

Disclosures and Advisories

440 N Durrell Ave, Azusa, CA 91702-3738



BROKER COMPENSATION ADVISORY

(C.A.R. Form BCA, Revised 6/25)

1. WHEN SELLERS LIST THEIR PROPERTY FOR SALE THROUGH A REAL ESTATE BROKER THEY AGREE TO PAY THE SELLER'S BROKER WHEN ESCROW CLOSES.

- A. LISTING AGREEMENT COMPENSATION IS FULLY NEGOTIABLE:** When a seller enters into a listing agreement with a broker, the seller authorizes the broker to find a buyer for the seller's property and agrees to pay the seller's broker if a buyer is found who purchases the property. Compensation amounts are not fixed by law and are fully negotiable between the seller and the seller's broker. When negotiating compensation, the parties may discuss factors such as the broker's expertise and experience, the type of broker services to be performed, and the broker's time and expenses, among other considerations.
- B. OPTIONAL ADDITIONAL COMPENSATION IF BUYER IS UNREPRESENTED:** A listing agreement may include optional additional compensation amounts owed to the seller's broker for situations where the broker takes on additional responsibilities or workload. Sometimes a buyer may not be working with nor want to be represented by a real estate broker. When that happens, the seller's broker is not required to represent the buyer, and the seller and seller's broker may decide that they do not want to create such a relationship. In those situations, the seller's broker is advised to use a Buyer Non-Agency (C.A.R. Form BNA) to inform the buyer that the seller's broker will be acting on behalf of the seller only, and not act as the buyer's agent, throughout the transaction. However, because the buyer is unrepresented, the seller's agent will inevitably have to do more work to facilitate the transaction. A seller may agree to compensate their broker for the additional work in such cases.
- C. BROKER MAY REPRESENT BOTH BUYER AND SELLER; DUAL AGENCY:** California law allows a brokerage company to represent both seller and buyer in a real estate transaction. At the time the agent, on behalf of a brokerage, obtains the signature of a seller on a listing agreement, the agent will not, in most cases, know who the eventual buyer will be for a seller's property. Similarly, at the time an agent, on behalf of a brokerage, obtains the signature of a buyer on a buyer representation agreement, the agent will not, in most cases, know who the eventual seller will be for a property the buyer wants to buy. Because many individual licensees may work through one brokerage company, and some individual licensees work with many buyers and sellers, there is a possibility that the same brokerage company will represent both buyer and seller in a transaction. If licensees working through broker represent both seller and buyer, broker is allowed to receive compensation from each, provided the seller and buyer are advised of the relationship and the total amount of compensation the broker will receive.

2. BROKER AGREEMENTS WITH BUYERS:

- A. BUYER REPRESENTATION COMPENSATION IS FULLY NEGOTIABLE:** When a buyer enters into a representation agreement with a broker, the buyer authorizes the broker to locate properties for the buyer to buy and agrees to pay the buyer's broker if a transaction is completed. Compensation amounts are not fixed by law and are fully negotiable. When negotiating compensation, the parties may discuss factors such as the broker's expertise and experience, the type of broker services to be performed, and the broker's time and expenses, among other considerations.
- B. REQUIREMENT FOR WRITTEN AGREEMENTS:** Pursuant to a nationwide class action settlement reached by the National Association of REALTORS® (NAR), participants in Multiple Listing Services are required to have a written agreement with a buyer prior to showing a buyer a residential property or giving a buyer a tour of such a property. The agreement must identify the amount of compensation to be paid to the broker for services provided and require that the broker cannot receive any compensation in excess of the amount specified in the agreement. Pursuant to a January 1, 2025 new law in California, all licensees must have a buyer representation agreement as soon as practicable upon acting as the buyer's agent, and it must include the amount of compensation, services to be rendered, when compensation is due, and the contract termination, which may not exceed three months.
- C. ADVANTAGES OF WRITTEN AGREEMENTS:** Buyers and their brokers benefit when the terms of their relationship and respective duties are in writing. A written agreement establishes clear, mutual expectations and helps avoid misunderstandings over the buyer and broker's duties and the amount of compensation the buyer's agent is to be paid.



3. WHEN ENLISTING A REAL ESTATE BROKER TO REPRESENT THEM, BUYERS AGREE TO PAY THE BUYER'S BROKER WHEN ESCROW CLOSES, BUT THE PERSON RESPONSIBLE FOR PAYMENT MAY BE NEGOTIATED IN THE TRANSACTION:

A. BUYER PAYS THE COMPENSATION PURSUANT TO A BUYER REPRESENTATION AGREEMENT:

A buyer's broker may negotiate the amount of compensation directly with the Buyer and then document that agreement in a buyer representation agreement (C.A.R. Form BRBC or PSRA). The buyer then becomes contractually obligated to pay the broker by providing funds to escrow prior to the closing of a transaction.

B. SELLER PAYS THE COMPENSATION:

(1) **Buyer negotiates for Seller to Compensate Buyer's Broker:** A buyer may make a conditional offer to the seller by including a term in the purchase offer asking the seller to pay the buyer's broker if the buyer has already agreed to pay their own broker pursuant to a buyer representation agreement. If such a term is included in the purchase offer, the request will become one term among many that a seller may accept, reject, or negotiate by way of a counter offer. The possibility of asking the seller to pay the buyer's contractual compensation obligation option should be discussed when creating a buyer representation agreement and prior to an offer being made. Pursuant to the NAR Settlement (see **paragraph 2B**) **a buyer's broker is not permitted to receive compensation for services, from whatever source, that is greater than the amount in the buyer representation agreement.**

(2) **Buyer's Agent negotiates an agreement directly with Seller:** If a seller is unrepresented or does not have an exclusive agency relationship with another broker, a buyer's broker may approach that seller asking the seller to sign an agreement (C.A.R. Form SP, Single Party Compensation Agreement) to pay the buyer's broker. In this situation, the seller agrees to pay the buyer's broker compensation without necessarily creating an agency relationship with the broker. When that happens, the buyer's broker is advised to use a Seller Non-Agency (C.A.R. Form SNA) to inform the seller that the buyer's broker will be acting on behalf of the buyer only, and not act as the seller's agent, throughout the transaction. However, because the seller is unrepresented, the buyer's agent will inevitably have to do more work to facilitate the transaction, which may be factored into the negotiation of the single party compensation agreement.

C. CHANGING PRACTICE RELATED TO A SELLER'S BROKER'S OFFER OF COMPENSATION:

Historically, in California, many seller's brokers used a Multiple Listing Service (MLS) to make a unilateral offer to compensate a buyer's broker who procured a buyer for the seller's property. However, the nationwide NAR settlement prohibits the seller's broker from using an MLS to make such an offer of compensation. The California Association of REALTORS® (C.A.R.) listing agreement forms no longer provide for such offers of cooperating broker compensation nor does C.A.R. include other forms in its library of forms that might facilitate such offers. Buyers and sellers must separately negotiate compensation with their respective brokers, as specified above.

By signing below, Seller or Buyer acknowledge that they have received a copy of this Broker Compensation Advisory, and they have read and understand its terms. Seller or Buyer acknowledges they have been advised of their various options regarding compensation to be paid to real estate brokers and that any written agreement they have signed with a seller's or buyer's broker reflects a mutual understanding.

Seller/Buyer  Kevin K. Randolph Kevin K. Randolph, Receiver's Representative Date 09/01/2026
 Seller/Buyer _____ Date _____

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BROKER COMPENSATION ADVISORY (BCA PAGE 2 OF 2)

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440 N. Durrell





DISCLOSURE AND CONSENT TO POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER AND DUAL AGENCY IN A TRANSACTION

(C.A.R. Form PRBS, Reviewed 6/26)

1. **BROKER AGENCY RELATIONSHIP WITH MULTIPLE PRINCIPALS:** A real estate broker ("Brokerage"), whether a corporation, partnership or sole proprietorship, may legally represent more than one buyer or seller. This multiple representation can occur through a sole proprietor Brokerage; or through a salesperson or broker acting under the Brokerage's license ("Associate Licensee"). Associate Licensees under a Brokerage's license may be working out of the same or different office locations, and may or may not know one another. Clients of the Brokerage may have similar goals and may compete against each other for the same property or the same pool of prospective buyers. Some buyers and sellers prefer to work with individual, sole proprietor brokerages, some with brokerages that have multiple licensees, and others with large brokerage companies that have multiple offices and may have a regional, statewide or a national or international presence. Each has its own advantages. It is important for buyers and sellers to understand how the Brokerage representation of multiple buyers or sellers may impact them under various situations.
 - A. **MULTIPLE BUYERS:** Brokerage (individually or through any of its Associate Licensees) may work with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed by the Brokerage. Whether Brokerage is large or small, it is possible that one Associate-Licensee (agent 1) working with a buyer may not be aware that another Associate-Licensee (agent 2) is working with a different buyer who is interested in viewing or making an offer on the same property as agent 1's client, and vice-versa. Brokerage will not limit or restrict any buyer from making an offer on any specific property, whether or not the Brokerage represents other buyers interested in the same property.
 - B. **MULTIPLE SELLERS:** Brokerage (individually or through its Associate Licensees) may have listings on many properties at the same time. As a result, Brokerage will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Brokerage and some may not. Brokerage will market all listed properties to all prospective buyers, whether or not Brokerage has other listed properties that may appeal to the same prospective buyers.
 - C. **DUAL AGENCY IN A TRANSACTION:** California law allows a brokerage to represent both a buyer and a seller in a transaction (Civil Code § 2079 et seq.).
 - (1) **Brokerage Dual Agency:** If one Associate-Licensee from the Brokerage is working with a buyer and another Associate-Licensee from the same Brokerage is working with a seller on the same transaction, the Brokerage is considered a dual agent with fiduciary duties to both buyer and seller. In that situation, each individual Associate Licensee working on the transaction is also considered a dual agent having the same knowledge and responsibility as the Brokerage.
 - (2) **Single Agent Dual Agency:** Another form of dual agency occurs when an individual Associate-Licensee is working with both the buyer and seller in the same transaction. In that situation, both the Brokerage company and the individual Associate-Licensee are dual agents with fiduciary duties to each side of the transaction. There is no one approach to this situation. Some brokerages allow the single agent dual agent to continue to represent both parties, as that Associate-Licensee is the chosen agent of the principal. Some brokerages recommend that the broker or an office manager get involved if there is a dispute between the buyer and seller. Some brokerages will require that the broker or an office manager assist the Associate-Licensee with one principal or the other, even if the parties do not have a dispute. Whether one of these approaches, or another, is taken in a single agent dual agency will depend on the circumstances and the brokerage policy. Regardless of the approach, the Associate-Licensee and Brokerage shall conduct activity consistent with the terms in paragraph 2B.
2. **ACKNOWLEDGEMENT AND CONSENT:**
 - A. **OFFERS ARE NOT NECESSARILY CONFIDENTIAL:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer to other interested buyers and agents unless all parties and their agent have signed a written confidentiality agreement, (C.A.R. Form NDA). In the absence of a signed NDA, Buyer consents to such disclosure. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy, and the instructions of the seller.
 - B. **MULTIPLE BUYERS OR SELLERS:** If Seller is represented by Brokerage, Seller acknowledges that Brokerage may represent prospective buyers of Seller's property and consents to Brokerage acting as a dual agent for both Seller and buyer in that transaction. If Buyer is represented by Brokerage, Buyer acknowledges that Brokerage may represent sellers of property that Buyer is interested in acquiring and consents to Brokerage acting as a dual agent for both Buyer and seller with regard to that property.
 - C. **DUAL AGENCY IN A TRANSACTION:** In the event of dual agency, Seller and Buyer agree that: (i) a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered; and (ii) except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties. Seller and Buyer should discuss with a dual agent the details and parameters of this requirement. Seller and/or Buyer consents to allowing Brokerage to act as a dual agent in a transaction.

PRBS REVIEWED 6/26 (PAGE 1 OF 2)



DISCLOSURE AND CONSENT TO POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER AND DUAL AGENCY IN A TRANSACTION (PRBS PAGE 1 OF 2)

By signing below, Buyer and/or Seller acknowledge that each has received a copy of this Disclosure and Consent to Possible Representation of More than One Buyer or Seller and Dual Agency in a Transaction, and each has read, understands, and agrees to its terms and consents to the agency possibilities disclosed.

Buyer _____ Date _____

Buyer _____ Date _____

Seller Kevin K. Randolph Kevin K. Randolph, Receiver's Representative Date 09/09/2026

Seller _____ Date _____

Buyer's Brokerage Firm _____ DRE Lic # _____

By _____ DRE Lic # _____ Date _____

Seller's Brokerage Firm GS Strategies, Inc. DRE Lic # 01994873

By John B. Martindale John B. Martindale DRE Lic # 01155188 Date 09/09/2026

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**DISCLOSURE AND CONSENT TO POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER
AND DUAL AGENCY IN A TRANSACTION (PRBS PAGE 2 OF 2)**



CALIFORNIA
ASSOCIATION
OF REALTORS®

CALIFORNIA CONSUMER PRIVACY ACT ADVISORY

(C.A.R. Form CCPA, Revised 6/26)

The California Consumer Privacy Act ("CCPA")¹ provides California residents with certain rights regarding the collection and use of their personal information ("PI"). Under the CCPA, PI is defined broadly to encompass non-public information that could reasonably be linked to a particular consumer.

