

PRIME COMMERCIAL PROPERTY PLAYA DEL REY, CALIFORNIA

423 - 425
CULVER BOULEVARD



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Property Overview	Investment Features	Location	Zoning Analysis	Market Overview	Maps, Site Plans and Parcel Map	Property Photos	Confidentiality Agreement/ Agency Disclosure
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An exclusive representation to the Seller, Kennedy Wilson Real Estate Sales and Marketing and Exclusive Listing, an Image Locations Company are pleased to offer for sale the fee simple interest in an **assemblage of two contiguous legal parcels** located at **423 and 425 Culver Boulevard**.

423 and 425 Culver Boulevard is the opportunity to acquire a **large investor property** or **redevelopment site** located just one mile from the Playa Vista Regional Center adjacent to the Ballona Wetlands Ecological Reserve which is a nearly 600-acre open space wetland and highland complex.

It is in the heart of one of the hottest markets in West Los Angeles. The Culver Boulevard Property Assemblage sits at the gateway to the oceanfront community Playa Del Rey, California between Marina Del Rey and the Los Angeles International Airport. The assemblage features 50 feet of frontage on Culver Boulevard and 100 feet frontage on Titmouse Park. Beach access is less than 1/2 mile away.

This is an ideal Westside location near the **Playa Vista Regional Center** transformed from the legendary Howard Hughes' aerospace empire to a large-scale mixed-use center offering unique office, shopping, dining, entertainment and living spaces. Touted as "Silicon Beach 2.0" Playa Vista will house Tech stalwarts Google, YouTube and Yahoo at its new office complex scheduled to open in July 2015.

The location also provides unprecedented access to the Westside, South Bay and LAX; less than 5 minutes to 90/405 Freeways; 7 minutes to the 105 Freeway.

Currently the assemblage provides a mix of neighborhood-serving restaurant, office and residential with 3,731 sf of RBA. The site is a combined two legal parcels for a total of 5,000 sf of land. Three spaces are 100% occupied by multiple tenants generating an estimated combined Net Operating Income (NOI) of \$95,000. The residential spaces are subject to Los Angeles Rent Stabilization Ordinance (rent control).

The Westchester-Playa Del Rey Community Plan Map designates the property for [Q]C4-1VL "General Commercial" land uses with corresponding zones of C1.5, C2, C4, CR, RAS3 and RAS4, and height limit to District No. 1. The "Q" denotes restrictions placed on property located on the north and south sides of Culver Boulevard between Pershing Drive and Pacific Avenue. The property is located within the Los Angeles Coastal Transportation Corridor (Ordinance No. 168999) and the proposed Del Rey Lagoon Specific Plan.

PROPERTY SUMMARY	
ADDRESS	423 and 425 Culver Blvd
ASSESSOR PARCEL NOS	4116-010-006 and 4116-010-007
GROSS BUILDING AREA	3,731 sf
GROSS LAND AREA	5,000 sf
PARKING SPACES	9 / 1:415
ZONING	[Q]C4-1VL



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Property Name	Destini Café	Duplex	Assemblage
Type	Restaurant	Live/Work	Mixed Use
Address	423 Culver Blvd	425 Culver Blvd	423-425 Culver Blvd
Year Built	1952 Renovated 2008	1968	1952-1968
APN	4116-010-007	4116-010-006	4116-010-006 to -007
Zoning	[Q]C4-1VL	[Q]C4-1VL	[Q]C4-1VL
Spaces	1	2	3
Size (SF) ±	429 + Covered Patio	3,302	3,731
Land (SF) ±	2,500	2,500	5,000
Description	1-story, free standing restaurant, 3 surface parking, 2-car garage, adjacent to city park	2-story, Live/Work, top unit 3 bed/2 bath 1,800 sf leased through 11/2015 at \$3,695/mo, lower unit is office, 1 bed/1 bath leased though 09/15 at \$2,500/mo, 4-car garage	An assemblage of two legal parcels overlooking the Ballona Wetlands with current income stream and excellent redevelopment potential
PROFORMA INCOME			
Rent Monthly/Annual	NNN 3,500 / 42,000	6,200 / 74,000	9,700 / 116,400
Reserve (2.0%)	840	1,488	2,328
Vacancy (5.0%)	2,100	3,720	5,820
Effective Gross Rent	39,060	69,192	108,252
PROFORMA EXPENSES			
Utilities (1.5%)	-	1,116	1,116
Maintenance (1.0%)	-	744	744
Management (2.0%)	781	1,488	2,265
Insurance (4.0%)	-	258	258
Property Taxes	-	19,525	19,525
Total Expenses	781	23,131	29,912
Proforma NOI	38,279	46,061	84,340

