



**ADDENDUM TO RESIDENTIAL PURCHASE AGREEMENT
THIS IS INTENDED TO BE A LEGALLY BINDING DOCUMENT - READ IT CAREFULLY
FOR USE WITH PROPERTIES LOCATED IN THE SAN FERNANDO VALLEY**

The following terms and conditions are incorporated in, and made a part of, the Residential Purchase Agreement dated _____ on the property known as _____ (the "Property") in which _____ is referred to as Buyer and _____ is referred to as Seller.

1. Certificates of Occupancy: Buyer is advised that the City of Los Angeles issues permits authorizing the construction of improvements, additions and modifications to Property. The simple fact that a building permit has been issued does not, by itself, indicate that the work in question has been completed in accordance with City specifications. Parties are advised to look in City records for a "Certificate of Occupancy" which is typically issued after the City inspects the Property and verifies that construction has been completed in accordance with City specifications.

2. Airport Noise: Buyer is aware of the existence and proximity of both the Van Nuys Municipal Airport and Burbank/Glendale/Pasadena Airport (**Bob Hope Airport**) to the Subject Property. Buyer is aware that airport noise exists throughout much of the San Fernando Valley. Buyer has been informed that Van Nuys Municipal Airport has a plan for expansion. For further information regarding this plan, Buyer is advised to visit website www.vnymasterplan.org or call the Department of Airports at (855) 463-5252. Buyer is aware that Burbank/Glendale/Pasadena Airport Authority has submitted a Noise Exposure Map for the area surrounding this airport. The map constitutes notice to prospective purchasers of Property surrounding the airport of noise attributable to the Airport. For more information Buyer is advised to contact the Burbank/Glendale/Pasadena Airport Authority at (818)840-8840 or its website www.burbankairport.com.

3. Boeing Rocketdyne Santa Susana Facility: Buyer is aware that there is a former Rocketdyne testing facility located in the Santa Susana Mountains between Chatsworth and Simi Valley. The U.S. Department of Energy has indicated that there are some radioactive materials and industrial solvents on this site, which are in the process of clean-up. Lawsuits have been filed alleging that the Rocketdyne facility has caused environmental contamination beyond the site. Two recent studies by UCLA and the University of Michigan have indicated that residents living within two miles of this facility may have been exposed to toxic chemicals and have slightly higher cancer rates than people in communities farther from the lab. However, authors of both reports have warned the results of these studies do not conclusively show that contamination from this facility caused cancer or other illnesses in the surrounding community. The Seller and Real Estate Brokers are unable to give any definitive answers regarding potential health hazards that may result from the proximity of the property to this former testing facility. Buyer is advised to conduct an independent investigation of this matter. It is strongly recommended that Buyer have a soil test conducted of the Subject Property to determine any potential contamination.

4. Rent Control: Buyer has been informed that Los Angeles City is subject to a rent control ordinance. Currently, all single family residences are exempt from this ordinance. In addition, multi-units, including townhomes and condominiums where the original Certificate of Occupancy was issued after October 1, 1978, are exempt. Buyer's ability to increase rent, evict tenants, and other related matters may be restricted by said ordinance. Buyer may also be required to pay monetary relocation assistance to any tenants who are evicted by Buyer for any reason. This relocation assistance may amount to several thousand dollars based upon the category of tenant involved. Broker(s) strongly recommend Buyer contact the City of Los Angeles Housing Department at 1-866-557-RENT (7368) to determine the effect of the local ordinance on Subject Property. If the Property is located outside the City of Los Angeles, Buyer is advised to check with the appropriate governmental entity to determine the existence of any Rent Control Ordinance.

5. Valley Transit Project: Buyer is informed that Property may be situated in or near one of the areas where the Metropolitan Transit Authority (MTA) has constructed a busway running across the San Fernando Valley. The busway (Metro Orange Line) follows the Burbank and Chandler Boulevard railroads right-of-way from the North Hollywood subway station to Warner Center in Woodland Hills and then northward from Warner Center to the Metrolink Station in Chatsworth running along Canoga Avenue. This busway could adversely or beneficially affect the value or desirability of the Property. Further, Buyer is aware that there will be an increased noise factor as a result of the operation of this busway. A map and additional information regarding the Metro Orange Line is available at www.mta.net Buyer is advised to contact the MTA at (323) 466-3876 for additional information.