During the process of buying, selling, leasing, or, renting real estate, your PI will be collected and likely shared with others, including real estate licensees, a Multiple Listing Service, real estate internet websites, service providers, lenders, and title and escrow companies, to name several possibilities. This sharing of PI will likely be essential to effectively complete the transaction for which the broker is being hired.

Businesses that are subject to the CCPA are required to provide you with certain notices and allow you to exercise various rights regarding your PI. However, not all businesses are required to comply with the CCPA. Moreover, businesses that are otherwise subject to the CCPA may have a legal obligation to maintain PI, notwithstanding your instruction to the contrary. For instance, regardless of whether they are subject to the CCPA, under California law, brokers and Multiple Listing Services are required to maintain their records for 3 years.

If you wish to exercise your rights under the CCPA, you should contact the applicable business directly.

You can also obtain more information about the CCPA from California Privacy Protection Agency (cppa.ca.gov).

This Advisory does not satisfy the requirements under the law, and you are advised to discuss with your broker whether the law applies to your broker, what obligations the broker's business may have, if any, and what rights you may have when it comes to your PI collected by that broker. The broker does not control other businesses that may obtain your PI in the course of your transaction.

By signing below, you acknowledge that you have received a copy of this California Consumer Privacy Act Advisory, and you have read and understand its terms.

Buyer/Seller/Landlord/Tenant

Authentisign

Kevin K. Randolph

Date 09/01/2026

Kevin K. Randolph, Receiver's Representative

Buyer/Seller/Landlord/Tenant

Date

¹ The CCPA can be referenced at Cal. Civ. Code §§ 1798.100 et seq. Supporting regulations can be referenced at 11 Cal. Code Regs. §§ 7000 et seq.

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CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)



MARKET CONDITIONS ADVISORY

(C.A.R. Form MCA, Revised 6/24)

1. **MARKET CONDITIONS:** Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or “hot” real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or “cool” market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these “distressed” property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.
2. **BUYER CONSIDERATIONS:**
 - A. **OFFERING PRICE:** AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: (i) If your offer is accepted, the property's value may not increase and may even decrease. (ii) If your offer is accepted, you may have “Buyer's remorse” that you paid too much. (iii) If your offer is rejected there can be no guarantee that you will find a similar property at the same price. (iv) If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.
 - B. **NON-CONTINGENT OFFERS:** Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: (i) the Buyer cannot obtain a loan; (ii) if the property does not appraise at a certain value ; (iii) if the Buyer is dissatisfied with the property's condition after an inspection; (iv) if an insurance policy cannot be obtained for an acceptable cost; or (v) for any other contingency within the purchase agreement. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a “hot” market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:
 - (1) **LOAN CONTINGENCY:** If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.
 - (2) **APPRAISAL CONTINGENCY:** If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.
 - (3) **INVESTIGATION CONTINGENCY:** If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your investigation contingency. However, even if you make an offer without an investigation contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.



- (4) **INSURANCE CONTINGENCY:** If you cannot obtain insurance or disapprove of the cost, and you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your insurance contingency.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.

C. BROKER RECOMMENDATIONS. Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.

D. MULTIPLE OFFERS: At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time, or it could also occur in a hot market when the Buyer is having difficulty getting an offer accepted. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. Additionally, if any offer is accepted without contingencies, and the buyer does not perform, there can be a breach. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency created for this purpose, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract. This claim may even be possible when the Buyer has all the standard contingencies remaining in the contract, as the Seller could argue that a cancellation for this reason would not fall under the good faith exercise of any of those contingencies.

3. SELLER CONSIDERATIONS: As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

Buyer _____ Date _____

Buyer _____ Date _____

Seller  Kevin K. Randolph Date 09/09/2026
Kevin K. Randolph, Receiver's Representative

Seller _____ Date _____

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MARKET CONDITIONS ADVISORY (MCA PAGE 2 OF 2)

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440 N. Durrell



STATEWIDE BUYER AND SELLER ADVISORY
(This Form Does Not Replace Local Condition Disclosures.
Additional Advisories or Disclosures May Be Attached)
(C.A.R. Form SBSA, Revised 6/26)

BUYER RIGHTS AND DUTIES:

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
- You should conduct thorough investigations of the Property both personally and with appropriate professionals.
- If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
- You should retain your own professionals even if Seller or Broker provided you with existing reports.
- You should read all written reports given to you and discuss those reports with the persons who prepared them. It is possible that different reports provided to you will contain conflicting information. If there are discrepancies between reports, disclosures, or other information, you are responsible for contacting appropriate professionals to confirm the accuracy or correctness of the reports, disclosures, or information.
- You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to respond to you or to make any such repairs, corrections, or other requested actions.
- If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement, and your deposit might be at risk.

YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

SELLER RIGHTS AND DUTIES:

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.

BROKER RIGHTS AND DUTIES:

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing.
- If a Broker gives you reports or other documents, unless otherwise specified, it is possible that different reports provided to you contain conflicting information. Broker has not and will not verify or otherwise investigate the information contained therein.
- Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.

LEGAL, TAX AND CONTRACT CONSIDERATIONS FOR BOTH BUYER AND SELLER:

- You are advised to seek legal, tax, and other assistance from appropriate professionals in order to fully understand the implications of any documents or actions during the transaction. You should contact a CPA or tax attorney to determine (i) the basis of the property for income tax purposes; and (ii) any calculations necessary to determine if a sale, and what price, would result in any capital gains taxes that may need to be reported to State and Federal taxing agencies. In addition, you should consult with the CPA or tax attorney regarding what factors affect how the property tax basis is determined. If you are doing a 1031 exchange, you are advised to contact an exchange accommodator to discuss the proper method and timing of the exchange.
- The terms of the Agreement and any counter offers and addenda establish your rights and responsibilities to each other.

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STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 15)

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A. Investigation of Physical Conditions

A1. EASEMENTS, ACCESS AND ENCROACHMENTS: Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways, or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments, and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company, are often approximations, or are based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised, and Broker(s) recommend, that Buyer hire a licensed surveyor during Buyer's investigation contingency period. Brokers do not have expertise in this area.



- A2. ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins, and contaminants, including, but not limited to, mold (airborne, toxic, or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, PCBs, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. Some municipalities may impose additional requirements regarding underground storage tanks, which may be more common in certain areas and cities throughout the State, especially where there are larger, older homes built before 1935. It is possible that these tanks, either now or in the future, may require inspections or abatement. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed, and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's investigation contingency period. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home." Brokers do not have expertise in this area.
- A3. FORMALDEHYDE:** Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's investigation contingency period. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants." Brokers do not have expertise in this area.
- A4. GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or is located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases, a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and if it contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geological problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s). Brokers do not have expertise in this area.
- A5. INSPECTIONS:** Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service during Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets and does not take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation, and structural items, may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company, or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks, or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional to address Buyer's area of concern. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property, or to rely on someone other than an appropriate professional, is against the advice of Brokers. Not all inspectors are licensed, and licenses are not available for all types of inspection activities. Brokers do not have expertise in these areas.
- A6. MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew, and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and it may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not



limited to, flooding, and leaks in windows, pipes, and roofing. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection, and even a structural pest control inspection. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed, and licenses are not available for all types of inspection activities. Brokers do not have expertise in this area.

- A7. PETS AND ANIMALS:** Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine or other contamination may be dormant for long periods of time and then become active because of heat, humidity, or other factors, and they might not be eliminated by cleaning or replacing carpets or other cleaning methods. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have introduced fleas, ticks, and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- A8. SEPTIC SYSTEMS:** Buyer and Seller are advised that a Property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or may have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or is served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines, or a combination of such mechanisms (collectively "System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity, or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition, or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials, and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping, or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping, or providing outlets to ground level. Brokers do not have expertise in this area.
- A9. SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion, erosion, subsidence, earthquakes, and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage, and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves, or wells. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed, and licenses are not available for all types of inspections. Brokers do not have expertise in this area.
- A10. SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS:** Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners, and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations or are based upon inaccurate or incomplete records. Fences, hedges, walls, or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others concerning square footage, lot size, Property corners, or exact boundaries. Standard title insurance does not insure the boundaries of the Property. If the exact square footage or lot size or location of Property corners or boundaries is an important consideration in Buyer's decision to purchase the Property and/or how much Buyer is willing to pay for the Property, then Buyer must independently conduct Buyer's own investigation through appropriate professionals, appraisers, or licensed surveyors and should rely solely on their data, recognizing that all measurements may not be consistent and that different sources may have different size assessments. Brokers do not have expertise in this area.
- A11. WATER INTRUSION:** Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied and can include defective construction, faulty grading, deterioration of building materials, and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew, and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Even if you, your Broker, or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.



A12. WELL AND WATER SYSTEM(S): Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content, and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's investigation contingency period. Brokers do not have expertise in this area.

A13. WOOD DESTROYING PESTS: Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of, infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's investigation contingency period. Brokers do not have expertise in this area.

A14. FIRE HARDENING, DEFENSIBLE SPACE, AND WILDFIRE DISASTERS: California experiences wildfires that damage and destroy many properties. Several recent state laws have mandated disclosures by sellers when selling properties in certain identified zones, such as "high" or "very high" fire severity zones. Additionally, state law may require sellers to provide buyers with statements of compliance with local mandates if adopted by local agencies, or alternatively may require buyers to obtain statements of compliance after close of escrow. The Property may be located in a high or very high fire severity zone. This may impact the availability of insurance and the ability to build or rebuild structures on the Property. Additionally, there may be requirements that certain fire prevention steps may be mandated. Information on fire hardening, including current building standards and information on minimum annual vegetation management standards to protect homes from wildfires, can be obtained on the internet website <http://www.readyforwildfire.org>.

Cal Fire has made available a "Fire Hazard Severity Zone Viewer" where you can input the Property address and determine which fire hazard zone, if any, that the Property is located in. The viewer is available at <https://egis.fire.ca.gov/FHSZ/>.

Below is a non-exhaustive list of potential resources provided as a starting point for Buyer/Lessee investigations and not as an endorsement or guarantee that any federal, state, county, city, or other resource will provide complete advice

- A. California Department of Insurance ("Wildfire Resource") <http://insurance.ca.gov/01-consumers/140-catastrophes/WildfireResources.cfm>; 1-800-927-4357
- B. Governor's Office of Emergency Services ("Cal OES") California Wildfires Statewide Recovery Resources <http://wildfirerecovery.org/>
- C. California Department of Forestry and Fire ("Cal Fire") <http://fire.ca.gov/> and <https://www.readyforwildfire.org/>
- D. California Department of Transportation <https://calsta.ca.gov/>
- E. California Attorney General <https://oag.ca.gov/consumers/pricgougingduringdisasters#8C1>

Brokers do not have expertise in this area.

A15. PRELIMINARY (TITLE) REPORT: A preliminary report is a document prepared by a title company which shows the conditions upon which the title company is willing to offer a policy of title insurance. However, a preliminary report is not an "abstract of title;" the title company does not conduct an exhaustive search of the title record and does not guarantee the condition of title. Nevertheless, the preliminary report documents many matters that have been recorded that can impact an owner's use of the property such as known easements, access rights, and encroachments and, if applicable, governing documents and restrictions for a homeowners' association (HOA). Among many other restrictions that may appear in the HOA documents are restrictions on the number and weight of pets that are allowed. A preliminary report may contain links to important documents referred to in the report. Broker recommends that Buyer review the preliminary report and any documents referenced by links and keep a printed or electronic copy of the preliminary report and documents referenced by link. Brokers also recommend that Buyer hire a qualified California real estate attorney to address any questions or concerns Buyer may have regarding title, the preliminary title report, or any matters addressed in this paragraph. Brokers do not have expertise in this area.

B. Property Use and Ownership

B1. ACCESSORY DWELLING UNITS: Accessory Dwelling Units (ADUs) are known by many names: granny flats, in-law units, backyard cottages, secondary units, and more. California has passed laws to promote the development of ADUs. Additional information about ADUs can be found at <http://hcd.ca.gov/policy-research/AccessoryDwellingUnits.shtml>. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use and rentability of the Property, its development and size. Brokers do not have expertise in this area.