- ### KEY FEATURES
- Prime view location adjacent to the Ballona Wetlands Ecological Reserve
 - Great visibility; Culver and Nicholson intersection is signalized
 - Assemblage has 50 ft. frontage on Culver Blvd with 31,900 ADTC
 - Trendy restaurants and beach access just ½ mile west
 - Ideally located adjacent to the very high quality commercial development Playa Vista Regional Center named "Silicon Beach 2.0"
 - West Los Angeles CRE market exhibiting very good fundamentals
 - Playa Del Rey area has strong new construction and renovation activity



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INVESTMENT OPPORTUNITY

ADDRESS: 423 and 425 Culver Blvd, Playa Del Rey, CA 90293
PRODUCT TYPE: Offering fee simple interest in an assemblage of two commercial lots that include a duplex (425) and neighborhood serving café (423)
APN'S: 4116-010-006 and 4116-010-007
ZONING: [Q]C4-1VL with FAR limit of 1.5:1 up to 7,500 sf
YEAR BUILT: 1952 to 1968
CONSTRUCTION: Wood frame
LAND AREA: 5,000± sf
RBA / FAR: 3,731± sf (only 50% of FAR limit of 7,500 sf)
PARKING SPACES: 9

KEY INVESTMENT FEATURES

- Excellent demographics
- Affluent ocean front community
- 100% leased
- Below market rents
- Excellent redevelopment opportunity

KEY PROPERTY FEATURES

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Wetlands tour on May 22, 2015

PRESENTED BY:

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Shown by appointment only. Do not disturb the tenants.



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Playa Del Rey ("The King's Beach ") is a charming beachside community in West Los Angeles south of Marina Del Rey and north of Manhattan Beach bordered by Playa Vista on the east and the Pacific Ocean to the west.



Once the site of *Hotel Del Rey* (circa 1902) and the *Pacific Electric Railway* which linked Santa Monica and the South Beach cities, the area is known for salt water marshes, rolling hills, majestic bluffs, beaches and endless bike trails which seem to stretch for miles in all directions. The *Del Rey* bluffs, created by wind-blown compacted sand dunes, rise up 150 feet above sea level giving way to spectacular city, marina and ocean views that extend to the horizon.

A 340 acre green buffer south of the community allows one to experience the spectacle of airliners as they depart LAX over Dockweiler State Beach without the hubbub near the terminals.

Most of the community is designated for residential use with a blend of homes, condominiums and apartments. Commercial improvements are found along the ½ mile stretch of Culver Boulevard and at the intersection of Pershing Drive and Manchester Avenue giving the area a relaxed family atmosphere.

Recent area developments include multi-concept gastro pubs *Playa Provisions & Tripel*, modern office buildings, and the connected urban community *Playa Vista* on the property once home to Howard Hughes aerospace empire now dubbed "Silicon Beach 2.0".



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The zoning and location of the subject property have the potential of making it highly desirable for redevelopment into a variety of uses such as an apartments, mixed use, office and/or co-working spaces.

ZONING ANALYSIS

Address	Bldg SF	Land SF
423 Culver Blvd (4116-010-007)	429 sf	2,500 sf
425 Culver Blvd (4116-010-006)	3,302 sf	2,500 sf
Total:	3,731 sf	5,000 sf

Year Built: Various 1952 to 1968

Zoning: [Q]C4-1D

Uses: Generally allows multi-family, office and retail

Floor area ratio (FAR) of 1.5:1

Maximum height of 45'

Min. Parking:

Non-medical office – 1:500 sf

Eating/drinking – 1:100 sf

Residential – typically one to two per dwelling unit

Maximum Potential Buildable Square Feet: 7,500 sf

Estimated Development Potential: Two-story rentable component over ground level parking with use of automated lifts to increase parking capacity

