

PROPERTY ADDRESS: 123 Main Street
Los Angeles, (the "Property")

1. LOS ANGELES/WEST HOLLYWOOD-AUTOMATIC GAS SHUT-OFF VALVE ORDINANCE

All parties to this transaction are aware that on February 5, 1998, the seismic gas shut-off valve ordinance became effective in the City of Los Angeles. Additionally, the City of West Hollywood has enacted a Seismic Safety Gas Shut-Off Valve Ordinance. The Los Angeles ordinance requires that the shut-off valve at the Property be retrofitted prior to close of escrow, while the City of West Hollywood requires that the retrofit be completed within one year of sale.

2. LOS ANGELES/SANTA MONICA-WATER CONSERVATION RETROFIT

The Cities of Los Angeles and Santa Monica require that the owner of real property ensure that, prior to close of escrow, all toilets and showerheads in the Property are low consumption. In the City of Los Angeles, a Certificate of Compliance must also be filed with the city prior to close of escrow and failure to comply can result in fines being assessed. There is no exception for an "as-is" sale. As to the subject transaction, Seller and Buyer agree that the cost of any water conservation retrofits shall be governed by which box is checked in Section 4.C.2 of the Residential Purchase Agreement, but if neither box is checked and the parties do not otherwise allocate such costs, then the Seller shall pay for the retrofits. Buyer acknowledges that when Seller is responsible for this retrofit work, the ordinance does not require that replacements be of comparable quality, design or color to those currently found at the Property. For more information about this Ordinance, please contact the City of Los Angeles Department of Water and Power or the City of Santa Monica.

3. LOS ANGELES-IMPACT HAZARD GLAZING

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.

4. CITY REPORTS/LOS ANGELES-REPORT OF RESIDENTIAL PROPERTY RECORDS AND PENDING SPECIAL ASSESSMENT LIENS (9A REPORT)

Buyer is aware that numerous cities in Southern California require that Seller pay for and deliver to Buyer, prior to close of escrow, a report concerning the City records regarding the Property. Those cities include Los Angeles, Beverly Hills, Santa Monica and Culver City, among others. If the Property is residential and 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 is required. Buyer and Seller acknowledge that Broker(s) is not responsible for the timely delivery of these reports.

5. LOS ANGELES/BEVERLY HILLS-HILLSIDE ORDINANCE

Buyer is advised that hillside property in the cities of Beverly Hills, Los Angeles and others may be impacted by local ordinances. If the Property is a hillside property, Buyer is advised to check with the applicable city to obtain a copy of any appropriate ordinances in order to determine their impact, if any, on the Property. Information regarding the City of Los Angeles Hillside Property Ordinances can be obtained from City of Los Angeles, Department of Building & Safety, 1828 Sawtelle Blvd., Los Angeles, CA 90025, (310) 575-8181; and information regarding the Beverly Hills Hillside Ordinance can be obtained from City of Beverly Hills, Department of Building & Safety, 455 N. Rexford Drive, Room G10, Beverly Hills, CA 90210 (310) 285-1141.

6. FLIGHT PATHS

Buyer is advised that the frequency and hours of aerial traffic, flight paths and altitude, and other factors related to airport use in the area of the Property, are subject to change. Many local airports are currently reviewing, or have approved, proposals to increase permitted air traffic and flight path routes. Such current or future changes may affect the Property. Buyer is advised to investigate all existing and future plans for expansion of, or changes in, air traffic activity. For additional information, Buyer may contact the (a) Santa Monica Airport at (310) 458-8591, (b) Los Angeles International Airport, Noise Management, at (310) 646-9410, (c) Federal Aviation Administration, at (310) 725-3300 or the Federal Aviation Administration - Public Affairs Department, at (310) 297-1431, (d) Burbank Airport Noise Line, at (800) 441-0409 and the Van Nuys Airport at (818) 785-8838.

Buyer's Initials (_____ / _____) Page 1 of 3 Seller's Initials (_____ / _____)

7. WESTSIDE-MOUNTAINGATE/BEL AIR SKYCREST

Buyer is aware that properties located in the above areas are known to have methane gas, although they are not presently subject to the Los Angeles Methane Gas Ordinance. Buyer is advised to contact the homeowners association of each development for more specific and accurate information regarding this condition.

8. MULHOLLAND SCENIC PARKWAY SPECIFIC PLAN

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 boundary 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.

9. SUBWAY SYSTEM-LIGHT RAIL-METRO RAIL

Buyer is informed that the Property may be situated in or near one of the areas in which public authorities are contemplating or planning the location of a public rail transportation line. Any such rail line could adversely or beneficially affect the value or desirability of the Property. Buyer is advised that areas somewhat distant from the actual rail line may also be impacted. This potential impact includes, but is not limited to, the construction of ventilation units for the subway system, adjustment of traffic patterns due to construction, and construction or implementation of adjunct transportation facilities such as shuttle connections. Buyer is strongly advised to independently investigate the potential impact of any rail line on the Property. Information on public transportation rail line may be obtained from the MTA hotline, (213) 922-6235.

10. LOS ANGELES/SANTA MONICA/WEST HOLLYWOOD/BEVERLY HILLS-RENT CONTROL

Buyer is aware that the Property may be subject to a Rent Stabilization Ordinance. Information regarding the impact of such an ordinance on the Property, including, but not limited to, relocation fees and ability to evict tenants, registration of units and compliance with the Ordinance may be obtained from: Los Angeles City Rent Stabilization Board, (213) 367-9099; City of West Hollywood Rent Stabilization Board, (323) 848-6450; City of Santa Monica Rent Control Board (310) 458-8751; Beverly Hills Rent Stabilization Board, (310) 285-1031.

11. PACIFIC PALISADES TRACT 9300

Buyer is aware that a provision of the deed of conveyance for certain properties located in Pacific Palisades reads, in part, as follows: "No building or other structure shall be erected or the erection thereof be done on said premises (land in tract 9300) until the plans and specifications thereof shall have first been presented to, and approved in writing by the Palisades Corporation, its successors or assignees (The Pacific Palisades Civic League) as to outward appearance and design." This language is all-inclusive and governs even minor additions or alterations that affect the Property. Request for approval of any changes of the outward appearance and design for buildings, signs, fences, satellite dishes, or other structures must be considered by the reversionary rights committee of the Civic League. Broker recommends that Buyer review the deed for the Property to determine if these restrictions apply and contact the Civic League if he/she desires.

12. 20th CENTURY FOX STUDIOS EXPANSION

Buyer is advised that 20th Century Fox is expanding and increasing the density of its studio complex, which may or may not adversely affect traffic in the area of the Property. It is recommended that Buyer thoroughly investigate this project and satisfy himself or herself as to the effect on the Property, or the traffic in the vicinity of the Property. For further information please call (310) 369-2058, Construction Manager.

Buyer's Initials (_____ / _____)

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Seller's Initials (_____ / _____)