- B2. BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel, or improvement, may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Certain governmental agencies may require periodic inspections to occur in the future. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- B3. BUYER INTENDED FUTURE USE OF, AND MODIFICATIONS TO, THE PROPERTY:** Buyer and Seller are advised that Seller's existing use of the Property may not be consistent with Buyer's intended use or any future use that Buyer makes of the Property, whether or not Buyer has any current plans to change the use. Buyer is advised to check with appropriate government agencies or third-party professionals to verify what legal requirements are needed to accommodate any change in use. In addition, neither Seller nor Broker make any representations as to what modifications Buyer can make to the Property after close of escrow as well as any cost factors associated with any such modifications. Buyer is advised to check with Buyer's own licensed contractor and other such professionals as well as with the appropriate government agencies to determine what modifications Buyer will be allowed to make after close of escrow. Brokers do not have expertise in this area.
- B4. CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront, and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties, and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.
- B5. FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.
- B6. HEATING VENTILATING AND AIR CONDITIONING SYSTEMS:** Changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC): (i) Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website: <https://www.energy.ca.gov/programs-and-topics/programs/home-energy-rating-system-hers-program>. Home warranty policies may not cover such inspections or repairs, (ii) the phase out of the use of HCFC-22 (R-22 Freon) will have an impact on repairs and replacement of existing air conditioning units and heat pumps. The production and import of HCFC-22 ended January 1, 2020. Existing systems may continue to be used and HCFC-22 recovered and reclaimed or that was produced prior to 2020 can help meet the needs of existing systems, however, costs may rise. More information is available from the Environmental Protection Agency at https://www.epa.gov/sites/production/files/2018-08/documents/residential_air_conditioning_and_the_phaseout_of_hcfc-22_what_you_need_to_know.pdf and <http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>, and (iii) New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at http://www.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- B7. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions or requirements regarding Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's investigation contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.
- B8. INSURANCE, TITLE INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or ESD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct Buyer's own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium or is located



in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner's Association Insurance and the type of insurance coverage that Buyer may purchase. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability, and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. Whether Buyer does any repairs to the Property during the escrow period, or Buyer takes possession prior to Close of Escrow, or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the Property. While all title insurance policies contain exclusions, as do all insurance policies, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender has mistakenly also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the Property against other possible claimants. Brokers do not have expertise in this area.

B9. LAND LEASE: Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Seller does not own the land, and unless Buyer has an agreement with the land owner, Buyer will not own the land upon close of escrow; (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

B10. MARIJUANA, CANNABIS, AND METHAMPHETAMINE LABS: Buyer and Seller are advised that California law permits individual patients to cultivate, possess, and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute, and possess marijuana for medicinal purposes. California law also allows recreational use of marijuana for adults, as well as limited rights for individuals to grow and cultivate marijuana, and rights of others, subject to a licensing process, to grow, cultivate and distribute marijuana for recreational use. California's medical and recreational marijuana laws are in direct conflict with federal law, which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation, and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a Property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation, and processing carry the risk of causing mold, fungus or moisture damage to a Property; additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a Property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a Property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" <https://oag.ca.gov/system/files/attachments/press-docs/MEDICINAL%20CANNABIS%20Guidelines.pdf> and the U.S. Department of Justice memo regarding marijuana prosecutions at <https://www.justice.gov/opa/press-release/file/1022196/download>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the Property, and clean up requirements when authorities identify a Property as being contaminated by methamphetamine. Buyer is advised that a Property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the Property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.

B11. OWNER'S TITLE INSURANCE: The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that Buyers be provided with the following notice: "IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

Additionally, even the CFPB on its "ask CFPB" "What is owner's title insurance?" page advises "You may want to buy an owner's title insurance policy, which can help protect your financial interest in the home." Moreover, not obtaining an owner's policy may increase the cost of the lender's policy (required by most lenders), possibly require the separate purchase of a preliminary title report, and may have an impact on the sale of the Property in the future.

Buyers who decide to opt out of obtaining an owner's title insurance policy are acting against the advice of Brokers as well as the advice provided in the California Civil Code § 1057.6 and by the CFPB. Brokers do not have expertise in this area.

B12. RENT AND EVICTION CONTROL LAWS AND ORDINANCES: Buyer and Seller are advised that California and some cities and counties impose or may impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property, the right of a landlord to terminate a tenancy and the



costs to do so, and the consequences of terminating a tenancy unlawfully. Even if property that is currently vacant was previously tenant occupied, the termination of that previous tenancy may affect a buyer's rights such as the legal use of the property and who may occupy the property in the future. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or a qualified California real estate attorney during Buyer's investigation contingency period. Brokers do not have expertise in this area.

- B13. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS:** Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, sprinklers, or other fire suppression systems, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing or retrofitting low-flow toilets and showerheads, gas shut-off valves, fireplaces, and tempered glass. Further, there may be potential health impacts from air pollution caused from burning wood. Exposure to particulate matter from the smoke may cause short-term and long-term health effects. Buyers should consult with licensed professional to inspect, properly maintain, and operate a wood burning stove or fireplace. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance. Brokers do not have expertise in this area.
- B14. SHORT TERM RENTALS AND RESTRICTIONS:** Buyer and Seller are advised that some cities, counties and Homeowner Associations (HOAs) do impose or may impose restrictions that limit or prohibit the right of the owner or occupant to rent out the Property for short periods of time (usually 30 Days or less). In short term rentals, as well as all rentals, Buyer and Seller are advised to seek assistance to ensure compliance with all fair housing laws and regulations. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority or HOA during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- B15. VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's investigation contingency period. Brokers do not have expertise in this area.
- B16. SWIMMING POOL, SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms, pool covers, exit alarms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements. State law requires that new pools and spas be equipped with at least two of seven specified drowning prevention safety features. Home inspectors have a statutory obligation to perform a non-invasive physical examination of the pool area to identify which safety features are present. Brokers do not have expertise in this area.
- B17. WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.
- B18. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in § 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. If there is a question as to whether an existing bond or assessment will be prorated as of the close of escrow, or whether Seller will pay off the bond or assessment at close of escrow, Buyers are advised to discuss the matter with the appropriate entity and address the responsibility for payment in negotiations for the purchase agreement or amendment prior to removing contingencies. Some cities and other localities have begun, or have the intention to begin, the process of requiring the replacement of utility poles by requiring that utility lines be buried underground. These projects can result in special tax assessments and set-up costs that are imposed on individual property owners. Brokers do not have expertise in this area.

C. Off-Site and Neighborhood Conditions

- C1. GOLF COURSE DISCLOSURES:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls – Any residence near a golf course may be affected by errant golf



balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. **(ii) Noise and lighting** – The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. **(iii) Pesticides and fertilizer use** – A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. **(iv) Irrigation system** – Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. **(v) Golf carts** – Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. **(vi) Access to golf course from residences** – It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. **(vii) View obstruction** – Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. **(viii) Water restrictions** – As some municipalities face water shortages, the continued availability of water to the golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter. Brokers do not have expertise in this area.

C2. NEIGHBORHOOD, AREA, PERSONAL FACTORS, BUYER INTENDED USE, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS: Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it:

neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer and FAA requirements for recreational and non-recreational use of Unmanned Aircraft Systems (UAS) (drones) (see UAS frequently asked questions <http://www.faa.gov/uas/faqs/>). California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at www.cahighspeedrail.ca.gov/. The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions. Brokers do not have expertise in this area.

C3. NEIGHBORHOOD NOISE SOURCES: Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.

C4. SCHOOLS: Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding, and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's investigation contingency period. Brokers do not have expertise in this area.

C5. UNDERGROUND PIPELINES AND UTILITIES: Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's investigation contingency period. Brokers do not have expertise in this area.

C6. WILDLIFE: California is home to many species of wildlife. The location of homes in California continues to expand into areas that are the natural habitat of wildlife, and the Property may be in such an area. Wildlife may become a nuisance especially if the availability of their natural sources of food or water is limited. Buyer should investigate the need to implement mitigation measures at the Property including but not limited to the use of animal-resistant garbage containers, and other appropriate measures depending on the species and habitat involved. Brokers do not have expertise in this area.



- C7. SEA LEVEL RISE/COASTAL PROPERTIES:** Sea level rise has the potential to affect coastal residents, recreation, and development. Coastal communities may or may not have addressed the potential impact. The following is a non-exclusive list of issues that may be impacted by sea level rise: **(i)** Shoreline, beach and bluff erosion, and flooding; **(ii)** The effectiveness of seawalls and bulkheads, whether built with or without permits; **(iii)** Seaward construction, development or improvement to existing structures; **(iv)** The enactment of geological hazard abatement districts and assessments; and **(v)** The location of the "mean high tide line" which is used to delineate shoreline boundaries for some coastal properties.

Below is a non-exhaustive list of potential resources provided as a starting point for Buyer investigations into sea level rise, and not as an endorsement or guarantee that any federal, state, county, city or other resource will provide complete advice.

- A. California Coastal Commission contact information: <https://www.coastal.ca.gov/contact/#/>
- B. State Lands Commission contact information: <https://www.slc.ca.gov/contact-us/>
- C. National Oceanic and Atmospheric Administration (sea level rise page): <https://coast.noaa.gov/slr/>
- D. California Coastal Commission (sea level rise page): <https://www.coastal.ca.gov/climate/slr/>
- E. Federal Emergency Management Agency (FEMA): <https://www.fema.gov/flood-maps/>; <https://msc.fema.gov>

If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's investigation contingency period. Brokers do not have expertise in this area.

D. Legal Requirements (Federal, State and Local)

- D1. DEATH ON THE PROPERTY:** California Civil Code § 1710.2 protects a seller from: **(i)** failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and **(ii)** failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when § 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing. Brokers do not have expertise in this area.
- D2. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code §§ 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's investigation contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones. Brokers do not have expertise in this area.
- D3. EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, childcare facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at <http://www.epa.gov/lead> for more information. Buyer and Seller are advised to consult an appropriate professional. Brokers do not have expertise in this area.
- D4. FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code § 4136 and California Government Code §§ 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's investigation and insurance contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Buyer is advised that there is a potential for fires even outside designated zones. Brokers do not have expertise in this area.
- D5. FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: **(i)** Internal Revenue Code § 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the Buyer acquires the property as Buyer's residence and the price does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. **(ii)** California Revenue and Taxation Code § 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.



- D6. FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code § 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult Buyer's lender and/or insurance agent during Buyer's investigation contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.
- D7. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to § 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at <http://www.meganslaw.ca.gov/>. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers, in any, are required to check this website. If Buyer wants further information, Buyer should obtain information directly from this website.) Brokers do not have expertise in this area.
- D8. NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL; ACCURATE SALES PRICE REPORTING:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or Seller's agent, is required to provide the following notice to the Buyer:
 "California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.
 The supplemental tax bills are not mailed to your lender. Even if you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your Tax Collector's Office."
 Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. A change (preliminary change) of ownership form is generally required to be filed by the Buyer with the local taxing agency. The form identifies the sales price of the Property. An assessor may value the Property at its fair market value regardless of the sales price declared by the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.
- D9. ZONE MAPS MAY CHANGE:** Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA. Brokers do not have expertise in this area.
- D10. ELECTRIFICATION OF ENERGY SOURCE:** Several local jurisdictions in California have enacted laws which prohibit the use of natural gas appliances in new construction. Other local jurisdictions, and State of California, are considering bans, and may even prohibit the replacement, sale or installation of appliances that use any fuel source other than electricity. Brokers do not have expertise in this area.

E. Contract Related Issues and Terms

- E1. ELECTRONIC SIGNATURES:** The ability to use electronic signatures to sign legal documents is a great convenience, however Buyers and Sellers should understand they are signing a legally binding agreement. Read documents it carefully. Although electronic signature programs make it easy to skip from one signature or initial line to another, Buyers and Sellers are cautioned to only sign if they have taken the time necessary to read each document thoroughly, understand the entire document, and agree to all of its terms. Do not just scroll through or skip to the next signature or initial line, even if you have reviewed an earlier draft of the document. If you have questions or do not understand a provision, before you sign, ask your Broker, Agent, or legal advisor about the contract term and sign only if you agree to be bound by it. Some signature or initial lines are optional, such as for the liquidated damages and arbitration clauses. Consider your decision before signing or initialing. See below for more information on the liquidated damages and arbitration clauses. If there is more than one buyer or seller, each must sign or initial on their own. Do not sign or initial for anyone else unless you have a power of attorney for that person or are otherwise legally authorized, in writing, to sign or initial for another. Print or electronically store a copy of the document for your own records. Brokers do not have expertise in this area.
- E2. LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be



another separately signed or initialed agreement (see C.A.R. Form DID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

- E3. MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails. Brokers do not have expertise in this area.
- E4. ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.
- E5. ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code § 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.
- E6. HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.
- E7. IDENTIFICATION OF NATURAL PERSONS BEHIND SHELL COMPANIES IN ALL-CASH TRANSACTIONS:** The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) has issued Geographic Targeting Orders (GTOs) targeting alleged money laundering risk in the real estate sector. The GTOs will temporarily require U.S. title insurance companies to identify the natural persons behind shell companies used to pay "all cash" for high-end residential real estate in certain major metropolitan areas. FinCEN explained that it remains concerned that all-cash purchases (i.e., those without bank financing) may be conducted by individuals attempting to hide their assets and identity by purchasing residential properties through limited liability companies or other similar structures. Since the original issuance, the GTOs have been renewed and may continue to be renewed. The GTOs cover the following areas in California: Los Angeles, San Francisco, San Mateo, Santa Clara and San Diego Counties. The monetary thresholds for each county is \$300,000. GTOs have helped law enforcement identify possible illicit activity. FinCEN reported that a significant portion of covered transactions have dictated possible criminal activity associated with the individuals reported to be the beneficial owners behind shell company purchasers. Brokers do not have expertise in this area.
- E8. NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form NDA). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller. Brokers do not have expertise in this area.
- E9. ONLINE OR WIRE FUNDS TRANSFERS:** Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers, verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed. See C.A.R. Form WFA for further information. Brokers do not have expertise in this area.



