

EXCLUSIVE OFFERING MEMORANDUM

RANCHO MIRAGE DEVELOPMENT OPPORTUNITY: 4.0+/- ACRE SENIOR LIVING SITE



A Rare Senior Living Opportunity In Affluent Rancho Mirage, California

RANCHO MIRAGE, CA DEVELOPMENT OPPORTUNITY: 4.0+/- ACRE SENIOR LIVING SITE

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Disclaimer

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The Opportunity

The CBRE National Senior Housing Group has been retained on an exclusive basis to arrange for the sale of a premier 3.91 acre site in the city of Rancho Mirage, California, located at the corner of Dinah Shore Drive and Key Largo Road. This represents a unique opportunity for a Senior Housing provider to capitalize on the exceptional demographics, constrained supply, high occupancy, and thriving Senior Housing market in this unique area. The landowner prefers to sell the entire site in one transaction but would entertain offers on half of the site if a smaller footprint was desired.

- The major highlights of the opportunity are:
- 3.91 acre site in affluent Rancho Mirage, CA for a high end Senior Housing community
- A 95% area occupancy with exceptionally high average monthly rates
- Less than a mile from an looming Del Webb / Pulte homes development for active adults which will be an excellent complement to Senior Housing on the site
- Verbal support from the City Planning Commission for a Senior Housing community on the site
- Excellent demographics-average housing values within one mile of the site are over \$435,000
- Close proximity to numerous country clubs, world class golf courses, and resorts
- Fantastic site visibility-located on signalized intersection with convenient access to shops and amenities
- Dinah Shore Drive is a designated scenic and transportation corridor with easy access to Interstate 10

The Planning Commission for the city of Rancho Mirage has repeatedly voiced their approvals of a senior housing project on the site and has promised to help expedite zoning/entitlements as swiftly as possible. The land will be delivered free and clear of any debt. The area immediately North of the site on the other side of Dinah Shore Drive, called "Section 19", is in the early stages of a 270 acre mixed use development that is beginning to emerge. It will include single family homes, retail, and commercial totaling over 3 million square feet, 1900 residential units, and 580 hotel rooms. Just to the West of the site, Pulte Homes, in cooperation with their affiliate Del Webb communities, is planning a large active adult development which will act as a natural feeder to the Senior Housing in the area. This site represents an opportunity to gain a foothold in an affluent market where Senior Housing is thriving, in a specific location that will have its profile raised significantly over the next several years by infill development.

The long time land owner wishes to sell the site to the most capable buyer for the highest price at the best terms. The offer structure, with particular attention to timing, deposits, and milestones will strongly influence the ultimate selection of a buyer. The site is ideal for a high quality private pay Senior Housing community and an operator who can embrace the unique environment of this burgeoning area.

Asking Price: \$3,500,000.

Offer Deadline: The seller will consider offers as they are submitted.

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Aerial Views

Excellent location and close proximity to major national retailers and future Residential mixed used development