COMMENTARY

There is significant redevelopment occurring throughout Los Angeles as developers and the city seek to capitalize off the improved CRE market and in the process transform original neighborhoods into dynamic urban areas. Some examples of redevelopment projects recently completed or planned:



New Office Development

Playa Del Rey

Two 3-story 37 ft buildings

Each building consists of ground level parking and two levels of 2,500 each for a total of 10,000 sf rentable office (1.0:1 FAR)



Company Headquarters

Culver Blvd across from subject

9,765 sf owner user office

Purchased by current owner in May 2012 and undergoing major rehabilitation for corporate headquarters



Legado 138

Culver Blvd and Vista Del Mar (1/2 mile to subject)

A proposed 87,292 sf, 56' high, 4-story mixed use project on 32,774 sf site with 14,500 sf ground floor retail, 72 apartments and 211 parking spaces, breaks ground late 2015 subject to city approval

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Entertainment and technology is leading the way towards recovery in the Los Angeles Market.

Santa Monica and Venice Beach have made headlines as the epicenter of Southern California’s booming tech industry, now commonly referred to as Silicon Beach.

But as prices increase, companies large and small are looking for offices in Playa Vista, a vast planned community on the site of the former Hughes Aircraft campus. In January, Yahoo announced that it will move its Santa Monica headquarters and 400 employees into a new office complex called The Collective at Playa Vista, which is scheduled to open July 1. Google purchased a 12-acre plot of land in December for \$120 million and is rumored to have its eye on the 300,000-square-foot hangar that once housed the Spruce Goose, Howard Hughes’ infamous plane that boasts a record wingspan.

This heightened interest in the Marina Del Rey/Playa Del Rey area makes this an ideal time for a developer to capitalize from the anticipated growth and expansion of the office market.

This is further evidenced by new construction of sleek offices and mixed use projects throughout the West Los Angeles area.

In May 2012, an engineering firm purchased the 9,765 sf office building at 420 Culver Blvd (across from 423 and 425 Culver Blvd) and the firm intends to move in upon completion of the renovation estimated in mid to late 2015.

COMMENTARY

West Los Angeles Area Office Market

- The Greater LA office market finished 2014 with strong fundamentals
- 2014 posted highest level of net absorption since 2005
- Leasing activity levels increased with WLA garnering lion’s share with Santa Monica, Playa Vista and Hollywood reaching pre-recessionary levels
- Just over 42% of the total net absorption occurred in WLA submarket
- Technology, media and co-working firms were primary drivers
- Asking leasing rates in the Greater LA are up 6.0% year-over-year

Site’s Strengths and Opportunities

- Traffic counts on Culver Blvd are 31,900 annual average daily traffic (2014 MPSI Estimate)
- Ideally located close to major transportation, business and employment centers
- Current market dynamics make this an ideal time to market and sale this property as a redevelopment opportunity

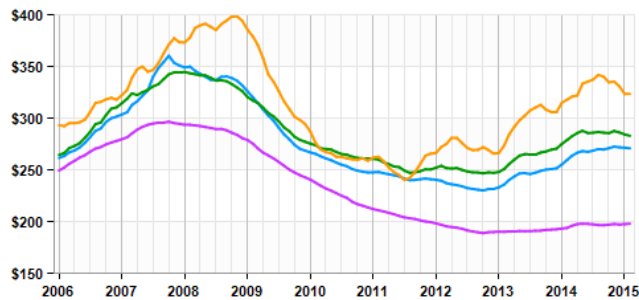


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DISCUSSION

These graphs chart the past and present asking price and lease rate trends for all office properties in the greater Los Angeles market area. This demonstrates that despite the CRE recovery that began in 2011-2012 there remains continued volatility below pre-recessionary levels.