6. Baseline Mansionization Ordinance and Interim Control Ordinance (ICOs): Buyer is advised that the City of Los Angeles has adopted a Baseline Mansionization Ordinance (Los Angeles City Ordinance #179883) which may affect Buyer's intended use of the subject property. For those properties subject to the Ordinance (generally all single-family residentially zoned properties not located in a Hillside area or Coastal Zone) the Ordinance imposes restrictions on the square footage allowable for both new construction and additions to existing structures on the property. Buyer is advised to obtain a copy of this ordinance and to contact the appropriate City agency directly to determine its impact, if any, on the subject property.

In addition, the city of Los Angeles has approved numerous Interim Control Ordinances (ICOs) which either prohibit the demolition and substantial alterations of homes in the various Historic Preservation Overlay Zones (HPOZs), and Residential Floor Area Districts (RFAs) or limit the scale of new construction in said areas. Old Granada Hills, Valley Village, Studio City and Sunland-Tujunga, as well as other areas located throughout the City of Los Angeles are subject to these ordinances. Further, the City is considering the expansion of these ordinances to include new HPOZ and RFA Districts throughout the City of Los Angeles.

Buyers and Sellers acknowledge receipt of this page, which constitutes Page 1 of 4 Pages of this Addendum

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Phone: _____ Fax: _____

Buyer is advised to contact the City of Los Angeles Planning Department and the City Council office having jurisdiction over the subject property in question as well as any other appropriate City Department to investigate whether these HPOZs, RFAs or ICOs will impact Buyer's ability to make alterations to the Subject Property. Buyer may also visit the following website: <http://zimas.lacity.org>.

If Buyer is planning to expand or remodel the Subject Property, Buyer is strongly advised to contact the appropriate agencies of the City of Los Angeles during Buyer's physical inspection contingency period to determine how these ordinances may impact Buyer's future plans. Real estate Brokers and their agents do not have expertise in this area and recommend that Buyer verify, prior to removing inspection contingencies, whether these Ordinances will have any effect on the Buyer's intended use of the Subject Property.

7. Hillside Ordinance: Buyer is advised that Hillside Property in the City of Los Angeles and other cities may be subject to and impacted by local ordinances providing for special Hillside Property requirements. If the Property is a Hillside Property, Buyer is advised to obtain a copy of these ordinances to determine their impact, if any, on the Property. Information regarding the Los Angeles Hillside Property ordinances can be obtained from the City of L.A., Dept of Building and Safety.

8. Landfill Disclosure: Buyer is advised that the Property may be in the vicinity of a landfill site. Buyer agrees to make own investigation of this fact and its effects, if any, on the value and the buyer's use and enjoyment of the property. Buyer is specifically advised that the Property is in the vicinity of the Sunshine Lopez Chiquita Other _____ landfill site. Buyer is advised that there is a proposal to extend the Sunshine Canyon Landfill located in the North San Fernando Valley above Granada Hills. For further information regarding this issue Buyer may contact BFI Industries of California at (888)742-5234, or the 12th District City Council office.

9. Sediment Placement Sites (SPS): Buyer is advised that the Property may be in the vicinity of a Sediment Placement Site (SPS). The Los Angeles County Flood Control District has established these sites to place the sediment being removed from debris basins throughout Los Angeles County. These sites are designed for putting soil and rock only, and not for dumping garbage or any other materials. Currently there are approximately 20 active SPSs throughout Los Angeles County with seven located within or near the boundaries of the San Fernando and Santa Clarita Valley. Such SPS sites currently exist in Sylmar (May Canyon), Chatsworth (Brown), Santa Clarita (Wildwood), Toluca Lake (Aqua Vista) and Sunland/Tujunga (Zachau, La Tuna, Blue Gum). A map of these SPS sites may be found at www.srar.com (click on MLS tab on top of homepage and go to Neighborhoods/Areas tab). Buyer agrees to make own investigation of these sites and their effects, if any, on the value and the Buyer's use and enjoyment of the Property.