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Aerial View



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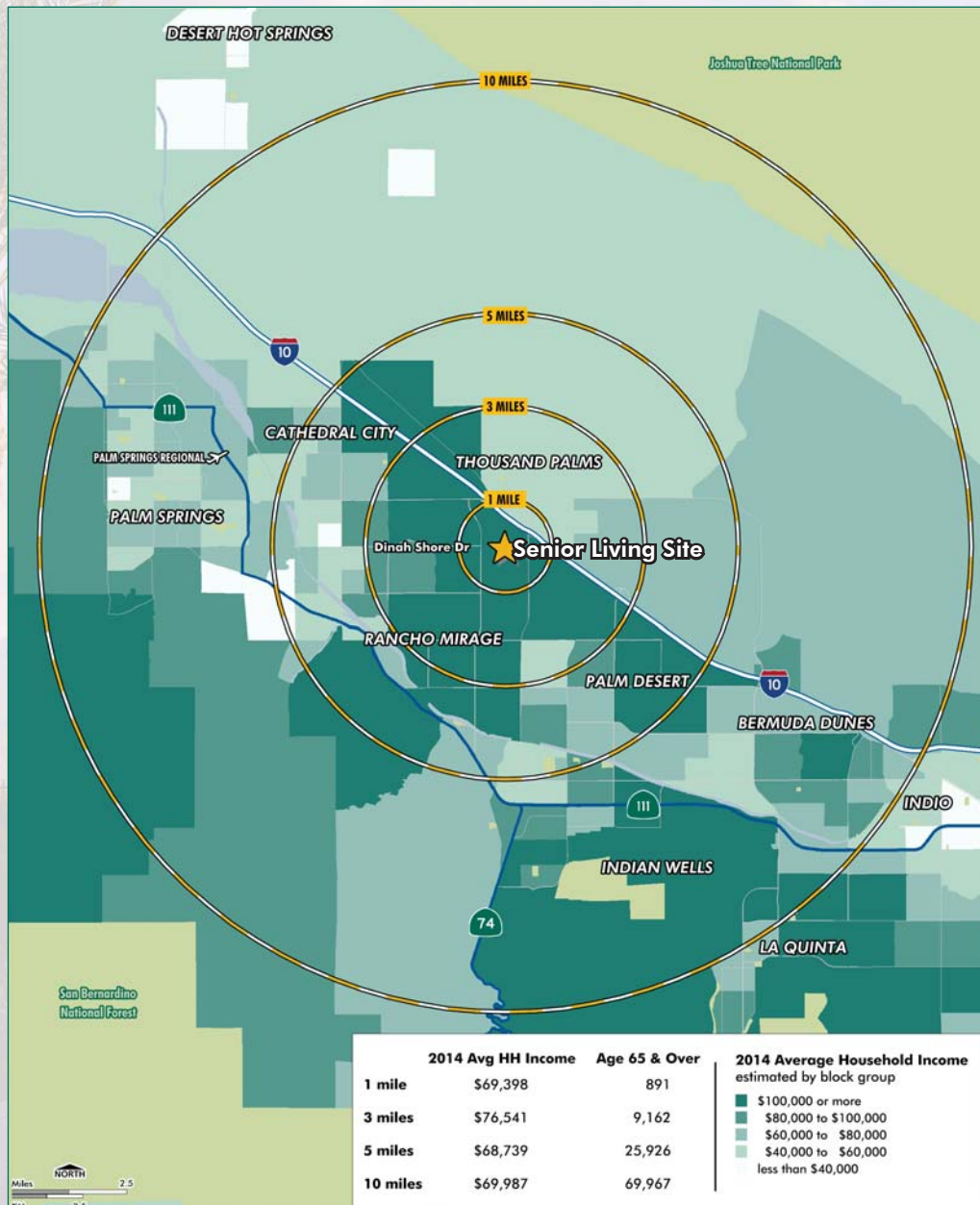
Aerial Views

The delineation of the 3.91 acre site below is an approximation of the actual outline of the legal parcel.



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Demographic Map



Demographic Highlights

- There are 7,106 seniors ages 75+ within 10 miles of the site with incomes over \$50,000
- Approximately 40% of the adult children (potential caregivers) age 45 to 54, within a 10 mile radius, have average incomes of \$75,000 or higher – approximately 6,552 people
- The 2019 estimated population over 65 years old within a one mile radius is 1,268 (40.1% of the population)
- The 2014 average household income within a three mile radius is \$76,585
- 2014 estimated average housing value within a one mile radius is \$436,279
- The projected 2014-2019 growth population within one mile of the site is 9.33%

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Competitive Market Survey & Map

	EMERITUS AT RANCHO MIRAGE	MIRAGE INN	MISSION HILLS	OAKMONT OF SEGOVIA
Phone	(760) 841-1711	(855) 205-1704	(760) 904-4899	(760) 565-5979
City, State	Rancho Mirage, CA	Rancho Mirage, CA	Rancho Mirage, CA	Palm Desert, CA
Distance to Site	3.9 miles	4.4 miles	1 mile	3.9 miles
Owner / Manager	Emeritus	Brookdale	Integral Sr. Living	Oakmont
Community Type	AL/MC/NC	AL/MC	AL/MC	IL/AL (Entrance Fee)
Condition of Building	Good	Excellent	Good	Excellent
Date Opened	2000	1999	2000	2009
Total Number of Units	159	129	110	121
Current Occupancy	94%	92%		95%

QUANTITY OF UNIT TYPES

Independent Living				79
Assisted Living	90	107	65	42
Memory Care	24	22	55	
Nursing Care	45			

BASE MONTHLY FEE RANGES

Studio	\$1,925	\$3,950+	\$2,795-\$3,750	
Semi-Private Studio			\$1,995-\$3,250	
Deluxe Studio	\$2,500			
1-Bedroom	\$3,595	\$4,450+	\$3,400+	\$3,000-\$4,500+
1-Bedroom Deluxe		\$5,095+	\$4,000+	
2-Bedroom	\$4,325	\$5,950+		\$3,200-\$5,400+
2-Bedroom Deluxe				\$3,900-\$5,900+