F. Other Factors Affecting Property

- F1. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations § 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.
- F2. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION:** Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces; Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene PEX, KITEC® and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at [http:// www.cpsc.gov/](http://www.cpsc.gov/) during Buyer's investigation contingency period. Another source affiliated with the CPSC is [http:// saferproducts.gov/](http://saferproducts.gov/) which allows a Buyer to search by product type or product name. Buyer may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyer satisfy themselves regarding recalled or defective products. Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. Brokers do not have expertise in this area.
- F3. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL:** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4745. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.
- Although unenforceable, it is possible the CC&Rs, deed or other document on title may contain a covenant which at one time may have purported to discriminate against persons based on race, religion or other protected class or characteristics. You have the right to request the assistance of the title or escrow company to help you prepare a form which will be provided to the County and may result in the discriminatory language being removed from the public record. You may also get a notice informing you of these rights from the Broker or title or escrow company. For more information Buyer may request from Broker the C.A.R. Legal Quick Guide titled: "Agent Disclosure of Discriminatory Covenants Based on Actual Knowledge."
- F4. LEGAL ACTION:** Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters. Brokers do not have expertise in this area.



- F5. MARKETING; INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA:** Buyer and Seller are advised that Broker may employ a “staging” company to assist in the presentation of the Property. The furnishings and decorations in the staging are generally not included in the sale unless specifically noted in the Agreement. Statements and inclusion in the MLS entry, flyers, and other marketing materials are NOT part of the Agreement. In addition, Broker may employ a service to provide a “virtual tour” or “virtual staging” or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. While they are supposed to be an accurate representation of the property, the photos may be enhanced and not fully representative of the actual condition of the property. Further, neither the service provider nor Broker have total control over who will obtain access to materials placed on the internet or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual or commercial web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies, and it may or may not reflect the opinions or representations by the Broker. Broker will not investigate any such sites, blogs, social media or other internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Broker has no control over how long the information or photos concerning the Property will be available on the Internet or through social media, and Broker will not be responsible for removing any such content from the internet or MLS. Brokers do not have expertise in this area.
- F6. PACE LOANS AND LIENS:** The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on a property for the amount owed plus interest. A property owner repays the entity for the improvements as a special tax assessment on the property tax bill over a period of years. A PACE lien is similar to a property tax lien in that it has “super priority.” Sellers are obligated to disclose, pursuant to the C.A.R. Residential Purchase Agreement (C.A.R. Form RPA), whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: “PACE Programs and Solar Leases”. Brokers do not have expertise in this area.
- F7. RE-KEYING:** All locks should be re-keyed immediately upon close of escrow so as to ensure the Buyer's safety and security of their persons as well as their personal belongings. Alarms, if any, should be serviced by professionals and codes should be changed. Garage door openers and remotes should be re-coded. In the event of a lease back to Seller after the close of escrow, Seller is advised that the Buyer is entitled to the keys as the Owner of the Property even though the Seller stays in possession of the Property as provided in the RPA. Brokers do not have expertise in this area.
- F8. SOLAR PANELS AND NET ENERGY METERING:** Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Sellers are required to provide material information about solar panels (C.A.R. form SOLAR may be used). Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Assumption of the lease may require Buyer to provide financial information to the leasing company who may require a credit report be obtained on the Buyer. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. Buyer's willingness to assume any such lease is a contingency in favor of Seller. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: “PACE Programs and Solar Leases”. **Solar panel systems may have net energy metering.** Payback rates from utilities to property owners with their own source of energy (such as rooftop solar panels) who contribute electricity back to the grid may change from those currently in place and may differ upon change of ownership in the property. Fees for new solar installation may be added or changed. Buyers should discuss with the applicable utility if applicable to the property. Brokers do not have expertise in this area.
- F9. RECORDING DEVICES:** Audio or video recording devices or both may be present on the Property, whether or not notice of any such devices has been posted. Seller may or may not even be aware of the capability of such devices. Brokers do not have expertise in this area.
- F10. WOOD BALCONIES, STAIRS AND OTHER STRUCTURES:** Prior to January 1, 2025, and periodically thereafter, buildings with three units or more, may be required to obtain an inspection of exterior balconies, stairways, walkways, or decks that are supported in whole or in substantial part by a wood or wood-based materials. For condos, the HOA will be responsible for the inspections per its governing documents. For other buildings, it is the owner's responsibility. An inspection report must be incorporated into a condo HOA's study of reserve account requirements. This could in turn affect lender certification requirements as well as future dues and assessments. A balcony report that identifies an immediate threat to the safety of the occupants will require the condo HOA or owner to prevent access to the balcony further impacting a property's marketability.



G. Local Disclosures and Advisories

LOCAL ADVISORIES OR DISCLOSURES (IF CHECKED):

The following disclosures or advisories are attached:

- A. ☐ _____
- B. ☐ _____
- C. ☐ _____
- D. ☐ _____

Buyer and Seller are encouraged to read all 15 pages of this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has received a copy of all 15 pages of this Statewide Buyer and Seller Advisory, and each has read and understands its terms.

BUYER

BUYER

SELLER

SELLER

Authentisign

Kevin K. Randolph

Kevin K. Randolph, Receiver's Representative

Date

Date

Date 09/09/2026

Date



WATER HEATER AND SMOKE ALARM STATEMENT OF COMPLIANCE

(C.A.R. Form WHSD, Revised 12/23)

Property Address: 440 N. Durrell Ave., Azusa, CA 91702-3738

NOTE: For use only for REO sales with Exempt Seller Disclosure (ESD). A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

WATER HEATER STATEMENT OF COMPLIANCE

1. **STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code § 19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
2. **LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
3. **TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code § 19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development.
4. **CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code § 19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller Kevin K. Randolph **Kevin K. Randolph, Receiver's Representative** Date 09/09/2026
 Seller _____ Date _____

The undersigned hereby acknowledge(s) receipt of a copy of this document.

Buyer _____ Date _____
 Buyer _____ Date _____

SMOKE ALARM STATEMENT OF COMPLIANCE

1. **STATE LAW:** California Law requires that (i) every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke alarm, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations (Health and Safety Code § 13113.8) and (ii) all used manufactured or mobilehomes have an operable smoke alarm in each sleeping room.
2. **LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke alarm requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke alarm requirements for your property.
3. **TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code § 13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke alarms. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development (HCD).
4. **EXCEPTIONS:** Generally, a written statement of smoke alarm compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
5. **CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with the law by having operable smoke alarm(s) (i) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations Health and Safety Code § 13113.8 or (ii) in compliance with Manufactured Housing Construction and Safety Act (Health and Safety Code § 18029.6) located in each sleeping room for used manufactured or mobilehomes as required by HCD and (iii) in accordance with applicable local ordinance(s).

Seller Kevin K. Randolph **Kevin K. Randolph, Receiver's Representative** Date 09/09/2026
 Seller _____ Date _____

The undersigned hereby acknowledge(s) receipt of a copy of this Water Heater and Smoke Alarm Statement of Compliance.

Buyer _____ Date _____
 Buyer _____ Date _____

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WHSD REVISED 12/23 (PAGE 1 OF 1)



WATER HEATER AND SMOKE ALARM STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)



WATER-CONSERVING PLUMBING FIXTURES AND CARBON MONOXIDE DETECTOR ADVISORY

(C.A.R. Form WCMD, Revised 6/24)

1. WATER-CONSERVING PLUMBING FIXTURES

A. INSTALLATION:

- (1) **Requirements:** California law (Civil Code §§ 1101.4 and 1101.5) requires all single-family residences, multi-family and commercial property built on or before January 1, 1994 to be equipped with water-conserving plumbing fixtures. Additionally, a residential and commercial property built on or before January 1, 1994 that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval if the alteration or improvement increases floor area space by more than 10 percent, or has a cost greater than \$150,000, or for any room in a building which requires a building permit.
- (2) **Exceptions:** These requirements do not apply to (i) registered historical sites, (ii) real property for which a licensed plumber certified that, due to the age or configuration of the property or its plumbing, installation of water-conserving plumbing fixtures is not technically feasible, or (iii) a building for which water service is permanently disconnected. Additionally, there is a one-year exemption for any building slated for demolition, and any city or county that has adopted a retrofit requirement prior to 2009 is itself exempt. (Civil Code §§1101.6, 1101.7, and 1101.9.)

B. Disclosure of Water-Conserving Plumbing Fixtures: Although the installation of water-conserving plumbing fixtures is not a point-of-sale requirement, California Civil Code §§ 1101.4 (single family properties beginning 2017) and 1101.5 (multifamily and commercial properties beginning 2019) require the seller to disclose to the buyer the requirements concerning water-conserving plumbing fixtures and whether the property contains any noncompliant water fixtures.

C. Noncompliant Water Fixtures: Noncompliant water fixtures are any of the following: (i) any toilet manufactured to use more than 1.6 gallons of water per flush, (ii) any urinal manufactured to use more than one gallon of water per flush, (iii) any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute, (iv) any interior faucet that emits more than 2.2 gallons of water per minute. (Civil Code § 1101.3.) Buyer and Seller are each advised to consult with their own home inspector or contractor to determine if any water fixture is noncompliant. Buyer is advised to investigate the cost to bring any noncompliant water fixtures into compliance before removing the investigation contingency.

2. CARBON MONOXIDE DETECTORS:

A. INSTALLATION:

- (1) **Requirements:** As of January 1, 2013, California law (Health and Safety Code §§ 13260 to 13263 and 17926 to 17926.2) has required the following types of dwelling units intended for human occupancy have carbon monoxide detectors installed: single-family dwellings, duplex, lodging house, dormitory, hotel, condominium, time-share and apartment, among others.
- (2) **Exceptions:** The law does not apply to a dwelling unit which does not have any of the following: a fossil fuel burning heater or appliance, a fireplace, or an attached garage. The law does not apply to dwelling units owned or leased by the State of California, the Regents of the University of California or local government agencies. Aside from these three owner types, there are **no other owner exemptions** from the installation requirement; it applies to all owners of dwellings, be they individual banks, corporations, or other entities. There is no exemption for REO properties.

B. DISCLOSURE OF CARBON MONOXIDE DETECTORS: The Health and Safety Code does not require a disclosure regarding the existence of carbon monoxide detectors in a dwelling. However, a seller of residential 1-4 property who is required to complete a Real Estate Transfer Disclosure Statement, (C.A.R. Form TDS) or a Manufactured Home and Mobilehome Transfer Disclosure Statement (C.A.R. Form MHTDS) must use section II A of that form to disclose whether or not the dwelling unit has a carbon monoxide detector.

C. COMPLIANCE WITH INSTALLATION REQUIREMENT: State building code requires at a minimum, placement of carbon monoxide detectors in applicable properties outside of each sleeping area, and on each floor in a multi-level dwelling but additional or different requirements may apply depending on local building standards and manufacturer instructions. An owner who fails to install a carbon monoxide detector when required by law and continues to fail to install the detector after being given notice by a governmental agency could be liable for a fine for each violation. A transfer of a property where a seller, as an owner, has not installed carbon monoxide detectors, when required to do so by law, will not be invalidated, but the seller/owner could be subject to damages, plus court costs and attorney fees. Buyer and Seller are each advised to consult with their own home inspector, contractor or building department to determine the exact location for installation of carbon monoxide detectors. Buyer is advised to consult with a professional of Buyer's choosing to determine whether the property has carbon monoxide detector(s) installed as required by law, and if not to discuss with their counsel the potential consequences.

3. LOCAL REQUIREMENTS: Some localities maintain their own retrofit or point of sale requirements which may include the requirement that water-conserving plumbing fixtures and/or a carbon monoxide detector be installed prior to a transfer of property. Therefore, it is important to check the local city or county building and safety departments regarding point of sale or retrofit requirements when transferring property.

By signing below, Buyer and Seller each acknowledge that they have read, understand, and have received a copy of this Water-Conserving Plumbing Fixtures and Carbon Monoxide Detector Advisory

Seller	Kevin K. Randolph	
	Kevin K. Randolph, Receiver's Representative	Date <u>09/09/2026</u>
Seller		Date _____
Buyer		Date _____
Buyer		Date _____

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WCMD REVISED 6/24 (PAGE 1 OF 1)

WATER-CONSERVING PLUMBING FIXTURES AND CARBON MONOXIDE DETECTOR ADVISORY (WCMD PAGE 1 OF 1)



MEGAN'S LAW DATA BASE DISCLOSURE
Regarding Registered Sex Offenders
(C.A.R. Form DBD, Revised 6/23)

The following terms and conditions are hereby incorporated in and made a part of the ☒ Residential Purchase Agreement,
☐ Residential Lease or Month-to-Month Rental Agreement OR, ☐ other _____,
 dated _____,
 on property known as: 440 N. Durrell Ave., Azusa, CA 91702-3738,
 in which _____ is referred to as Buyer/Tenant
 and GS Strategies Inc. as receiver for 440 N. Durrell Ave., Azusa, CA 91702-3738 is referred to as Seller/Housing Provider.

