

EL DORADO LOFTS
DISCLOSURE AND BUYER ACKNOWLEDGMENT REGARDING
PRESALE REQUIREMENTS

Unit No. _____,

The undersigned Buyer(s) ("**Buyer**") is purchasing the above-described mixed use Condominium Unit in Lot 1, of Tract No. 063019 ("**Property**") in EL DORADO LOFTS ("**Project**") being developed by MSGG, El Dorado Realty Partners LLC, a California limited liability company ("**Seller**"). Seller hereby discloses the following to Buyer:

1. **APPLICABILITY OF DISCLOSURE**. If Buyer is not obtaining a loan which requires approval of FNMA, and/or other government insurers of mortgage loans, the provisions of this Disclosure shall not apply to Buyer, provided that Buyer is hereby informed by Seller that the presale requirements of said entities and agencies may preclude the closing of escrow of other units in the Property.

2. **LENDERS' PRE-SALE REQUIREMENTS**. Seller hereby discloses to Buyer, and Buyer hereby acknowledges awareness of, the fact that, in order to comply with the requirements of FNMA and/or other government insurers of mortgage loans of the purchasers of Units in the Project, the Purchase and Sale Agreement contains a requirement that no escrow shall close until Purchase and Sale Agreements have been entered into for at least fifty-one percent (51%)(or other applicable percentage) of the total number of Units in the Project by buyers who intend to occupy such Units, and such number of Units are in escrow. Seller may instruct Escrow Holder that no escrow for the sale of a Unit within the Project shall close, including this transaction, until that percent of the Units being sold by Seller is equal to the percent that the lenders require to be in escrow (including any that previously have closed). Seller's unilateral instruction shall automatically extend the Close of Escrow on all escrows until the minimum pre-sale requirement is met, or such affected lender(s) waive such pre-sale requirement. In the event that Seller cannot satisfy the pre-sale requirement of the lenders by the date set for Close of Escrow, as it may be extended by the parties, Buyer may terminate the Escrow and all funds deposited by Buyer shall be promptly returned to Buyer. Buyer understands and agrees that upon the termination of Escrow pursuant to this pre-sale requirement, neither Buyer nor Seller shall have any further rights, obligations or duties to the other party.

3. **POSSIBLE IMPACTS OF PRE-SALE REQUIREMENT**. The above-described pre-sale requirement could have the following impacts on Buyer:

a. Although Buyer may have met all requirements for Close of Escrow, and Seller may be ready to deliver the Property to Buyer, Seller may be prevented from closing Escrow for an indefinite period of time until there are enough Units under contract and in escrow to meet the pre-sale requirement. Such delay in the Close of Escrow could result in the expiration of Buyer's loan commitment, or other problems. For example, Buyer's lender could refuse to

extend or renew the loan commitment, or could increase the interest rate on Buyer's loan, or could demand payment of additional costs for points or other fees in order to secure a loan. If Buyer loses the loan commitment, Buyer may be unable to obtain another loan at an acceptable interest rate.

b. Buyer may find it necessary to obtain another place to live for a period until escrow can close, and may incur unanticipated costs and expenses for housing, for moving expenses, for storage of personal property, and/or for travel, during the period before close of escrow.

c. If Buyer is selling Buyer's current residence in order to purchase the Unit, and Seller is unable to meet the pre-sale requirement by the time set for Close of Escrow, as it may be extended by the parties, it may be necessary for Buyer or Seller to terminate the Escrow. Buyer may be faced with a choice between not closing its escrow for the sale of Buyer's current residence, or having to rent alternate housing on short notice and for an indeterminate period of time.

BUYER HEREBY ACKNOWLEDGES AND AGREES THAT BUYER HAS RECEIVED AND READ A COPY OF THIS DISCLOSURE.

Dated: April 25, 2010

By: _____
"Buyer"

By: _____
"Buyer"