ASSISTED LIVING RATES

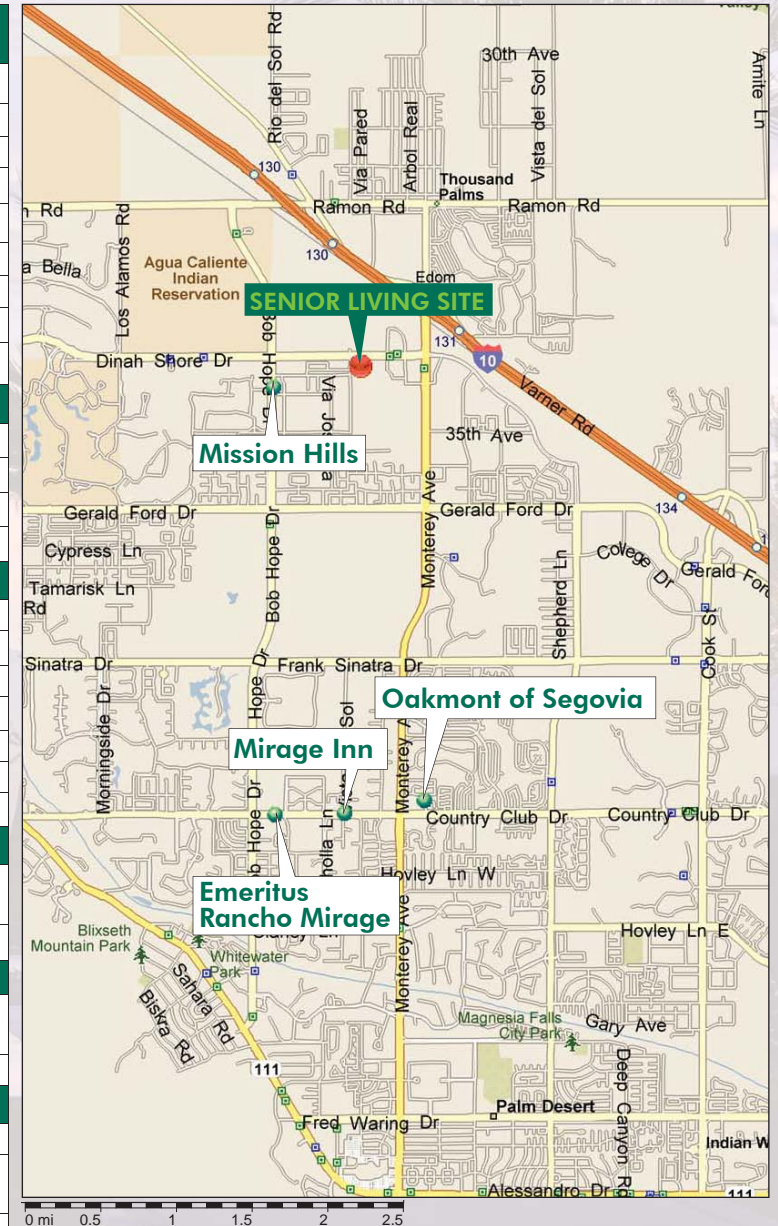
Summary of Program	Point System	Personal Service Plan	Point System \$11 per point	Point System
Average level of care	\$625		\$1,000	

MEMORY CARE RATES

Studio		\$5,960	Starting at \$395 up to \$2,975 per month	
1-Bedroom		\$6,650		

ADDITIONAL FEES

Second Person Fee		\$850	\$750	\$1,000
Community Fee	\$2,000	\$4,000	\$2,500	Entrance Fee ranges from \$230k to \$680k
Respite		\$200-\$300	\$175	



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Competitive Market Photographs

Emeritus at Rancho Mirage



Brookdale Mirage Inn



Mission Hills



Oakmont of Segovia



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Land Use and Zoning Map City of Rancho Mirage