Notice: Pursuant to § 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

(Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's investigation contingency period. Brokers do not have expertise in this area.)

Buyer/Tenant _____ Date _____

Buyer/Tenant _____ Date _____

Seller/Housing Provider  Kevin K. Randolph Date 09/09/2026
Kevin K. Randolph, Receiver's Representative

Seller/Housing Provider _____ Date _____

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DBD REVISED 6/23 (PAGE 1 OF 1)

MEGAN'S LAW DATA BASE DISCLOSURE (DBD PAGE 1 OF 1)



**NOTICE OF YOUR "SUPPLEMENTAL"
PROPERTY TAX BILL**
(C.A.R. Form SPT, Reviewed 6/25)

Name of Buyer(s) _____
 Property Address **440 N. Durrell Ave.**
Azusa, CA 91702-3738

Pursuant to Civil Code § 1102.6c, Seller or his or her agent is providing this "Notice of Your 'Supplemental' Property Tax Bill":

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any question concerning this matter, please call your local Tax Collector's Office."

By signing below, Buyer acknowledges that they have received a copy of this Notice of Your "Supplemental" Property Tax Bill, and they have read and understand its terms.

Buyer _____ Date _____

Buyer _____ Date _____

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SPT REVIEWED 6/25 (PAGE 1 OF 1)



NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL (SPT PAGE 1 OF 1)



LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE, ACKNOWLEDGMENT AND ADDENDUM For Pre-1978 Housing Sales, Leases, or Rentals (C.A.R. Form LPD, Revised 6/26)

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR
☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Other: _____,
 dated _____, on property known as: 440 N. Durrell Ave., Azusa, CA 91702-3738 ("Property")
 in which _____ is referred to as Buyer or Tenant
 and GS Strategies Inc. as receiver for 440 N. Durrell Ave., Azusa, CA 91702-3738 is referred to as Seller or Housing Provider.
 Buyer/Tenant and Seller/Housing Provider are referred to as the "Parties."

LEAD WARNING STATEMENT (SALE OR PURCHASE): Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

LEAD WARNING STATEMENT (LEASE OR RENTAL): Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive federally approved pamphlet on lead poisoning prevention.

EPA'S LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE: The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at www.epa.gov/lead for more information.

1. SELLER'S OR HOUSING PROVIDER'S DISCLOSURE:

A. I (we) have no knowledge of lead-based paint and/or lead-based paint hazards in the housing other than the following: _____

B. I (we) have no records or reports pertaining to lead-based paint and/or lead based paint hazards in the housing other than the following, which, previously or as an attachment to this addendum, have been provided to Buyer or Tenant: _____

C. I (we), previously or as an attachment to this addendum, have provided Buyer or Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

For Sales Transactions Only: Buyer has **10 days** unless otherwise agreed in the real estate contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Kevin K. Randolph

09/09/2026

Seller or Housing Provider **Kevin K. Randolph, Receiver's Representative**

Date

Seller or Housing Provider

Date



Property Address: **440 N. Durrell Ave., Azusa, CA 91702-3738**

Date **September 1, 2026**

2. LISTING AGENT'S ACKNOWLEDGMENT:

Seller or Housing Provider's Agent has informed Seller or Housing Provider of Seller's or Housing Provider's obligations under § 42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

GS Strategies, Inc.

Agent (Broker representing Seller or Housing Provider)
(Please print)

By  **John B. Martindale**

Associate-Licensee or Broker Signature
John B. Martindale

09/09/2026

Date

3. BUYER'S OR TENANT'S ACKNOWLEDGMENT:

- A. (1) I (we) have received copies of all records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing listed, if any, in **paragraph 1B** above
OR (2) (if initialed) _____ / _____ I have not received any records and reports regarding lead-based paint and/or lead-based paint hazards in the housing that are identified in **paragraph 1B** above..
- B. I have received the pamphlet "*Protect Your Family From Lead In Your Home*" or an equivalent pamphlet approved for use in the State such as "*The Homeowner's Guide to Environmental Hazards and Earthquake Safety.*"
- C. **If delivery of any of the disclosures or pamphlet referenced in paragraph 1 above occurs after Acceptance of an offer to purchase, Buyer has a right to cancel pursuant to the purchase contract. If you wish to cancel, you must act within the prescribed period.**
- D. **For Sales Transactions Only:** Buyer acknowledges the right for **10 days**, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead based paint hazards; OR, (if checked) ☐ Buyer waives the right to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Buyer or Tenant

Date

Buyer or Tenant

Date

4. BUYER OR TENANT AGENT'S ACKNOWLEDGMENT:

Buyer or Tenant's Agent has informed Seller or Housing Provider, through the Listing Agent if the property is listed, of Seller's or Housing Provider's obligations under § 42 U.S.C. 4852d and is aware of Agent's responsibility to ensure compliance.

I have reviewed the information above and certify, to the best of my knowledge, that the information provided is true and correct.

Agent (Broker obtaining the Offer)
(Please print)

By

Associate-Licensee or Broker Signature

Date

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LPD REVISED 6/26 (PAGE 2 OF 2)

LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (LPD PAGE 2 OF 2)

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440 N. Durrell





USE OF NON-STANDARD FORMS ADVISORY

(C.A.R. Form NSF, 6/22)

Property Address: 440 N. Durrell Ave., Azusa, CA 91702-3738

- 1. TRANSACTION DOCUMENTS:** You will be asked to review, sign or initial many documents as part of the purchase/sale of real property or a mobile/manufactured home. Organizations such as the California Association of REALTORS® (C.A.R.), a local Association of REALTORS® (Local AOR), or other entities that have no interest in your individual transaction, have prepared documents that are used by real estate licensees and their clients to enable buyers and sellers to enter into a purchase/sale transaction and address many issues that might arise during the transaction. Documents that are prepared by such organizations are referred to as "standard forms." These standard forms may be prepared for use statewide or regionally.
- 2. ADVANTAGES OF STANDARD FORMS:** Standard forms are prepared by persons knowledgeable in real estate practice and law and designed to address commonalities that occur in such transactions without favoring buyer or seller in any individual transaction. Standard forms are easily accessible by real estate licensees. Because of their widespread presence, their use in a transaction can help facilitate the purchase/sale process from beginning to end.
- 3. NON-STANDARD FORMS:** Non-standard forms are commonly associated with and prepared by a person or entity that is either a buyer or seller or a representative of such principal. Real estate licensees who are not associated with such principals may not be aware of the terms contained in those documents, have access to them or their development, or be aware of changes made to them. Therefore, those agents cannot provide their buyers or sellers advice on how to proceed in a transaction involving non-standard forms or whether the terms in such forms are beneficial or detrimental to the client's interests. What follows are some examples of terms that have appeared in some non-standard forms:
 - A. Waivers of statutory rights created by the California legislature, local government or under federal law, even if not permitted under the applicable law;
 - B. Blanket, automatic waivers of all contingencies;
 - C. Applying the "passive" or "automatic" contingency removal method to the transaction, regardless of other documents in the transaction rather than the "active" method that requires written removal of contingencies;
 - D. Providing for non-refundable or automatic release of deposits, regardless of fault;
 - E. Attempt to limit liability of other parties by including release language, hold harmless clauses, indemnification agreements or other wording to limit the responsibility or liability of one party or the legal rights of the other.
- 4. BROKER ADVICE:** Because non-standard forms may contain terms and conditions that differ from standard forms, and your real estate licensee is obligated to present to you all documents received from another party to your transaction, you are advised that:
 - A. Non-standard forms may contain terms and conditions that differ from standard forms;
 - B. Non-standard forms may contain terms and conditions which are not in your best interest or may negatively impact your legal, contractual and financial rights and obligations; and
 - C. Your real estate licensee cannot advise you on the legal and practical implications of non-standard forms.

You are advised to consult a qualified California real estate attorney of your choice before making the decision to proceed in a transaction with non-standard forms. If you fail to do so, you are acting against the advice of your broker.

The person(s) signing below has read and understands this Use of Non-Standard Forms Advisory and acknowledges receipt of a copy.

 Kevin K. Randolph Date 09/09/2026
Kevin K. Randolph, Receiver's Representative

 Date _____

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NSF 6/22 (PAGE 1 OF 1)



USE OF NON-STANDARD FORMS ADVISORY (NSF PAGE 1 OF 1)



CALIFORNIA
ASSOCIATION
OF REALTORS®

AGENT VISUAL INSPECTION DISCLOSURE

(CALIFORNIA CIVIL CODE § 2079 ET SEQ.)

For use by an agent when a transfer disclosure statement is
required or when a seller is exempt from completing a TDS

(C.A.R. Form AVID, Revised 6/24)

This inspection disclosure concerns the residential property situated in the City of Azusa,
County of Los Angeles, State of California, described as 440 N. Durrell Ave.
TRACT # 15395 LOT 20 ("Property").

☐ This Property is a duplex, triplex, or fourplex, or otherwise has additional dwelling units. An AVID is required for all
units. This AVID form is for ALL units (or ☐ only unit(s) _____).

Inspection Performed By (Real Estate Broker Firm Name) GS Strategies Inc.

California law requires, with limited exceptions, that a real estate broker or salesperson (collectively, "Agent") conduct
a reasonably competent and diligent **visual** inspection of reasonably and normally accessible areas of certain properties
offered for sale and then disclose to the prospective purchaser material facts affecting the value or desirability of that
property that the inspection reveals. The duty applies regardless of whom that Agent represents. The duty applies to
residential real properties containing one-to-four dwelling units, and manufactured homes (mobilehomes). The duty applies
to a stand-alone detached dwelling (whether or not located in a subdivision or a planned development) or to an attached
dwelling such as a condominium. The duty also applies to a lease with an option to purchase, a ground lease or a real
property sales contract of one of those properties.

California law does not require the Agent to inspect the following:

- Areas that are not reasonably and normally accessible
- Areas off site of the property
- Public records or permits
- Common areas of planned developments, condominiums, stock cooperatives and the like.

Agent Inspection Limitations: Because the Agent's duty is limited to conducting a reasonably competent and diligent visual
inspection of reasonably and normally accessible areas of only the Property being offered for sale, there are several things that
the Agent will not do. What follows is a non-exclusive list of examples of limitations on the scope of the Agent's duty.

Roof and Attic: Agent will not climb onto a roof or into an attic.

Interior: Agent will not move or look under or behind furniture, pictures, wall hangings or floor coverings. Agent will not
look up chimneys or into cabinets, or open locked doors.

Exterior: Agent will not inspect beneath a house or other structure on the Property, climb up or down a hillside, move or
look behind plants, bushes, shrubbery and other vegetation or fences, walls or other barriers.

Appliances and Systems: Agent will not operate appliances or systems (such as, but not limited to, electrical, plumbing,
pool or spa, heating, cooling, septic, sprinkler, communication, entertainment, well or water) to determine their
functionality.

Size of Property or Improvements: Agent will not measure square footage of lot or improvements, or identify or locate
boundary lines, easements or encroachments.

Environmental Hazards: Agent will not determine if the Property has mold, asbestos, lead or lead-based paint, radon,
formaldehyde or any other hazardous substance or analyze soil or geologic condition.

Off-Property Conditions: By statute, Agent is not obligated to pull permits or inspect public records. Agent will not
guarantee views or zoning, identify proposed construction or development or changes or proximity to transportation,
schools, or law enforcement.

Analysis of Agent Disclosures: For any items disclosed as a result of Agent's visual inspection, or by others, Agent will not
provide an analysis of or determine the cause or source of the disclosed matter, nor determine the cost of any possible
repair.

What this means to you: An Agent's inspection is not intended to take the place of any other type of inspection, nor is it
a substitute for a full and complete disclosure by a seller. Regardless of what the Agent's inspection reveals, or what
disclosures are made by sellers, California Law specifies that a buyer has a duty to exercise reasonable care to protect
himself or herself. This duty encompasses facts which are known to or within the diligent attention and observation of the
buyer. Therefore, in order to determine for themselves whether or not the Property meets their needs and intended uses,
as well as the cost to remedy any disclosed or discovered defect, **BUYER SHOULD: (1) REVIEW ANY DISCLOSURES
OBTAINED FROM SELLER; (2) OBTAIN ADVICE ABOUT, AND INSPECTIONS OF, THE PROPERTY FROM OTHER
APPROPRIATE PROFESSIONALS; AND (3) REVIEW ANY FINDINGS OF THOSE PROFESSIONALS WITH THE
PERSONS WHO PREPARED THEM. IF BUYER FAILS TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF
BROKER.**

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AVID REVISED 6/24 (PAGE 1 OF 3)

Buyer's Initials _____ / _____



AGENT VISUAL INSPECTION DISCLOSURE (AVID PAGE 1 OF 3)

GS Strategies, Inc., 550 E Hospitality Lane Ste 300 San Bernardino CA 92408
John Martindale

Phone: 9092285255 Fax: _____
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

City of Azusa v.