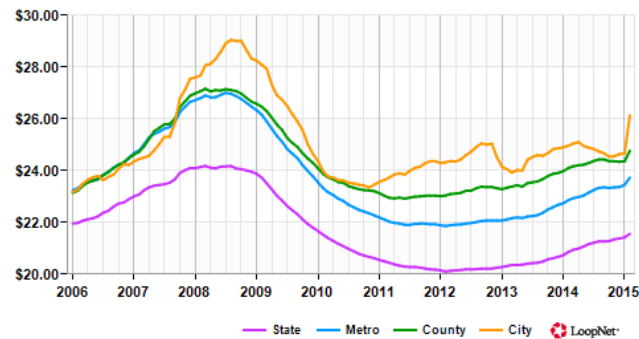
Asking Prices Office for Sale Los Angeles, CA (\$/SF)



	Feb 15	vs. 3 mo. prior	Y-O-Y
State	\$198.57	+0.2%	+2.1%
Metro	\$271.39	-0.6%	+4.3%
County	\$283.44	-1.6%	+1.4%
City	\$323.93	-3.5%	+1.7%

Current Los Angeles market trends data indicates a decrease of -3.5% in the median asking price per sq ft for Office properties compared to the prior 3 months, with an increase of +1.7% compared to last year's prices. County-wide, asking prices for Office properties are -1.6% lower at \$283 per sq ft compared to the current median price of \$324 per sq ft for Office properties in Los Angeles, CA.

Asking Rent Office for Lease Los Angeles, CA (\$/SF/Year)



	Feb 15	vs. 3 mo. prior	Y-O-Y
State	\$21.56	+1.0%	+3.3%
Metro	\$23.73	+1.8%	+3.8%
County	\$24.77	+1.7%	+2.7%
City	\$26.14	+6.4%	+4.7%

The average asking rental rate per sq ft/year for Office properties in Los Angeles, CA as of Feb 15 was \$26.14. This represents an increase of 6.4% compared to the prior 3 months, with an increase of +4.7% year-over-year. County-wide, average rental rates in Los Angeles are +1.7% higher at \$24.77 per sq ft/year for Office properties currently for lease.

COMMENTARY

Los Angeles Leasing Trends

- Greater Los Angeles overall vacancy rate is 11.5%
- The Marina Del Rey/Venice submarket vacancy rate stands at 16% with Gross Asking Rents at \$42.27 per sf
- Class A asking rents are experiencing the greatest growth
- Recent transactions resulted in longer lease terms

Los Angeles Sales Trends

- The current median price for Los Angeles is \$324 per sf and MDR/Venice is \$731 per sf
- Over 3.1M sf of new office space is under construction illustrating the positive outlook of developers and investors have in the future of Greater Los Angeles
- Los Angeles's investment sales market is benefitting from the foreign capital that is pouring into the U.S. According to a recent survey by the Association of Foreign Investors in Real Estate (AFIRE), the United States is ranked #1 as the most stable and secure country and Los Angeles is ranked #4 of U.S. cities for foreign investors

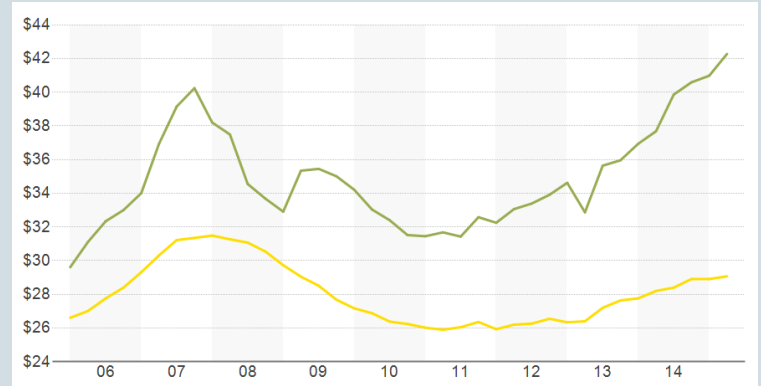
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OFFICE SUBMARKET SUMMARY