69-825 Highway 111, Rancho Mirage, CA 92270



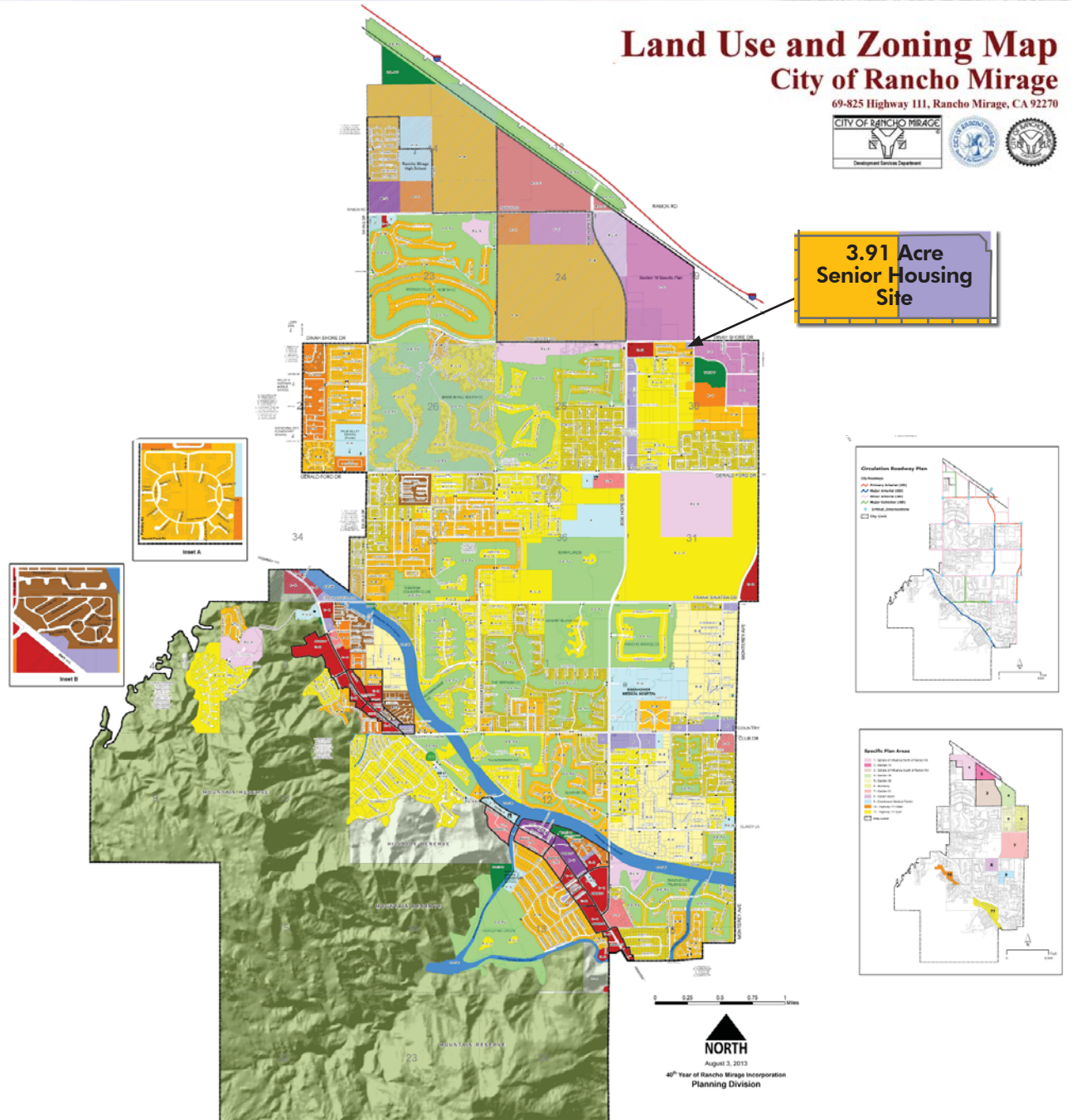
**3.91 Acre
Senior Housing
Site**

ACREAGE			
	City	Sphere	Total
RESIDENTIAL			
R-E Residential Estate 1 du/ac Max.	511		511
R-L-2 Very Low Density 2 du/ac Max.	2,102		2,102
R-L-3 Low Density 3 du/ac Max.	961		961
R-M Medium Density 4 du/ac Max.	1,154	801	1,955
R-H High Density 9 du/ac Max.	206	39	245
MHP Mobile Home Park 9 du/ac Max.	95		95
H-R Hillside Reserve 1 du/640 ac Max.	345		345
Sub-Total	5,374	840	6,214
COMMERCIAL			
O Office	112		112
C-N Neighborhood Commercial	103		103
CS General Commercial	233		233
CC Community Commercial	342	75	417
RH-H Resort Hotel	387		387
MU Mixed Use (Commercial/Office/Residential)	71		71
R-IC Regional Interstate Commercial	186		186
Sub-Total	1,435	75	1,510
INSTITUTIONAL			
P Public/Quasi-Public	83		83
PCH City Hall	9		9
PFS Fire Station	4		4
PH Hospital	132		132
PS School	83	39	121
PL Library	10		10
PO Post Office	3		3
PU Utility Station	9		9
Sub-Total	332	39	371
OPEN SPACE			
PP Public Park	55	41	96
MR Mountain Reserve	5,175		5,175
OS Private Open Space	2,129	181	2,311
OS-FV Floodways and Drainage Channels	332		332
Sub-Total	7,691	222	7,913
ROW Right of Way	1,239	27	1,266
Totals	16,070	1,202	17,272
	25	2	27 Sq. Miles
OVERLAYS*			
Senior Overlay	8 ac		
Special Corner	122 ac		
111 West Specific Plan	121 ac		
111 East Specific Plan	248 ac		
Agua Caliente Band of Cahuilla Indians	2,027 ac		

* These acreages are included in land use acreages above.

▲ ▲ Entry Gates to Private Communities

Note: Figures are subject to rounding.