10. Future Development: Buyer is aware that the Property may be affected by future development of property in the neighborhood or surrounding areas and the Property may be subject to building and development restrictions and conditions. Buyer is advised to consult with appropriate government agencies and shall rely solely upon Buyer's own investigations to determine future development or planning and its potential impact on the Property. Buyer is advised that the Universal Studios and Porter Ranch areas are in the process of major expansion at this time as are other areas located within City and County jurisdiction.

11. Flooring Disclosure: Neither Seller nor Broker make any representation or guarantee as to the type or condition of the flooring located underneath existing carpeting or other floor covering, except as may be noted in writing by Seller. Buyer is advised to conduct their own independent investigation of the flooring during Buyer's physical inspection period, if this is an important factor to Buyer. Buyer understands that any investigation of the flooring must be done in a manner that will not damage the existing floor covering. Seller is required to disclose any adverse conditions regarding flooring underneath the existing floor covering that are known to Seller; however, Buyer understands that Seller is NOT responsible for damaged flooring underneath existing floor covering unless Seller was aware of such condition and failed to disclose this to Buyer. If Buyer is informed "hardwood" or "wood" floors exist at Subject Property, Buyer understands this is NOT a representation or guarantee that all flooring is wood or hardwood and is not a representation or guarantee as to the condition of said flooring.

12. Wildlife: Buyer has been informed that various types of wildlife appear in residential neighborhoods and throughout the San Fernando Valley and surrounding areas. Coyotes, undomesticated cats, snakes, owls and other birds of prey as well as other such wildlife may be injurious to Property, pets and small children. Buyer is advised to investigate this matter during Buyer's contingency period.

13. High Winds Disclosure: Buyer is aware that certain areas located in the San Fernando Valley (especially in the Northern portion of the San Fernando Valley) and numerous areas located in Santa Clarita Valley experience high winds, especially in winter months. Buyer is advised to make an independent investigation of this during Buyer's physical inspection contingency period.

14. Potable Water to Support Future Improvement to Property: Buyer is made aware in the County of Los Angeles there are new requirements effective January 1, 2003, for the expansion and development of real estate. Buyer is advised to do an independent investigation of the "Potable Water Availability Requirements for Residential and Commercial Development" including whether "public" or "certified well water" source is available and the performance of soil evaluation "percolation" tests for private sewage disposal. Buyers in unincorporated areas of the County of Los Angeles should contact the County of Los Angeles, Department of Health Services Environmental Health or the Los Angeles County Department of Public Works (website www.ladwp.com).

15. Mulholland Scenic Parkway Specific Plan: Buyer is aware that all Property situated in the City of Los Angeles 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 (City of Los Angeles Ordinance #167943). If the Property lies within this Specific Plan area, Buyer is strongly advised to obtain a copy of the ordinance and to investigate the impact the Specific Plan may have on Subject Property. Buyer may obtain an official copy of the ordinance by contacting the Los Angeles City Ordinance Division at (213) 978-1133.

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16. 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 Subject Property, Buyer is advised to contact the City of Los Angeles, Urban Forestry Division at (213)847-3077. A permit is generally required to relocate, remove or alter any protected trees. The Seller and Real Estate Brokers are not experts in this area and cannot give specific advice to Buyer with regard to this matter.

17. Community Boundaries: Within the City of Los Angeles there are many communities such as Sherman Oaks, Woodland Hills, Valley Village, Valley Glen, etc. The Los Angeles City Council is the governmental entity that approves the actual boundaries of these neighborhoods. The official boundaries of each of these communities are delineated in the official maps approved by the LA City Council. These maps can be found on the LA City Council website or at www.srar.com (click on the MLS tab at the top of the homepage and go to Neighborhood Boundary maps). Buyer and Seller are advised not to rely on the US Postal Service or LA County Assessor's information to determine the actual boundaries of any particular community as these records are not always accurate. Buyer and Seller are advised to check the official LA City Council maps to determine the actual boundaries of the various communities.