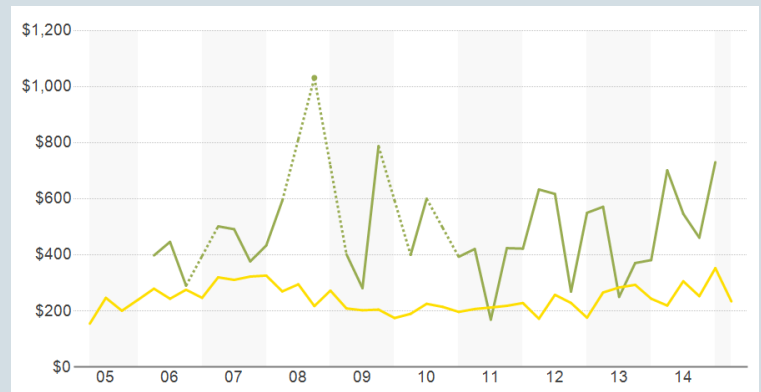
Buildings		Marina Del Rey/ Venice
Properties		367
Existing SF		8,908,044
Average Building SF		24,272
Under Construction		204,422
Leasing		Marina Del Rey/ Venice
Gross Rent Per SF		\$42.27
Vacancy Rate		16.0%
Available Spaces		204
Available SF		1,488,761
12 Mo. Absorption SF		420,092
12 Mo. Leasing SF		1,239,333
Sales		Marina Del Rey/ Venice
Properties		34
Sales Volume (Mil.)		\$836
Avg Sale Price (Mil.)		\$28
Sale Price Per SF		\$730
Cap Rate		4.3%