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City of Rancho Mirage Planning Fees

<u>Application</u>	<u>Fees</u>
General Plan /Zoning Map Amendment (GPMA)	3,930
General Plan Text Amendment (GPTA)	4,175
Zoning Text Amendment (ZTA)	3,715
Specific Plan Review (SP)	11,537
Specific Plan Amendment (SPA)	3,510
Conditional Use Permit (CUP)	5,203
Major Variance Review (MAJV) - to Planning Commission and Council	3,695
Major Variance Review (MAJV) - to Planning Commission	2,843
Minor Variance Review (MINV) - Staff Review	188
Single Family Permit (SFP) - Staff Review	1,053
Single Family Permit (SFP) - Planning Commission review	1,621
Single Family Permit, 2 Story/Overheight (SFP2)	2,232
Preliminary Development Plan, Commercial less than 1 acre (PDPCS)	7,451
Preliminary Development Plan, Commercial 1-5 acres (PDPCM)	9,534
Preliminary Development Plan, Commercial more than 5 acres (PDPCCL)	12,089
Preliminary Development Plan, Residential less than 5 acres (PDPRS)	5,201
Preliminary Development Plan, Residential 5-20 acres (PDPRM)	7,660
Preliminary Development Plan, Residential more than 20 acres (PDPRL)	12,336
Final Development Plan (FDP) - Staff Review	2,178
Environmental Assessment (EA)	1,551
Environmental Impact Report Review (EIR)	13,354
Sign Permit (SIGN) - less than 20 sq. ft. - staff review	287
Sign Permit (SIGN) - more than 20 sq. ft. - Planning Commission review	1,394
Sign Program Amendment (SIPRA)	613
Sign Program Review (SIGP) - Planning Commission review	2,080
Development Agreement Review (DA)	3,891
Appeal to Planning Commission (PCAPP)	1,583
Appeal to City Council (CCAPP)	1,607
Tentative Tract Map Review less than 5 acres (TTMS)	4,414
Tentative Tract Map Review 5-20 acres (TTMM)	6,189
Tentative Tract Map Review more than 20 acres (TTML)	9,774
Tentative Tract Map Revision (TPMR)	1,704
Tentative Parcel Map (TPM) - Planning Commission review	1,888
Tentative Parcel Map Revision (TPMR)	1,018
Development Plan Permit Extension (PDPX)	576
Conditional Use Permit Time Extension (CUPX)	1,228
Tentative Parcel/Tract Map Time Extension (TMX)	1,108
Development Agreement Amendment (DAA)	2,034
Annexation Request Review (ANNEX)	16,459
Temporary Use Permit (TUP) - Staff Review	571
Major Modification of Development Plan (MAJMO)	2,331
Minor Modification of Development Plan (MINMO) - Staff Review	613
Street Name/Change Review (STNAM) - Planning Commission review	801
Street Vacation Review (STVAC) - Planning Commission review	476
Zoning Interpretations (ZI)	89

Rancho Mirage Area Overview

Rancho Mirage is a city in Riverside County, California, located 116 miles east of Los Angeles, 125 miles northeast of San Diego and adjacent to Palm Desert in the Coachella Valley (Palm Springs area). The estimated 2013 population was 17,799 (Census Bureau), an increase of 34.3% over the 2000 census. In 2003, Rancho Mirage was named the best resort town in the world by London Imperial Traveler Magazine.