18. Proposed High-Speed Rail Between Burbank and Palmdale: Buyer is informed that the State of California is considering the route of a high speed rail line between Burbank and Palmdale. When such a rail line is constructed, there will be numerous items impacting surrounding neighborhoods including, but not limited to, noise factors of construction, train operations and possible eminent domain issues. Real Estate Brokers cannot give any opinion on when this high speed rail will be constructed nor where the high speed rail will ultimately be constructed. The State of California is currently contemplating numerous routes for said rail line. While it is likely that property values in the areas surrounding this project will be impacted, Real Estate Brokers are not in a position to determine what impact this project would have on any particular property. Buyer is advised to contact the California High-Speed Rail Authority directly with any questions concerning this proposed construction. California High-Speed Rail Authority headquarters in Sacramento can be reached at 916-324-1541 or by email at info@hsr.ca.gov. The local Southern California office can be reached at email address southern.california@hsr.ca.gov.

19. Porter Ranch/Aliso Canyon Disclosure: Buyer is advised of the existence of the Aliso Canyon Oil Field, located within close proximity to the Porter Ranch Area. Further, Buyer is informed that The Termo Company, owner of the existing wells along with several other oil and gas companies, has proposed to drill an additional number of new oils wells at this site. At this time, this proposal is under consideration and no final determination has been made as to whether or when such additional oil wells will be drilled. Seller and Real Estate Brokers and their agents do not have the expertise to advise Buyer on any impact said oil wells may have on the Subject Property. Buyer is advised to investigate this matter during Buyer's investigation contingency period. Buyer may visit the proposed project website at <http://www.northalisoproject.com> and should also check with the appropriate county and city departments to obtain information regarding any potential environmental impact of said drilling.

Buyer is advised that there was a major gas leak coming from a Southern California Gas Company storage facility in Aliso Canyon located in close proximity to the Porter Ranch area. The leak, coming from an underground well, released large quantities of methane gas. During the time of the leakage, residents of Porter Ranch complained of health issues including nausea, headaches, and nosebleeds. The gas company indicated that the leak began on or around October 23, 2015 and continued until on or around February 11, 2016. Seller and Real Estate Brokers and their Agents do not possess the expertise to advise buyer on the impact of this leak on the Subject Property. Buyer is advised to do his own investigation of this matter during buyer's investigation period. Buyer may contact the Los Angeles County Department of Public Health at 888-700-9995 and the Southern California Gas Company at 800-427-2000 for further information.

20. Los Angeles City Earthquake Retrofit Safety Regulations: The Los Angeles City Council has enacted seismic regulations requiring an estimated 15,000 buildings be retrofitted so they will better withstand a potential earthquake. Two types of buildings are targeted by this legislation-concrete buildings and boxy wood-frame apartment complexes built on top of carports. Property owners will have seven years to retrofit wood apartments and 25 years to fix concrete buildings. The cost of retrofitting such buildings will be substantial and any potential Buyer of such properties is advised to investigate this matter during Buyer's investigation contingency period. Buyer is advised to check directly with the Los Angeles Department of Building and Safety for further information on this subject.

21. Sale Contingency/Disapproval: This sale is contingent upon Buyer's independent investigation and approval of Items 1 thru 20 above, within the same number of days from acceptance of offer and in the same manner as agreed to between Buyer and Seller in the Agreement for the physical investigation contingency.

22. Value: Buyer and Seller acknowledge and agree that while Broker(s) often provide information regarding comparable properties to the Property, the value of the Property is subjective and Broker(s) cannot guarantee the current market value of the Property. Further, Broker(s) make no representation of any kind as to the future value of said Property.

23. Pest Control Reports: In the event that Seller obtains more than one Pest Control report pursuant to the current sale of Property, Seller is required to provide copies of all such reports to Buyer. Seller's ability to comply with the Pest Control provisions of the Purchase Contract may be impacted by the existence of any discrepancies contained within said reports. Buyer is aware that the Structural Pest Control Report deals with wood destroying pests (termites) and does not apply to the presence or absence of rodents, insects, or any other such "pests".

