Brentwood to PCH at Chautauqua, and then up PCH two miles to Sunset Boulevard, connecting the West Coast's largest electric circuit to existing seafloor electrodes off the coast. The DWP project also involves burying the large conduit on San Vicente Boulevard and through Santa Monica Canyon via Seventh Street, Entrada Drive and West Channel Road to the beach. The total project will take approximately nine months. PCH traffic will be restricted for about five months.

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25. Historical Preservation Overlay Zones (HPOZ)/ Venice Specific Plan/California Coastal Commission: Properties located in designated HPOZ districts in the City of Los Angeles, the Venice area of the City of Los Angeles and all coastal regions in Los Angeles County may be subject to HPOZ ordinances, the Venice Specific Plan and/or Coastal Commission regulations. Buyer is strongly advised to investigate whether the property is in a HPOZ district or subject to the Venice Specific Plan or California Coastal Commission when considering future development of the property. Playa Vista Development: Playa Vista is a community of varied uses including commercial buildings, apartments, condominiums, townhouses, single family homes, parks and wetlands located just north of Westchester. Many units have been completed and many more are under construction. Buyer is advised to obtain additional information from Playa Vista, 12555 West Jefferson Blvd #300, Los Angeles, Ca 90066 (310) 822-0074.

26. <u>Playa Del Rey/Westbluff Underground Gas Storage:</u> An underground gas storage facility is maintained by the Southern California Gas Company. The facility encompasses approximately 460 acres located more than half a mile below the surface approximately under the West Bluffs area of Playa Del Rey. Gas is stored and pressurized in the facility. Area residents have brought two pending court cases with respect to the facility, including Prop 65 concerns. Buyer is advised to obtain additional information by contacting the Public Affairs Manager, Southern California Gas Company at (310) 578-2650.

27. <u>Coastal Bluffs Specific Plan:</u> The Coastal Bluffs Specific Plan sets forth requirements and limitations, including without limitation, height limitations and side yard requirements, with respect to properties located on the bluffs from Lincoln Blvd in Westchester to Vista del Mar in Playa del Rey. Buyer is advised to obtain additional information by contacting the California Coastal Commission at (562)590-5071 and the Los Angeles City Planning Department at (213) 482-7077.

28. <u>Vacant Lot Disclosure:</u> Buyer and Seller are advised that lots in Marina del Rey Peninsula, Silver Strand and surrounding areas, including Westchester and Playa del Rey, may be affected by environmental concerns including without limitation, endangered species and abandoned oil wells. Buyers are advised to determine whether environmental or other factors affect the Property. Buyer is advised to obtain an Environmental Impact Report, contact the Department of Oil & Gas, located in Long Beach, California and take any other steps Buyer deems necessary to determine if these or other factors are present. The presence of these or other factors can adversely impact the ability or cost of building on or otherwise developing the property.

29. <u>Kentwood Home Guardians</u>: Kentwood Home Guardians is an association that exists under the CC&R's for the area bounded on the north by the bluffs, on the south by Manchester Avenue, on the west by the east side of Georgetown, and on the east by Sepulveda Boulevard. Properties located within the designated area are assessed an annual fee based on the current average rate of twenty cents (\$0.20) per front foot which is due on November 1 of each year and is delinquent by December 1. Liens are filed for amounts not paid. Buyer is advised to obtain additional information by contacting Kentwood Home Guardians, 8015 South Sepulveda Boulevard, Los Angeles, Ca 90045 (310) 670-5111.

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30. <u>North Outfall Sewer System:</u> A lawsuit was filed on behalf of at least five properties in Playa del Rey alleging: (i) the properties have or may have suffered damage to their foundations and other parts, (ii) the damage was caused by the North Outfall Sewer System, and (iii) the North Outfall Sewer System runs directly under the five properties and nearby areas. Buyer is advised to obtain additional information by contacting Harris & Company, the public relations company for the Los Angeles Bureau of Sanitation, at (310) 575-8383 and by contacting the office of the Los Angeles City Engineer at (213) 485-5321.

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