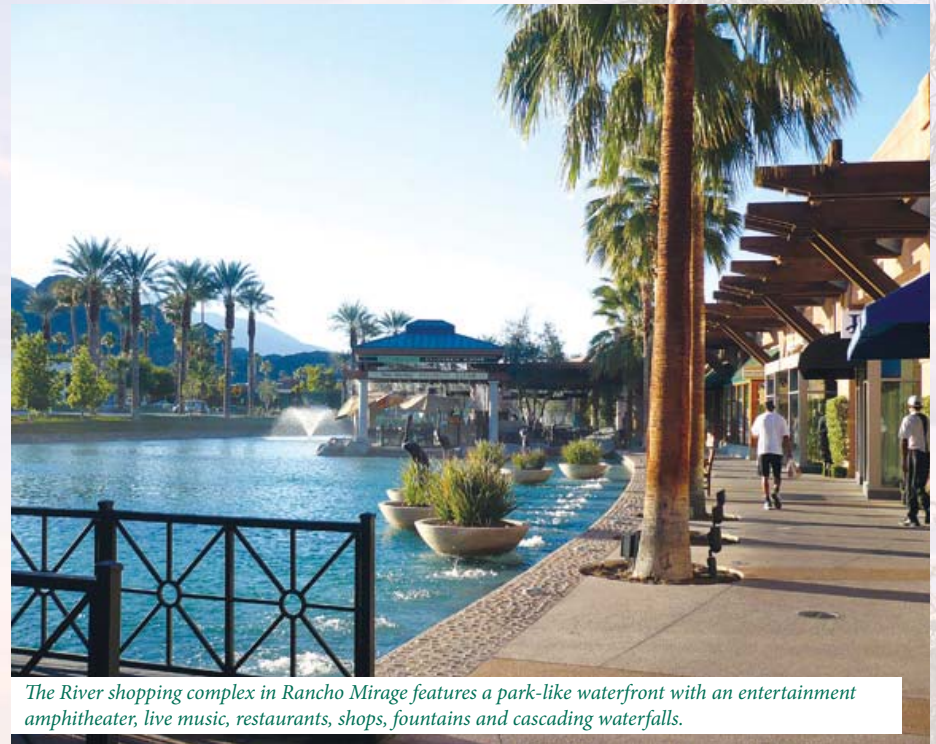
Well known as a world class resort, host to U.S. Presidents, foreign royalty and the home of numerous media stars, Rancho Mirage is also recognized as one of Coachella Valley's most affluent residential communities. The city's reputation as a resort town, in addition to its views of surrounding mountains, attractively landscaped streets and golf course communities, have created a high demand for residential/resort housing. Today, the excellent school system, extensive shopping, dining, cultural and entertainment options as well as award-winning healthcare facilities make Rancho Mirage not just a vacation spot, but a place to put down roots.

HEALTH CARE

Excellent, state-of-the-art medical care is available to Rancho Mirage residents at conveniently located hospitals. The main health care facility serving Rancho Mirage is the award winning Eisenhower Medical Center (2.3 miles), a 540-bed, short-term acute care and accredited teaching hospital, winner of 20 Healthgrades' excellence awards including the America's 100 Best Hospitals for Orthopedic Surgery Award. It was ranked as the most wired hospital two years in a row, and includes a kidney institute and dialysis facility. The Betty Ford Center is also located on the Eisenhower Campus. Desert Regional Medical Center is a 387-bed, short term, acute care hospital and the only designated trauma center in the Coachella Valley. Its services include the latest medical imaging technology, a Joint and Spine Pavilion, comprehensive cancer center, Joslin Diabetes Center and the Institute of Clinical Orthopedics and Neurosciences. It has been ranked as one of America's 100 Best Hospitals for Joint Replacement Award for the past three years.

ECONOMY

Rancho Mirage has expanded its economy from one based on seasonal tourism to include light industry and commerce around Interstate 10, high-end retail centers, such as The River shopping complex, an expanding healthcare sector, and increased real estate development, both residential and commercial. According to a ranking from RealtyTrac, Rancho Mirage is among the top 15 U.S. cities for investing in retirement real estate. The city is also a prime growth location in the Coachella Valley, attracting



The River shopping complex in Rancho Mirage features a park-like waterfront with an entertainment amphitheater, live music, restaurants, shops, fountains and cascading waterfalls.

projects such as the Section 19 Specific Plan, a mixed use project to be phased in 4 stages beginning in 2015. The unique blend of land uses proposed under this Specific Plan will allow for development of up to approximately 3,096,500 square feet of commercial, retail, office, restaurant, and entertainment uses, as well as up to 1,899 residential units and 580 hotel rooms. The creation of a mixed-use development enables residents to live within walking distance of stores, restaurants, and recreational areas, while visitors can walk and shop along the esplanade and enjoy an assortment of public plazas and parks. The comprehensively planned commercial and entertainment development will generate a new tax base, a regional destination, and a City landmark.

The largest employers in the Rancho Mirage area are Eisenhower Medical Center (2,480 employees), Coachella Valley Unified School District (1,724 employees 22 miles), Agua Caliente Casino (1,300 employees), JW Marriott Palm Desert (1,100 employees), Omni Rancho Las Palmas Resort & Spa (500 employees), Desert Regional Medical Center (1,750 employees), Palm Springs Unified School District (2,000+ employees), Westin Mission Hills Resort and Spa (470 employees), Ritz Carlton Rancho Mirage (297 employees) and the Betty Ford Center (269 Employees).

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Rancho Mirage Overview

SECTION 19 AREA

The unique blend of land uses proposed under this Specific Plan will allow for development of up to approximately 3,096,500 square feet of commercial, retail, office, restaurant, and entertainment uses, as well as up to 1,899 residential units and 580 hotel rooms. The creation of a mixed-use development enables residents to live within walking distance of stores, restaurants, and recreational areas, while visitors can walk and shop along the esplanade and enjoy an assortment of public plazas and parks. The comprehensively planned commercial and entertainment development will generate a new tax base, a regional destination, and a City landmark.