If this Property is a duplex, triplex, or fourplex, or otherwise has additional dwelling units this AVID is for unit # _____.

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE REASONABLY AND NORMALLY ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

Entry (excluding common areas): Flooring, walls, door jamb trim and baseboards are damaged.

Living Room: Flooring and baseboards are damaged. Holes noted in the drywall from pictures.

Dining Room: Flooring and baseboards are damaged. Holes noted in the drywall from pictures.

Kitchen: Cabinetry, and flooring are damaged. The paint is worn. None of the appliances or mechanical systems were tested. Their condition is unknown. The exit door is damaged.

Other Room: Living room, addition: The flooring is damaged, the outlets are broken. The french doors are boarded.

Hall/Stairs (excluding common areas): Drywall holes and patches are prevalent. The flooring is damaged. The cabinetry doors are missed aligned

Bedroom # 1 : The flooring, door, walls and closet doors are damaged and show signs of wear.

Bedroom # 2 : The baseboards, windows, door and closets show signs of damaged and wear.

Bedroom # 3 : The baseboards, windows, door and closets show signs of damaged and wear. The window is boarded up.

Bedroom # _____ :

Bath # 1 : Bathroom had been remodeled and shows signs of wear and deferred maintenance.

Bath # _____ :

Bath # _____ :

Bath # _____ :



If this Property is a duplex, triplex, or fourplex, or otherwise has additional dwelling units this AVID is for unit # _____.

Other: The property is sold in it's As-Is, Where-Is condition. The buyer is responsible for all diligence and should under no circumstances use the information contained in this disclosure to determine value or condition of the property or a determining factor to purchase the property.

Other: The buyer is encouraged to complete any and all inspections and reports in order to satisfy themself with the condition of the property and it's surroundings, for it's intended use.

Other: _____

☐ See Addendum for additional rooms/structures: _____

Garage/Parking (excluding common areas): The roll up garage door and man door are damaged. The driveway has cracks and is stained from oil and other products.

Exterior Building and Yard - Front/Sides/Back: The trim, fascia and stucco are in poor condition. The pool and spa have been emptied of water. The mechanical systems show signs of improper repairs and maintenance.

Other Observed or Known Conditions Not Specified Above: The HVAC system has been altered and it is unknown if it is operational. The Code Violation Case with the City of Azusa has been closed. The property is sold in it's As-Is, Where-Is condition.

This disclosure is based on a reasonably competent and diligent visual inspection of reasonably and normally accessible areas of the Property on the date specified above.

Real Estate Broker (Name of Firm that performed the inspection): GS Strategies Inc.

Inspection Performed By (Name of individual agent or broker): John B. Martindale

Inspection Date/Time: 09/08/2026 11:00 am Weather conditions: Warm and clear.

Other persons present: None.

By John B. Martindale Date 09/09/2026
 (Signature of Associate Licensee or Broker who performed the inspection)

Reminder: Not all defects are observable by a real estate licensee conducting an inspection. The inspection does not include testing of any system or component. Real Estate Licensees are not home inspectors or contractors. BUYER SHOULD OBTAIN ADVICE ABOUT AND INSPECTIONS OF THE PROPERTY FROM OTHER APPROPRIATE PROFESSIONALS. IF BUYER FAILS TO DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKER.

I/we acknowledge that I/we have read, understand and received a copy of this disclosure.

Buyer _____ Date _____

Buyer _____ Date _____

I/we acknowledge that I/we have received a copy of this disclosure.

(The initials below and Broker signature are not required but can be used as evidence that the initialing or signing party has received the completed form.)

Seller KKR

Real Estate Broker (that did NOT fill out this AVID) _____

By _____ Date _____
 (Associate Licensee or Broker Signature)

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AVID REVISED 6/24 (PAGE 3 OF 3)



AGENT VISUAL INSPECTION DISCLOSURE (AVID PAGE 3 OF 3)

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City of Azusa v.



SQUARE FOOTAGE AND LOT SIZE ADVISORY AND DISCLOSURE

(C.A.R. Form SFLS, Revised 12/24)

Property Address: 440 N. Durrell Ave., Azusa, CA 91702-3738 ("Property")

- 1. DIFFERENT SOURCES OF SQUARE FOOTAGE MEASUREMENTS:** Measurements of structures vary from source to source and that data is often contradictory. There is no one "official" size source or a "standard" method of calculating exterior structural size, interior space or square footage. Buyer should not rely on any advertised or disclosed square footage measurements and should retain their own experts to measure, as applicable, structure size and square footage during their investigation period, if any. This is especially important if Buyer is using square footage to determine whether to purchase the Property or are using a price per square foot to determine purchase price. Price per square foot calculations are generally broad estimates only, which can vary greatly depending upon property location, type of property and amenities. Such calculations should not be relied upon by Buyer and the accuracy of any such figures should be independently verified by Buyer with their own experts including, but not limited to, a licensed appraiser.
- 2. PROPERTY (LOT) SIZE, DIMENSIONS, CONFIGURATIONS, AND BOUNDARIES:** Fences, hedges, walls, retaining walls, and other barriers or markers may not correspond with any legally-defined property boundaries. Existing structures or amenities may not be located within the actual property boundaries or local setback requirements. If lot size, dimensions, property configurations, boundary lines, and locations of improvements are important to Buyer's decision to purchase or the price Buyer is willing to pay, then Buyer should independently investigate by retaining the services of a licensed surveyor, the only professional who can accurately determine lot dimensions, boundary locations and acreage for the Property.
- 3. BROKER OBLIGATIONS:** Brokers and Agents do not have expertise in determining the exact square footage and lot size. Broker has not and will not verify the accuracy of any numerical statements regarding square footage, room dimensions, or lot size, or the location of boundaries.
- 4. ~~DISCLOSURE OF MEASUREMENTS AND SOURCES: Square footage and/or lot size numbers inserted into the spaces below, if any, were taken from the referenced source and may be approximations only. Other measurement sizes may exist from other sources.~~**

Source of Information	Sq. Footage	Lot Size	Additional Information	If checked, report attached
Public Record				☐
Multiple Listing Service				☐
Seller			Measurement comes from the following source:	☐
Appraisal #1				☐
Appraisal #2				☐
Condominium Map/Plan				☐
Architectural Drawings				☐
Floor Plan/Drawings				☐
Survey				☐
Other				☐
Other				☐

By signing below, Seller: (i) represents that Seller is not aware of any other measurements of the Property; and (ii) acknowledges that Seller has read, understands, and received a Copy of this Square Footage and Lot Size Advisory and Disclosure. Seller is encouraged to read it carefully.

Seller Kevin K. Randolph Kevin K. Randolph, Receiver's Representative Date 09/09/2026
 Seller _____ Date _____

By signing below, Buyer acknowledges that Buyer has read, understands, and received a Copy of this Square Footage and Lot Size Advisory and Disclosure. Buyer is encouraged to read it carefully. IF NO INFORMATION IS PROVIDED AND/OR ANY OF THESE MEASUREMENTS ARE MATERIAL TO BUYER, BUYER IS STRONGLY ADVISED TO INVESTIGATE THE VALIDITY, ACCURACY, OR EXISTENCE OF ANY MEASUREMENTS PROVIDED HEREIN OR OTHERWISE. IF BUYER DOES NOT DO SO, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS AND AGENTS.

Buyer _____ Date _____
 Buyer _____ Date _____

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SFLS REVISED 12/24 (PAGE 1 OF 1)

SQUARE FOOTAGE AND LOT SIZE ADVISORY AND DISCLOSURE (SFLS PAGE 1 OF 1)



EXEMPT SELLER DISCLOSURE

Use by Sellers Who Are Exempt From Completing a TDS,
Or For Any Seller Who Does Not Provide a SPQ.
(C.A.R. Form ESD, Revised 6/26)

Seller makes the following disclosures with regard to the real property or manufactured home described as 440 N. Durrell Ave., situated in Azusa (City), Los Angeles (County), California, 91702-3738 (Zip Code), Assessor's Parcel No. 8612-006-011 ("Property").

☐ This property is a duplex, triplex, fourplex, or otherwise has additional dwelling units. An ESD is required for all units. This ESD is for all units (or ☐ only unit(s) _____).

1. A. Under California law (Civil Code §1102, et seq.) most Sellers of real property containing 1-4 residential units are required to provide prospective Buyers with a completed Real Estate Transfer Disclosure Statement ("TDS"). Certain Sellers are exempt from completing the TDS but not exempt from making other disclosures. Sellers who are not legally required to complete a TDS can use this form to make other required disclosures, including the disclosure of material facts of which they are aware.
- B. Under Civil Code §§ 1101.4 and 1101.5, non-compliant plumbing fixtures in any single family or multi-family residential real property built before January 1, 1994 shall be replaced, by the Property owner, with water-conserving plumbing fixtures.
- C. Even if Seller is exempt from completing a TDS, Seller may not be exempt from water heater and smoke detector compliance requirements. See C.A.R. Form WHS for more information.

2. **THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT(S) AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF SELLER OR BUYER DESIRE LEGAL ADVICE, CONSULT AN ATTORNEY.**

3. **Are you (Seller) aware of any of the following? (Explain any "yes" answers below.)**

- A. Within the last 3 years, the death of an occupant of the Property upon the Property ☐ Yes ☒ No
- B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) ☐ Yes ☒ No
- C. The release of an illegal controlled substance on or beneath the Property ☐ Yes ☒ No
- D. Whether the Property is located in or adjacent to an "industrial use" zone ☐ Yes ☒ No
(In general, a zone or district allowing manufacturing, commercial or airport uses.)
- E. Whether the Property is affected by a nuisance created by an "industrial use" zone ☐ Yes ☒ No
- F. Whether the Property is located within 1 mile of a former federal or state ordnance location
(In general, an area once used for military training purposes that may contain potentially explosive munitions.) ☐ Yes ☒ No
- G. Whether the Property is (i) a condominium or (ii) located in a planned unit development or (iii) other common interest subdivision ☐ Yes ☒ No
- H. Insurance claims affecting the Property within the past 5 years..... ☐ Yes ☒ No
- I. Matters affecting title of the Property ☐ Yes ☒ No
- J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3 ☐ Yes ☒ No
- K. Any other material facts or defects affecting the Property, or material documents in Seller's possession affecting the Property, not otherwise disclosed to Buyer ☐ Yes ☒ No

Explanation, or ☐ (if checked) see attached; As Receiver, GS Strategies Inc., and it's representatives are exempt from disclosure. Buyer is encouraged to complete all inspections necessary to satisfy themselves as to the suitability of the subject property and it's surroundings for It's intended use. Buyer understands they are responsible for ALL retrofit requirements. Property is sold in it's "AS-IS, WHERE-IS" condition.

Seller represents that the information herein is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a Copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

Seller Kevin K. Randolph Kevin K. Randolph, Receiver's Representative Date 09/09/2026
Seller _____ Date _____

By signing below, Buyer acknowledges Buyer has received, read, and understands this Exempt Seller Disclosure form.

Buyer _____ Date _____
Buyer _____ Date _____

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ESD REVISED 6/26 (PAGE 1 OF 1)



EXEMPT SELLER DISCLOSURE (ESD PAGE 1 OF 1)



REAL ESTATE TRANSFER DISCLOSURE STATEMENT

(CALIFORNIA CIVIL CODE §1102, ET SEQ.)
(C.A.R. Form TDS, Revised 6/24)

☐ This property is a duplex, triplex, fourplex, or otherwise has additional dwelling units. A TDS is required for all units. This TDS is for ALL units (or ☐ only unit(s) _____).

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Azusa, COUNTY OF Los Angeles, STATE OF CALIFORNIA, DESCRIBED AS 440 N. Durrell Ave., Azusa, CA 91702-3738.

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH § 1102 OF THE CIVIL CODE AS OF (DATE) 09/01/2026. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to § 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- ☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.
☐ Additional inspection reports or disclosures: _____
☐ No substituted disclosures for this transfer.