SALE PRICE PER SF STANDS AT \$730 PER SQUARE FOOT
WITH CAP RATES AT 4.3%

GROSS ASKING RENT PER SF



AVERAGE SALES PRICE/SF

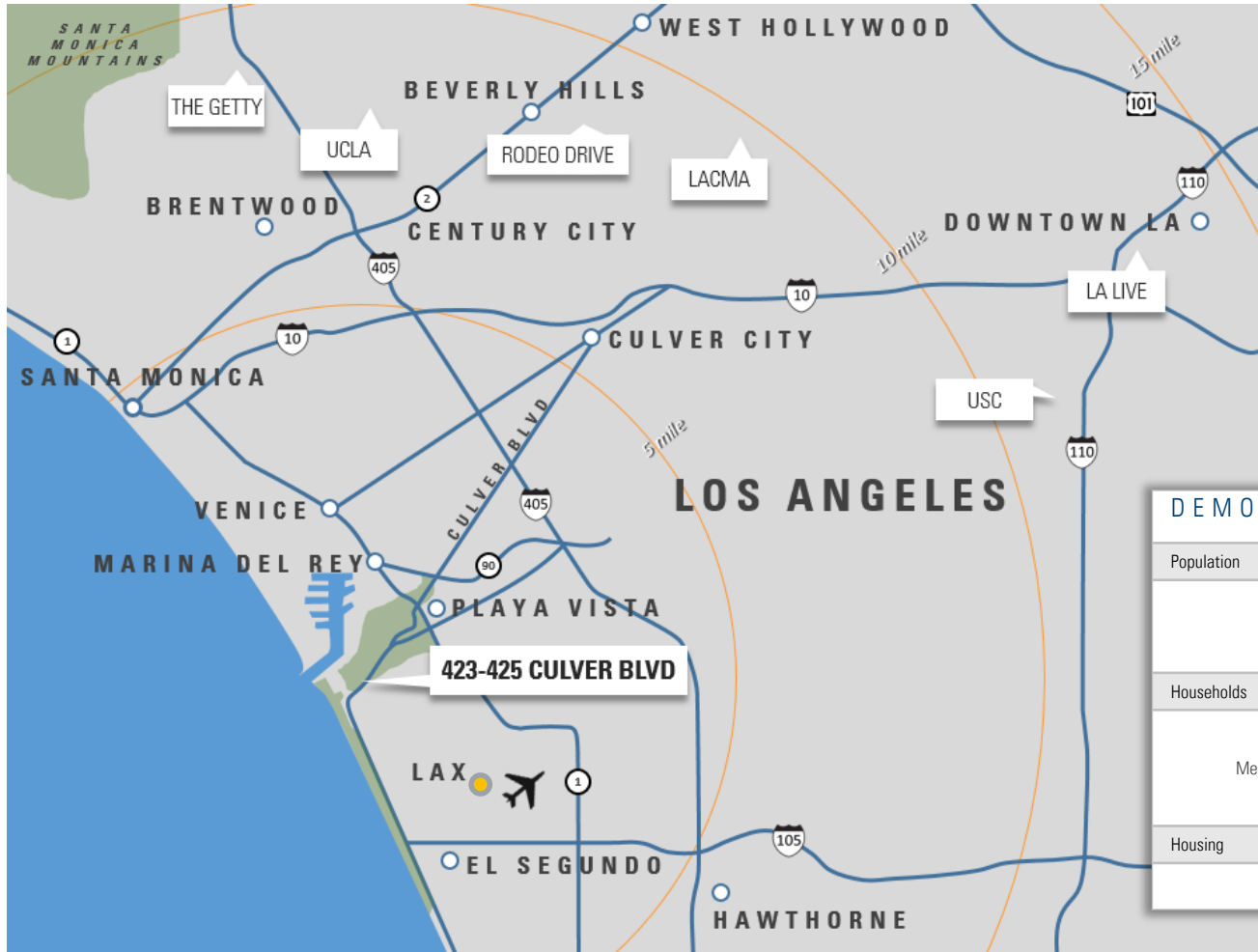


Marina Del Rey/Venice



Los Angeles

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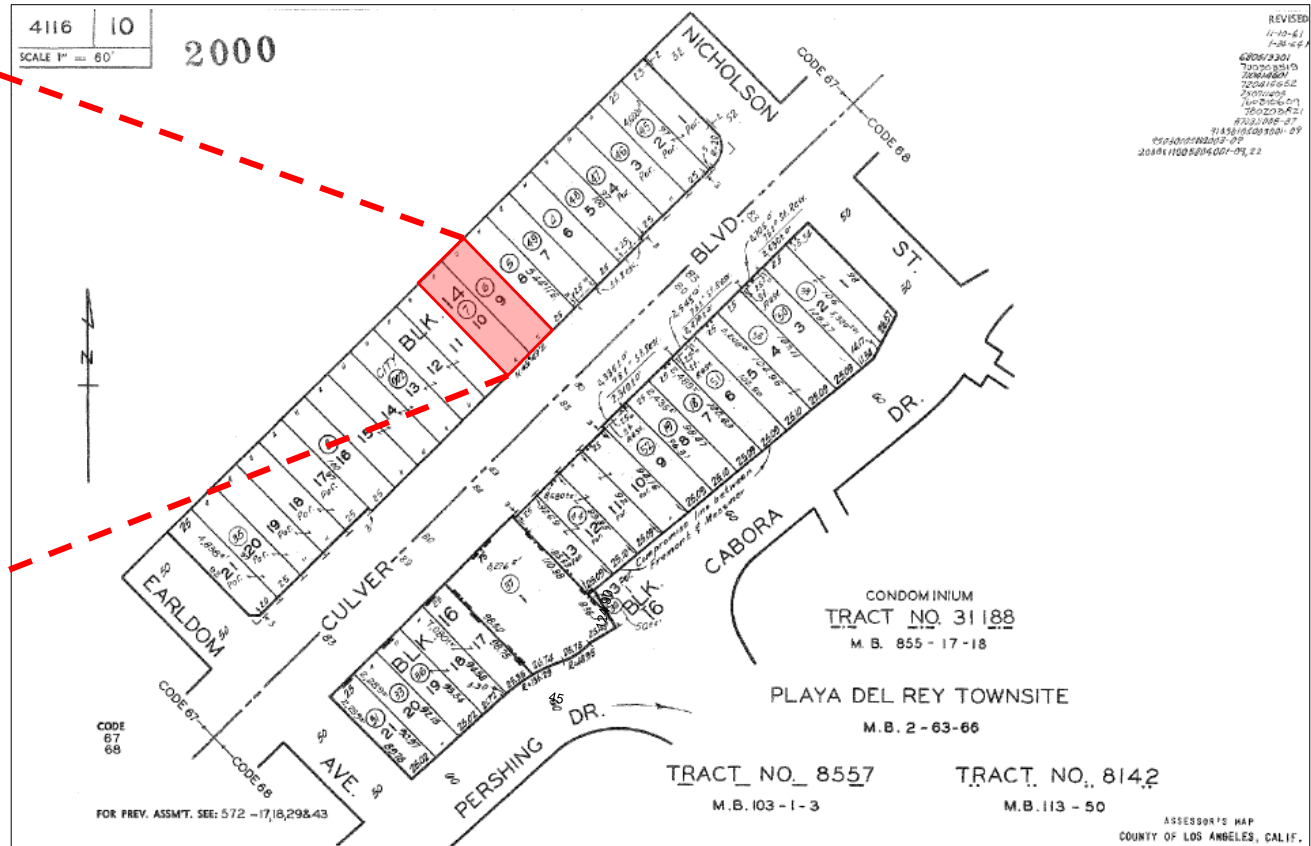
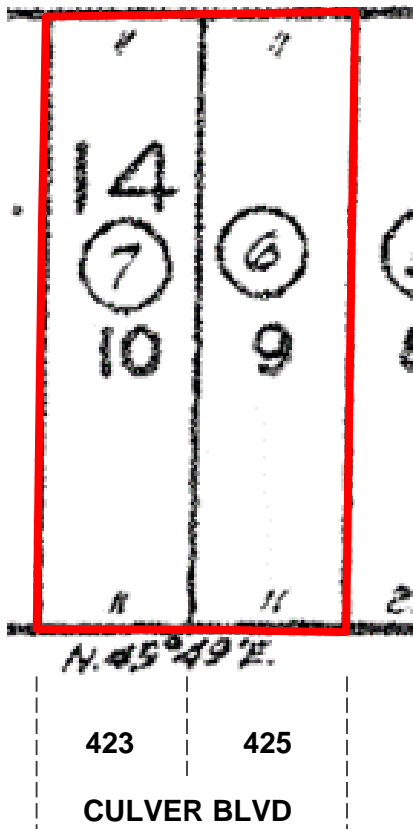