TRANSPORTATION

Interstate 10, north of Rancho Mirage, connects the city with Redlands and San Bernardino to the northwest, and State Route 111 (north/south) links Rancho Mirage to Palm Springs and Palm Desert. The City is served by Palm Springs International Airport (9.4 miles), home to 11 major airlines. Bus service is provided by Sun Bus, while the City of Rancho Mirage Housing Authority provides a Transportation Services Program to residents of the city's housing complexes. Taxi services related to medical, health, food shopping, social services, personal needs, recreation, dining, etc, throughout most of the Coachella Valley are available at a dramatically reduced fare. Amtrak stations with bus connection are available in Palm Desert (4 miles) and Palm Springs (9 miles).

PARKS

There are five well designed and appointed parks throughout Rancho Mirage. The largest is Whitewater Park, located on 7 acres of land adjoining the Whitewater Wash and the equestrian trail, offering a full complement of amenities for sports, picnicking and children's activities. Over 89 miles of hiking trails in the Rancho Mirage area offer hikers and equestrians a wide variety and panoramic views.

EDUCATION

Post-secondary education in the Rancho Mirage area is available from numerous institutions. The University of California Riverside-Palm Desert Center, located about four miles from the site, serves as a base for UCR's teaching and research in the desert, providing graduate education to the Coachella Valley through its innovative Master of Fine Arts Creative Writing program, continuing education opportunities, and quality public lectures and programs in the arts, humanities and sciences. The University of California-Riverside (about 55 miles; enrollment

Hospitals Map



18,783) was ranked #113 in National Universities. University of Redlands (about 48 miles; enrollment 4,389), ranked #12 in Universities (West), offers more than 40 undergraduate majors and more than 10 majors for graduate students. Rancho Mirage lies with 130 miles of highly ranked UC colleges in San Diego (117 miles), Los Angeles (131 miles) and Irvine (107 miles).

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Sale Lease Disclosure

Property: SWC Dinah Shore Drive and Key Largo Ave, Rancho Mirage, CA 92270

Flood Zones. According to Federal Emergency Management Agency, Fidelity National Flood Map No.06065C1595G Dated 8/28/2008, the Property is not located in a flood zone or in a dam inundation zone (California Government Code Section 8589.5). Many lenders require flood insurance for properties located in flood zones, and government authorities may regulate development and construction in flood zones. Whether or not located in a flood zone, properties can be subject to flooding and moisture problems, especially properties on a slope or in low-lying areas. Buyers and tenants should have their experts confirm whether the Property is in a flood zone and otherwise investigate and evaluate these matters. Flood Zone Designation: Zone X.

Earthquakes. Earthquakes occur throughout California. According to Quakes.Ca.Gov, the Property is situated in an Earthquake Fault Zone and/or a Seismic Hazard Zone (Sections 2621 et seq. and Sections 2690 et seq. of the California Public Resources Code, respectively). Property development and construction in such zones generally are subject to the findings of a geologic report prepared by a state-registered geologist. Whether or not located in such a zone, all properties in California are subject to earthquake risks and may be subject to a variety of state and local earthquake-related requirements, including retrofit requirements. Among other items, water heaters must be braced, anchored or strapped to resist falling or horizontal displacement, and in sales transactions, sellers must execute a written certification that the water heaters are so braced, anchored or strapped (California Health and Safety Code Section 19211). Buyers and tenants should have their experts confirm whether the Property is in any earthquake zone and otherwise investigate and evaluate these matters. The California Commercial Property Owner's Guide to Earthquake Safety is available at www.seismic.ca.gov.

Hazardous Materials and Underground Storage Tanks. Due to prior or current uses of the Property or in the areas or the construction materials used, the Property may have hazardous or undesirable metals (including but not limited to lead-based paint), minerals (including but not limited to asbestos), chemicals, hydrocarbons, petroleum-related compounds, or biological or radioactive/ emissive items (including but not limited to electrical and magnetic fields) in soils, water, building components, above or below-ground tanks/containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Asbestos has been used in items such as fireproofing, heating/cooling systems, insulation, spray-on and tile acoustical materials, floor tiles and coverings, roofing, drywall and plaster. If the Property was built before 1978 and has a residential unit, sellers/landlords must disclose all reports, surveys and other information known to them regarding lead-based paint to buyers and tenants and allow for inspections (42 United States Code Sections 4851 et seq.). Sellers/landlords are required to advise buyers/tenants if they have any reasonable cause to believe that any hazardous substance has come to be located on or beneath the Property (California Health and Safety Code Section 25359.7), and sellers/landlords must disclose reports and surveys regarding asbestos to certain persons, including their employees, contractors, buyers and tenants (California Health and Safety Code Sections 25915 et seq.); buyers/tenants have similar obligations. If sellers/landlords know of the presence of mold that exceeds permissible exposure limits or poses a health threat, they are required to disclose that information in writing (California Health and Safety Code Section 26140). For residential properties, all contracts for sale must include certain mandated disclosures regarding gas and hazardous waste pipelines. (California Civil Code Section 2079.10.5.) Have your experts investigate and evaluate these matters.