II. SELLER'S INFORMATION

~~The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.~~

~~THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.~~

~~Seller ☐ is ☐ is not occupying the property.~~

~~A. The subject property has the items checked below:*~~

- | | | |
|--|---|---|
| ☐ Range | ☐ Wall/Window Air Conditioning | ☐ Pool: |
| ☐ Oven | ☐ Sprinklers | ☐ Child Resistant Barrier |
| ☐ Microwave | ☐ Public Sewer System | ☐ Pool/Spa Heater: |
| ☐ Dishwasher | ☐ Septic Tank | ☐ Gas ☐ Solar ☐ Electric |
| ☐ Trash Compactor | ☐ Sump Pump | ☐ Water Heater: |
| ☐ Garbage Disposal | ☐ Water Softener | ☐ Gas ☐ Solar ☐ Electric |
| ☐ Washer/Dryer Hookups | ☐ Patio/Decking | ☐ Water Supply: |
| ☐ Rain Gutters | ☐ Built-in Barbecue | ☐ City ☐ Well |
| ☐ Burglar Alarms | ☐ Gazebo | ☐ Private Utility or |
| ☐ Carbon Monoxide Device(s) | ☐ Security Gate(s) | ☐ Other _____ |
| ☐ Smoke Detector(s) | ☐ Garage: | ☐ Gas Supply: |
| ☐ Fire Alarm | ☐ Attached ☐ Not Attached | ☐ Utility ☐ Bottled (Tank) |
| ☐ TV Antenna | ☐ Carport | ☐ Window Screens |
| ☐ Satellite Dish | ☐ Automatic Garage Door Opener(s) | ☐ Window Security Bars |
| ☐ Intercom | ☐ Number Remote Controls _____ | ☐ Quick Release Mechanism on |
| ☐ Central Heating | ☐ Sauna | ☐ Bedroom Windows |
| ☐ Central Air Conditioning | ☐ Hot Tub/Spa: | ☐ Water Conserving Plumbing Fixtures |
| ☐ Evaporator Cooler(s) | ☐ Locking Safety Cover | |

Exhaust Fan(s) in _____ 220 Volt Wiring in _____ Fireplace(s) in _____
 Gas Starter _____ Roof(s) Type: _____ Age: _____ (approx.)
 Other: _____

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? ☐ Yes ☐ No. If yes, then describe.
 (Attach additional sheets if necessary): _____

(*see note on page 2)

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TDS REVISED 6/24 (PAGE 1 OF 3)

Buyer's Initials _____ / _____

Seller's Initials KKR / _____



REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 1 OF 3)

Property Address: **440 N. Durrell Ave., Azusa, CA 91702-3738**

Date: **September 1, 2026**

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units, this TDS is for unit # _____.

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? ☐ Yes ☐ No. If yes, check appropriate space(s) below.

☐ Interior Walls ☐ Ceilings ☐ Floors ☐ Exterior Walls ☐ Insulation ☐ Roof(s) ☐ Windows ☐ Doors ☐ Foundation ☐ Slab(s)
☐ Driveways ☐ Sidewalks ☐ Walls/Fences ☐ Electrical Systems ☐ Plumbing/Sewers/Septics ☐ Other Structural Components
 (Describe: _____)

If any of the above is checked, explain. (Attach additional sheets if necessary): _____

~~*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with § 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with § 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with § 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. § 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with § 1101.4 of the Civil Code.~~

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property. ☐ Yes ☐ No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property. ☐ Yes ☐ No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property. ☐ Yes ☐ No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits. ☐ Yes ☐ No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes. ☐ Yes ☐ No
 (Note to C4 and C5: If transferor acquired the property within 18 months of accepting an offer to sell it, transferor shall make additional disclosures regarding the room additions, structural modifications, or other alterations or repairs on a Seller Property Questionnaire (C.A.R. Form SPQ).)
6. Fill (compacted or otherwise) on the property or any portion thereof. ☐ Yes ☐ No
7. Any settling from any cause, or slippage, sliding, or other soil problems. ☐ Yes ☐ No
8. Flooding, drainage or grading problems. ☐ Yes ☐ No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides. ☐ Yes ☐ No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements. ☐ Yes ☐ No
11. Neighborhood noise problems or other nuisances. ☐ Yes ☐ No
12. CC&R's or other deed restrictions or obligations. ☐ Yes ☐ No
13. Homeowners' Association which has any authority over the subject property. ☐ Yes ☐ No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others). ☐ Yes ☐ No
15. Any notices of abatement or citations against the property. ☐ Yes ☐ No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to § 910 or 914 threatening to or affecting this real property, claims for breach of warranty pursuant to § 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to § 903 threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to § 910 or 914 alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others). ☐ Yes ☐ No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary): _____

- D. 1.** The Seller certifies that the property, as of the close of escrow, will be in compliance with § 13113.8 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.
- 2.** The Seller certifies that the property, as of the close of escrow, will be in compliance with § 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller Kevin K. Randolph Date 09/09/2026

Seller Kevin K. Randolph, Receiver's Representative Date _____



Property Address: **440 N. Durrell Ave., Azusa, CA 91702-3738**

Date: **September 1, 2026**

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units, this TDS is for unit # _____.

III. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- ☒ See attached Agent Visual Inspection Disclosure (AVID Form)
☐ Agent notes no items for disclosure.
☒ Agent notes the following items: **As Receiver, GS Strategies Inc., and it's representatives are exempt from disclosure. Buyer is encouraged to complete all inspections necessary to satisfy themselves as to the suitability of the subject property and it's surroundings for it's intended use. Buyer understands they are responsible for ALL retrofit requirements. Property is sold in it's "AS-IS, WHERE-IS" condition.**

Agent (Broker Representing Seller) **GS Strategies, Inc.** (Please Print)

By **John B. Martindale** **John B. Martindale** Date **09/09/2026**
 (Associate Licensee or Broker Signature)

IV. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- ☐ See attached Agent Visual Inspection Disclosure (AVID Form)
☐ Agent notes no items for disclosure.
☐ Agent notes the following items: _____

Agent (Broker Obtaining the Offer) _____ (Please Print)

By _____ Date _____
 (Associate Licensee or Broker Signature)

V. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller **Kevin K. Randolph** Date **09/09/2026**
Kevin K. Randolph, Receiver's Representative

Seller _____ Date _____

Buyer _____ Date _____

Buyer _____ Date _____

Agent (Broker Representing Seller) **GS Strategies, Inc.** (Please Print)

By **John B. Martindale** **John B. Martindale** Date **09/09/2026**
 (Associate Licensee or Broker Signature)

Agent (Broker Obtaining the Offer) _____ (Please Print)

By _____ Date _____
 (Associate Licensee or Broker Signature)

§ 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

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TDS REVISED 6/24 (PAGE 3 OF 3)

REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 3 OF 3)

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com

440 N. Durrell



I found the booklet, *The Homeowner's Guide to Environmental Hazards and Earthquake Safety*(with gas shut-off valve update) which includes the *Federal Lead* booklet and *Toxic Mold Update*:

- | | |
|--|--|
| ☐ Helpful | ☐ Clearly written |
| ☐ Too detailed | ☐ Confusing |
| ☐ Not detailed enough | |
-
- ☐ The booklet helped me to locate earthquake weaknesses in my home.
- ☐ I have strengthened my home to resist earthquakes.
- ☐ I plan to fix my home's earthquake weaknesses.
- ☐ The booklet helped me find out that my home did not have any earthquake weaknesses.

The year my home was built was 1953.

Comments: _____

We Want To Hear From You!

California Seismic Safety Commission
 1900 K Street, Suite 100
 Sacramento, California 95814-4186

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety(with gas shut-off valve update)which includes the Federal Lead booklet and Toxic Mold Update, and Home Energy Rating booklet.

Property Address: 440 N. Durrell Ave., Azusa, CA 91702-3738

Date _____	Time _____	_____	_____
		(Buyer's signature)	(printed name)
Date _____	Time _____	_____	_____
		(Buyer's signature)	(printed name)
Date _____	_____	_____	_____
	(Buyer's Agent's signature)	(printed name)	(Broker's name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement.)

ALL SIGNERS SHOULD RETAIN A COPY OF THIS PAGE FOR THEIR RECORDS

California Civil Code Section 2079.10 states that if the HERS booklet is provided to the Buyer by the Seller or Broker, then this booklet is deemed to be adequate to inform the home buyer about the existence of California Home Energy Rating Program.

Revised 09/10 Official C.A.R.* Publication 09/10

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety(with gas shut-off valve update)which includes the Federal Lead booklet and Toxic Mold Update, and Home Energy Rating booklet.

Property Address: 440 N. Durrell Ave., Azusa, CA 91702-3738

Date <u>09/09/2026</u>	Time <u>11:03 PM GMT</u>	<u>Kevin K. Randolph</u>	<u>Kevin K. Randolph, Receiver's Representative</u>
		(Sellers's signature)	(printed name)
Date _____	Time _____	_____	_____
		(Sellers's signature)	(printed name)
Date <u>09/09/2026</u>	<u>John B. Martindale</u>	<u>John B. Martindale</u>	<u>GS Strategies, Inc.</u>
	(Seller's Agent's signature)	(printed name)	(Broker's name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement.)

ALL SIGNERS SHOULD RETAIN A COPY OF THIS PAGE FOR THEIR RECORDS

California Civil Code Section 2079.10 states that if the HERS booklet is provided to the Buyer by the Seller or Broker, then this booklet is deemed to be adequate to inform the home buyer about the existence of California Home Energy Rating Program.

Revised 09/10 Official C.A.R.* Publication 09/10

HOMEOWNER'S GUIDE TO EARTHQUAKE SAFETY

Residential Earthquake Risk Disclosure Statement (2020 Edition)

Name GS Strategies Inc. as receiver for 440 N. Durrell Ave., Azusa, CA 91702-3738 Assessor's Parcel No. 8612-006-011
Street Address 440 N. Durrell Ave. Year Built 1953
City Azusa County Los Angeles Zip Code 91702-3738

Answer these questions to the best of your knowledge. If any of the questions are answered "No," your home is likely to have an elevated/disclosable earthquake risk. If you do not have actual knowledge as to whether these risks exist, answer "Don't Know." Questions answered "Don't Know" may indicate a need for further evaluation. If your home does not have the feature, answer "Doesn't Apply." If you corrected one or more of these risks, describe the work on a separate page. The page numbers in the right-hand column indicate where in this guide you can find information on each of these features.

	Yes	No	Doesn't Apply	Don't Know	See Page
1. Is the water heater braced to resist falling during an earthquake?	☒	☐	☐	☐	14
2. Is your home bolted to its foundation?	☐	☐	☐	☒	15
3. If your home has crawl space (cripple) walls:	☐	☐	☐	☒	
a. Are the exterior crawl space (cripple) walls braced?	☐	☐	☐	☒	17
b. If the exterior foundation consists of unconnected concrete piers and posts, have they been strengthened?	☐	☐	☐	☒	18
4. If the exterior foundation, or part of it, is made of unreinforced masonry, has it been strengthened?	☐	☐	☐	☒	19
5. If your home is on a hillside:	☐	☐	☐	☒	
a. Are the exterior tall foundation walls braced?	☐	☐	☐	☒	20
b. Are the tall posts or columns either built to resist earthquakes or have they been strengthened?	☐	☐	☐	☒	20
6. If the exterior walls of your home are made of unreinforced masonry, either completely or partially, have they been strengthened?	☐	☐	☐	☒	21
7. If your home has a room over the garage, is the wall around the garage door opening built to resist earthquakes or has it been strengthened?	☐	☐	☐	☒	22
8. Is your home outside an Alquist-Priolo Earthquake Fault Zone (an area immediately surrounding known active earthquake faults)?	<i>To be reported on the Natural Hazard Disclosure Statement</i>				
9. Is your home outside a Seismic Hazard Zone (an area identified as susceptible to liquefaction or a landslide)?	<i>To be reported on the Natural Hazard Disclosure Statement</i>				

As seller of the property described herein, I have answered the questions above to the best of my knowledge in an effort to disclose fully any potential earthquake risks it may have.

EXECUTED BY

Kevin K. Randolph

Seller Kevin K. Randolph, Receiver's Representative

Seller

09/09/2026

Date

I acknowledge receipt of the Homeowner's Guide to Earthquake Safety and this Disclosure Statement, completed and signed by the seller. I understand that if the seller has answered "No" to one or more questions, or if the seller has indicated a lack of knowledge, there may be one or more earthquake risks in this home.

Buyer

Buyer

Date

This Disclosure Statement is made in addition to the standard real estate transfer disclosure statement also required by law.

SELLER DATE

CONSUMER INFORMATION ACKNOWLEDGEMENT

I, the undersigned, acknowledge receipt of the "Homeowner's Combined Information Guides" booklet which includes the following publications:

1) Homeowner's Guide to Earthquake Safety

State of California Seismic Safety Commission
(<https://www.disclosuresource.com/downloads/earthquake.pdf>)

2) Protect Your Family From Lead in Your Home

United States Environmental Protection Agency
(<https://www.disclosuresource.com/downloads/lead.pdf>)

3) Residential Environmental Hazards - A Guide for Homeowners, Homebuyers, Landlords and Tenants

California Environmental Protection Agency
(<https://www.disclosuresource.com/downloads/environment.pdf>)

4) What is Your Home Energy Rating?