DEMOGRAPHICS			
	1 Mile	5 Mile	10 Mile
Population			
2014 Total Population	17,454	363,559	1,772,556
2019 Population	18,236	377,936	1,830,980
Pop Growth 2014-2019	4.48%	3.95%	3.30%
Average Age	42.0	38.9	37.4
Households			
2014 Total Households	9,519	163,077	686,322
HH Growth 2014-2019	4.21%	3.81%	3.30%
Median Household Income	\$92,201	\$68,563	\$56,918
Avg Household Size	1.8	2.2	2.5
2014 Avg HH Vehicles	2.0	2.0	2.0
Housing			
Median Home Value	\$532,730	\$700,128	\$603,407
Median Year Built	1973	1964	1960

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423 CULVER BLVD



425 CULVER BLVD



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CONFIDENTIALITY AGREEMENT

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All Informational Materials pertaining to the Property that are furnished to the Potential Purchaser shall be held in the strictest confidence and shall be used solely for the purpose of Potential Purchaser’s consideration of a purchase of the Property and shall not be copied or reproduced except as necessary for the consideration of the purchase of the Property. Upon Broker’s request, Potential Purchaser shall either (a) return all Informational Materials and copies thereof to Broker, or (b) destroy all Informational Materials and copies thereof and permanently delete all digital files thereof and provide the requesting party with written certification of such destruction. The Informational Materials may be disclosed to the Potential Purchaser’s partners, employees, legal counsel, accountants, auditors and institutional lenders (“Related Parties”) only on a “need-to-know” basis for the purpose of evaluating the potential purchase of the Property; provided, however, that Potential Purchaser shall inform such Related Parties of this agreement and the confidential nature of the Informational Materials and shall be responsible for a breach of this agreement caused by such Related Parties. Potential Purchaser shall not (a) disclose (other than to Related Parties) the fact that discussions or negotiations are taking place concerning the possible acquisition of the Property or any of the terms thereof, or (b) contact any principals of the Property with respect to the subject matter hereof without the written consent of Broker and the Seller.

The Informational Materials are not intended to be all-inclusive or to contain all information that a prospective purchaser may desire. The Potential Purchaser understands and acknowledges that neither the Seller, nor Broker, nor any of their employees or agents: (a) make any representations or warranties as to the accuracy or completeness of the Informational Materials, and (b) have independently verified the information. Potential Purchaser acknowledges that the Seller and Broker have no responsibility to update the Informational Materials. Potential Purchaser acknowledges that the information posted on the website for the Offering may be updated from time to time, and that it is not the duty of Broker or Seller to advise Potential Purchaser of when updated information is posted. Potential Purchaser agrees that if it makes any offer, such offer will be the affirmation by Potential Purchaser that it has reviewed the information posted on the website for all updated information before making such offer.