24. Escrow Process Complexity: The Purchase Agreement indicates a specific closing date, however, the complexity of a real estate transaction may necessitate an extension of this closing date. Any such extension should be in writing signed by Buyer and Seller. In addition, California law may, in some circumstances, permit a reasonable period of time beyond the date set for close of escrow for one or the other party to comply with the terms of escrow and sale. Due to these possibilities, it is suggested that Buyer and Seller remain as flexible as possible with regard to all plans based on the exact closing date.

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25. Mandatory Government Retrofit Items:

- a) **Water Conservation Certificate of Compliance (for property located in the City of L.A.):** Buyer and Seller are aware of Los Angeles Municipal code Section 122.03 requiring the Seller of Residential property to provide Buyer with a Certificate of Compliance that all applicable items have been retrofitted with the water saving devices specified in said code section. Property shall have ultralow flow toilets in all bathrooms prior to close of escrow, as well as required flow restrictor showerheads per city ordinance.
- b) **Impact Hazard Glazing (for property located in the City of L.A.):** Buyer and Seller are aware of City of Los Angeles Ordinance No. 161.136 requiring that all external sliding glass doors (the sliding part only) must be tempered glass or "impact hazard glazed" with a safety film approved by the City of Los Angeles prior to the close of escrow.
- c) **Smoke Detector/Water Heater Compliance:** Buyer and Seller are aware of California Health & Safety Code Sections 13113.8(b) and 19211 requiring Sellers of real property to provide Buyer with a written statement indicating that the Property is in compliance with the applicable local ordinance regarding installation of smoke detectors and water heater bracing, anchoring or strapping. Los Angeles City ordinance requires installation of smoke detectors in every bedroom and hallway adjacent to bedroom. Single family residences may have battery operated smoke detectors, but all multi dwelling units, including condominiums and townhomes, must be hardwired. Los Angeles City ordinance requires all water heaters to be double strapped as per city ordinance specifications.
- d) **Gas Shutoff Valve Ordinance (for property located in the City of Los Angeles):** Buyer and Seller are aware of the Los Angeles City ordinance that requires the installation of a Seismic Gas shutoff Valve on residential and commercial buildings prior to the close of escrow. Said ordinance requires a permit from the Department of Building and Safety as well as an inspection by the Department. Questions concerning this ordinance should be directed to the **Los Angeles Department of Building and Safety at their toll free number (888) 524-2845.**

26. Purchase or Sale by One Spouse: If one spouse is purchasing or selling the Property as his or her sole and separate property, Buyer and Seller are aware that the Title Insurance Company may require said spouse to obtain written approval from the other spouse in order to obtain Title Insurance on the Property.

27. (Check if applicable) Selection of Service Providers: All parties are aware that Broker(s) have a financial interest in _____ . Buyer and Seller are not obligated to use said service(s). **(Broker(s) are advised that they are required to provide Buyer and Seller with the appropriate Affiliated Business Arrangement disclosure form pursuant to RESPA guidelines with regard to any services referenced in this paragraph).**

28. Report of Residential Property Records and Pending Special Assessment Liens: If the Subject Property is residential and located in the City of Los Angeles, Seller shall pay for and deliver to Buyer, prior to close of escrow, a "Report of Residential Property Records and Pending Special Assessment Liens" in accordance with Los Angeles City Ordinance No. 144.942. Buyer and Seller acknowledge that Broker(s) is not responsible for the timely delivery of said report.

NOTE: It is agreed by Buyer and Sellers that the inclusion of Paragraph 27 above shall not be interpreted as causing Broker(s) to be considered as parties to the remainder of this Addendum or the Purchase Agreement.

Buyers and Sellers acknowledge receipt of this page, which constitutes Page 4 of 4 Pages of this Addendum

DATE _____ BUYER _____ BUYER _____

DATE _____ SELLER _____ SELLER _____

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