Americans with Disabilities Act (ADA). The Americans With Disabilities Act (42 United States Code Sections 12101 et seq.) and other federal, state and local requirements may require changes to the Property. All commercial property owners and/or lessors are required to state on every lease form or rental agreement whether the property has undergone inspection by a Certified Access Specialist (CASp), and, if so, whether the property has or has not been determined to meet all applicable construction-related accessibility standards. (California Civil Code Section 1938.) Have your experts investigate and evaluate these matters.

Taxes. Sales, leases and other real estate transactions can have federal, state and local tax consequences. In sales transactions, Internal Revenue Code Section 1446 requires buyers to withhold and pay to the IRS 10% of the gross sales price within 10 days of the date of a sale unless the buyers can establish that the sellers are not foreigners, generally by having the sellers sign a Non-Foreign Seller Affidavit. Depending on the structure of the transaction, the tax withholding liability can exceed the net cash proceeds to be paid to the sellers at closing. California imposes an additional withholding requirement equal to 3 1/3%

of the gross sales price not only on foreign sellers but also out-of-state sellers and sellers leaving the state if the sales price exceeds \$100,000. Withholding generally is required if the last known address of a seller is outside California, if the proceeds are disbursed outside of California or if a financial intermediary is used. Have your experts investigate and evaluate these matters.

Fires. California Public Resources Codes Sections 4125 et seq. require sellers of real property located within state responsibility areas to advise buyers that the property is located within such a wild land zone, that the state does not have the responsibility to provide fire protection services to any structure within such a zone and that such zones may contain substantial forest/wild land fire risks. Government Code Sections 51178 et seq. require sellers of real property located within certain fire hazard zones to disclose that the property is located in such a zone. Seller must disclose that a property located in a wild land or fire hazard zone is subject to the fire prevention requirements of Public Resources Code Section 4291 and Government Code Section 51182, respectively. Sellers must make such disclosures if either the sellers have actual knowledge that a property is in such a zone or a map showing the property to be in such a zone has been provided to the county assessor. Properties, whether or not located in such a zone, are subject to fire/life safety risks and may be subject to state and local fire/life safety-related requirements, including retrofit requirements. Have your experts investigate and evaluate these matters.

Broker Representation. CBRE, INC. is a national brokerage firm representing a variety of clients. Depending on the circumstances, CBRE, INC. may represent both the seller/landlord and the buyer/tenant in a transaction, or you may be interested in a property that may be of interest to other CBRE, INC. clients. If CBRE, INC. represents more than one party with respect to a property, CBRE, INC. will not disclose the confidential information of one principal to the other.

Seller/Landlord Disclosure, Delivery of Reports, Pest Control Reports and Compliance with Laws. Sellers/landlords are hereby requested to disclose directly to buyers/tenants all information known to sellers/landlords regarding the Property, including but not limited to, hazardous materials, zoning, construction, design, engineering, soils, title, survey, fire/life safety, and other matters, and to provide buyers/tenants with copies of all reports in the possession of or accessible to sellers/landlords regarding the Property. Sellers/landlords and buyers/tenants must comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders, including, but not limited to, the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act. If a pest control report is a condition of the purchase contract, buyers are entitled to receive a copy of the report and any certification and notice of work completed. Sellers/landlords must disclose reports and documents regarding a Property's energy use when selling, leasing, or financing an entire commercial building (20 California Code of Regulations Sections 1680 et seq.)

Property Inspections and Evaluations. Buyers/tenants should have the Property thoroughly inspected and all parties should have the transaction thoroughly evaluated by the experts of their choice. Ask your experts what investigations and evaluations may be appropriate as well as the risks of not performing any such investigations or evaluations. Information regarding the Property supplied by the real estate brokers has been received from third party sources and has not been independently verified by the brokers. Have your experts verify all information regarding the Property, including any linear or area measurements, the availability of all utilities, applicable zoning, and entitlements for the intended use. All work should be inspected and evaluated by your experts, as they deem appropriate. Any projections or estimates are for example only, are based on assumptions that may not occur and do not represent the current or future performance of the property. Real estate brokers are not experts concerning nor can they determine if any expert is qualified to provide advice on legal, tax, design, ADA, engineering, construction, soils, title, survey, fire/life safety, insurance, hazardous materials, or other such matters. Such areas require special education and, generally, special licenses not possessed by real estate brokers. Consult with the experts of your choice regarding these matters.

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