Potential Purchaser acknowledges it is acting as a principal or an investment advisor with respect to the proposed purchase of the Property, and not as a broker, and in the event the Potential Purchaser is represented by a broker the broker must register such representation with Broker prior to the submission of any offer. The Potential Purchaser hereby indemnifies and holds harmless the Seller and Broker and their respective affiliates, shareholders, directors, officers, employees, agents and successors and assigns against and from any loss, liability or expense, including attorney’s fees, arising out of any breach of any of the terms of this agreement or arising from any broker, agent or finder claiming by or through Potential Purchaser.

The Potential Purchaser acknowledges that the Property has been offered subject to withdrawal from the market, change in offering price, prior sale or rejection of any offer because of the terms thereof, lack of satisfactory credit references of any prospective purchaser, or for any other reason whatsoever, without notice

In the event Potential Purchaser or anyone to whom Potential Purchaser transmits the Informational Materials to becomes legally compelled to disclose any of the Informational Materials (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process), Potential Purchaser will provide Seller with prompt written notice of such requirement as promptly as practical so that the Seller may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this agreement. In the event that such protective order or other remedy is not obtained by the time Potential Purchaser is required to comply with such requests, or if prior notice is not possible, Potential Purchaser may comply with such requests, subject to using its reasonable efforts to furnish only that portion of the Informational Materials which is legally required and to obtain reliable assurance that confidential treatment will be accorded to the Informational Materials.

Each and every request made by Potential Purchaser for Informational Materials or action by Potential Purchaser, such as using a password to gain access to Informational Materials, shall constitute Potential Purchaser’s re-affirmation and acceptance of the terms and conditions of this Agreement. The Potential Purchaser acknowledges that no obligation whatsoever of Seller is created in connection with Potential Purchaser’s execution of this Agreement, the distribution of any Informational Materials, or any discussions or negotiations regarding the potential purchase of any Property. Without limiting the foregoing, unless and until a final purchase agreement is fully executed and delivered by all parties, Seller may withdraw the Property from the Offering, terminate negotiations with Potential Purchaser for any reason or no reason, and/or negotiate with other potential purchasers and enter into a purchase agreement on terms that may be better or worse than those offered by Potential Purchaser.

Potential Purchaser agrees that, if Seller is required to bring an action to enforce the provisions of this Agreement, the damages would be irreparable and difficult to measure, and therefore, the Seller shall be entitled to injunctive and other equitable relief in addition to any other relief available in law. In any action to enforce the terms of this agreement, the non-prevailing party shall be responsible for payment of the prevailing party’s reasonable attorneys’ fees and expenses incurred in any such action. Upon execution of this agreement, this will become a binding agreement and will be construed in accordance with California law, without regard to conflict of law principles.

Please be advised that Broker is acting as agents for Seller with respect to the solicitation of offers in connection with the sale of the properties described in the Offering. Furthermore, Buyer acknowledges that Broker may (1) act as an agent for more than one prospective Buyer on the subject property and/or (2) act as the agent for both the Buyer and Seller on the subject property. Any prospective Buyer requesting Broker to submit an offer on its behalf acknowledges the foregoing disclosures and agrees to the described agency relationships with other prospective Buyers.

If you are not in agreement with the foregoing, please return all Informational Materials on the Property in the Offering by mail to Kennedy Wilson/Attn: Marty Clouser, 9701 Wilshire Blvd., Suite 700, Beverly Hills, California 90212.

REAL ESTATE AGENCY DISCLOSURE STATEMENT

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

Please be advised that Broker is acting as an agent for Seller with respect to the solicitation of offers in connection with the sale of the properties described in this Offering. Furthermore, Buyer acknowledges that Broker may (i) act as the agent for both the Seller and Buyer on the subject property and/or (ii) act as an agent for the Seller and more than one prospective Buyer on the subject property. Any prospective Buyer requesting Broker to submit an offer on its behalf acknowledges the foregoing disclosures and agrees to the described agency relationships with other prospective Buyers.

Kennedy Wilson and Exclusive Listing will not advise on legal, tax or financial matters. If you desire legal, tax or financial advice, consult your attorney or accountant.

Seller and/or Buyer acknowledge receipt of a copy of this disclosure and understanding this Disclosure and Consent for Representation of More than One Buyer or Seller and agree to the dual agency possibility disclosed.

KENNEDY WILSON



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Shown by appointment only. Do not disturb the tenants.