California Energy Commission
(<https://www.disclosuresource.com/downloads/HomeEnergyRating.pdf>)

Property Address: 440 N. Durrell Ave., Azusa, CA 91702-3738

Buyer's Signature: _____ Date: _____

Buyer's Signature: _____ Date: _____

Selling Agent's Signature: _____ Date: _____

Seller's Signature: _____ Date: 09/09/2026

 *Kevin K. Randolph*
Kevin K. Randolph, Receiver's Representative

Seller's Signature: _____ Date: _____

Listing Agent's Signature: _____ Date: 09/09/2026

 *John B. Martindale*
John B. Martindale



Property Address:
440 N. Durrell Ave.

Azusa, CA 91702-3738

I have received a copy of the **WHAT IS YOUR HOME ENERGY RATING?** booklet (CEC-400-2009-008-BR-REV1)

Buyer's Signature

Printed Name

Date

Buyer's Signature

Printed Name

Date

Buyer's Agent Signature

Printed Name

Date

Broker's Name

Authenticsign
Kevin K. Randolph
Seller's Signature

Kevin K. Randolph, Receiver's Representative
Printed Name

09/09/2026
Date

Seller's Signature

Printed Name

Date

Authenticsign
John B. Martindale
Listing Agent's Signature

John B. Martindale
Printed Name

09/09/2026
Date

GS Strategies, Inc.
Broker's Name

ALL SIGNERS SHOULD RETAIN A COPY OF THIS PAGE FOR THEIR RECORDS

California Civil Code Section 2079.10 states that if this booklet is provided to the buyer by the seller or broker, then this booklet is deemed to be adequate to inform the home buyer about the existence of California Home Energy Rating Program.

For more information, visit: www.energy.ca.gov/HERS/index.html

Exhibit A to the Residential Listing Agreement Dated August 25, 2026

**Order Appointing A Receiver Pursuant To Health And
Safety Code Section 17980.7(C) And Code Of Civil
Procedure Section 564(A) And (B)(9)**

Case No. 23PSCV02788

Electronically Received 02/13/2024 12:00 AM

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Attorneys for Plaintiff
City of Azusa

FILED
Superior Court of California
County of Los Angeles

05/16/2024

David W. Slayton, Executive Officer / Clerk of Court

By: M. Vasquez Deputy

EXEMPT FROM FILING FEES PURSUANT
TO GOVERNMENT CODE SECTION 6103

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – POMONA COURTHOUSE SOUTH

CITY OF AZUSA, a California municipal
corporation on behalf of the PEOPLE OF THE
STATE OF CALIFORNIA,

Plaintiff and Petitioner,

v.

THOMAS YBARRA, an individual; QUICKEN
LOANS, INC., a Michigan corporation;
JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, a Delaware corporation;
FLAGSTAR BANK, NATIONAL
ASSOCIATION, a New York corporation and
DOES 1 through 25, inclusive,

Defendant(s) and
Respondent(s).

Case No. 23PSCV02788

UNLIMITED JURISDICTION

**[PROPOSED] ORDER APPOINTING
A RECEIVER PURSUANT TO
HEALTH AND SAFETY CODE
SECTION 17980.7(C) AND CODE OF
CIVIL PROCEDURE SECTION
564(A) AND (B)(9)**

Date: April 25, 2024
Time: 8:30 A.M.
Dept: G
RES ID: 104642902814

*[Concurrently filed with:
1. Memorandum of Points & Authorities;
2. Declaration of Dylan V. Gunzel;
3. Declaration of Jeff Barnes;
4. Declaration of Kevin Randolph;
5. Request for Judicial Notice; and
6. (Proposed) Order.]*

Action Filed: 09/11/2023
Trial Date: Not Set

ORDER

Plaintiff City of Azusa (“**City**”) filed a motion with the court for the appointment of a receiver (“**Motion**”) over real property particularly described in the City’s moving papers and commonly known as 440 North Durrell Avenue, Azusa, California 91702, Assessor’s Parcel Number 9612-006-011, (“**Property**”). The Property is legally described on the attached **Exhibit A**. The term “Property” includes the real property and all structures, fixtures, furniture, personal property, rights, and other tangible and intangible property associated therewith or located thereon. The Property is currently owned by Thomas Ybarra, and is subject to various claims and other interests held, claimed to be held, or administered by the other named defendant’s/respondents (Quicken Loans, Inc., a Michigan corporation; JPMorgan Chase Bank, National Association, a Delaware corporation (collectively, “**Defendants**”). The Motion was made pursuant to *California Code of Civil Procedure* section 564 and *Health and Safety Code* section 17980.7(c).

The court, having jurisdiction over the subject matter of the Motion and having considered the evidence and the memorandum of points and authorities submitted in support of the Motion, finds and orders as follows:

A. FINDINGS OF FACT

1. The Property is substandard as defined by *Health and Safety Code* section 17920.3 and section 17980.7 and is a public nuisance. The Property has been and is now maintained in a manner that violates various provisions of the City of Azusa Municipal Code section 14-415 et seq., and other state and local law.

2. The structure on the Property is a “substandard building” as defined by *Health and Safety Code* section 17920.3. The Property’s violations are so extensive and of such a nature that the health and safety of the occupants and the general public is substantially endangered.

3. The City, as a local enforcement agency, properly issued a notice and order to repair and abatement order to Defendants in accord with *Health and Safety Code* section 17980.6.

4. Defendants failed to comply with the City’s notice of violation and order to repair and abatement order within a reasonable time after its issuance. Defendants have been afforded a reasonable opportunity to correct the conditions cited in the City’s notice and order.

5. Defendants have been afforded all procedural due process rights guaranteed by the California Constitution and the United States Constitution, including receipt of the notice of violation and an adequate and reasonable period of time to comply with the City's notice and order.

6. The City posted and provided the notice described in *Health and Safety Code* section 17980.7 in the manner required by that section.

7. The Property's substandard conditions will likely persist unless the court appoints a receiver to take possession of the Property and undertake its rehabilitation.

8. *Health and Safety Code* section 17980.7(c), *Code of Civil Procedure* section 564(a) and (b)(9), and the court's inherent equitable power authorize the court to appoint a receiver to take possession of the Property and undertake its rehabilitation.

9. Defendants were properly noticed and served with the Motion and were provided a reasonable opportunity to be heard in connection with the Motion.

10. The City's receiver-nominee, GS Strategies, Inc., and its representative, Kevin K. Randolph, have the demonstrated capacity and expertise to develop and supervise a viable financial and construction plan for the satisfactory rehabilitation of the Property.

B. APPOINTMENT OF RECEIVER AND THE RECEIVER'S PLENARY POWERS

GS Strategies, Inc. ("**Receiver**") is appointed receiver of the Property and given those powers described in *Code of Civil Procedure* sections 564 through 570, *Health and Safety Code* section 17980.7(c)(4), any other applicable law, this Order, and further orders of the court. Kevin K. Randolph is designated as the Receiver's representative with the authority to act on the Receiver's behalf. The Receiver will: (a) execute and file with the court the receiver's oath specified by *Code of Civil Procedure* section 567(a); and (b) file with the court the undertaking required by *Code of Civil Procedure* section 567(b) in the amount of \$5,000.

C. RECEIVER'S SPECIFIC POWERS

In addition to the plenary powers described in Section B of this Order, the Receiver is given the following specific powers:

1. To immediately take full and exclusive possession and control of the Property, including the tangible and intangible personal property located in or about the Property. The

Receiver may authorize the City's code enforcement personnel and law enforcement personnel to enter the exterior and interior of the Property and its structures (including occupied and unoccupied residences) for the purposes of inspecting the Property and undertaking any other investigations concerning the Property's condition and compliance with applicable State and local law. The clerk of the court is authorized and directed to issue to the Receiver a writ of possession or execution entitling the Receiver to obtain exclusive possession and control of the Property and to remove any and all known and unknown occupants (including the Defendants and any other occupants) without the need to file an unlawful detainer action or obtain an eviction or ejectment judgment. Any law enforcement agency is authorized to serve and enforce any writ of possession or execution so issued to the Receiver.

2. To manage the Property and pay operating expenses, taxes, insurance, utilities, and maintenance expenses.

3. To collect all rents and income from the Property, to sell or dispose of any personal property that the Receiver has declared abandoned in accord with this Order or applicable law, to collect any debts associated with the Property, to invest all funds on hand, and to use these funds to pay for the costs of operating, managing, maintaining, or rehabilitating the Property.

4. To investigate the Property's condition and expected post-rehabilitation market value and determine whether it is economically and practically feasible to rehabilitate the Property or whether demolition or some other method of remediating the Property's deficiencies and violations is more appropriate.

5. To prepare a plan ("**Remediation Plan**") to: (a) rehabilitate the Property and correct all of the Property's currently-identified violations and deficiencies and those violations and deficiencies that may be discovered during the course of the Receiver's further inspections, so as to render the Property as decent, safe, sanitary, and marketable housing; (b) abate the Property's violations and deficiencies through demolition or other economically and practically feasible means; or (c) provide for the Property's rehabilitation by sale to a pre-qualified buyer that will purchase the Property in its AS-IS condition and thereafter complete the rehabilitation under the Receiver's supervision. The Remediation Plan will include provisions for financing the work

necessary to abate the Property's violations and other work authorized by this Order. The Remediation Plan may include provisions for financing all or a portion of the Receiver's Approved Expenses and the City's Approved Expenses (as those terms are defined in Sections E and F below.

6. To solicit one or more proposals from (as applicable) licensed California contractors, service providers, and AS-IS buyers to carry out the actions specified in the Remediation Plan and to select the proposal that the Receiver determines is in the receivership estate's best financial and practical interests to recommend to the court, taking into account cost, capacity, qualification and demonstrated competence to carry out the actions specified in the Remediation Plan.

7. To immediately record one or more liens (each, a "**Receiver's Lien**") against the Property to secure the repayment of the Receiver's Approved Expenses, in accord with *Health and Safety Code* section 17980.7(c)(4)(G). Each Receiver's Lien will be a lien on the Property prior and superior to all pre-existing liens and encumbrances (including any claim or interest held by any Defendant) other than delinquent property taxes and state and federal tax liens.

8. Subject to the court's approval, to borrow funds from public or private entities and to issue and record one or more Receiver's certificates of indebtedness (each, a "**Receiver's Certificate**") and deeds of trust (each, a "**Receiver's Trust Deed**") to evidence and secure repayment of the borrowed funds. Each Receiver's Certificate and Receiver's Trust Deed will be a lien on the Property prior and superior to all other liens and encumbrances, including any claim or interest held by any Defendant, but excluding liens for state and federal taxes and delinquent property taxes. The court further authorizes (but does not require) the City and the Receiver to enter into a standard indemnity agreement if necessary to meet title company underwriting requirements for insuring the Receiver's Trust Deed. Proforma examples of the Receiver's Certificate and Receiver's Trust Deed are attached as **Exhibit B** and **Exhibit C**, respectively.

9. In accord with the preceding paragraph 8, the court hereby authorizes the Receiver to issue an initial Receiver's Certificate in an amount not exceeding Thirty Thousand Dollars (\$30,000) and a Receiver's Trust Deed with priority senior to all other pre-existing liens and encumbrances, except those for delinquent property taxes and federal and state tax liens to pay for

the costs of securing the Property, removing trash and debris, and other initial Receiver's Expenses. No further court approval of the Receiver's Certificate and Receiver's Trust Deed described in this Section C.9 is required.

10. On behalf of the receivership estate, to enter into contracts with third parties for labor and services required in connection with receivership activities authorized by this Order, including the following: (a) maintenance and repair companies or personnel; (b) licensed engineers and other building professionals; (c) banks, lending institutions, public entities, and private lenders; (d) licensed architects and other design professionals; (e) licensed general contractors, subcontractors, suppliers and manufacturers; (f) property and construction managers; (g) escrow and title companies; (h) real estate appraisers; (i) relocation consultants; (j) accountants; (k) real estate agents and brokers; and (l) locksmiths and security companies.

11. On behalf of the receivership estate, to: (a) apply for and obtain permits and land use and other governmental approvals necessary to implement the Remediation Plan; (b) exercise any development rights, entitlements and permits currently associated with the Property; and (c) to seek reimbursement from all federal, state and local public agencies willing to provide funds for the Property's remediation and enter into any agreements on behalf of the receivership estate required to receive those funds.

12. On behalf of the receivership estate, to: (a) execute those instruments and agreements necessary or convenient to obtain those bonds and other sureties necessary or convenient to conduct receivership activities, including bonds and sureties related to the curing or mitigation of mechanics' liens and other encumbrances on title to the Property; (b) use receivership estate funds to pay the costs of those bonds and sureties and to pledge receivership estate assets as collateral in connection with those bonds and sureties; and (c) execute indemnities in favor of title companies and other entities as necessary or convenient to the issuance of title insurance policies needed for the issuance of the Receiver's Certificates and Receiver's Trust Deeds or for the sale of the Property (if such sale is authorized by the court).

13. To place long-term owner-occupancy and income restrictions on the Property if: (a) required under the programs of those private lenders or government housing finance agencies

providing funding for the Remediation Plan; or (b) the Receiver deems the restrictions are necessary or desirable to abate, and maintain abated, the nuisance conditions on the Property.

14. To temporarily or permanently displace the Property's occupants (if any) if necessary, in the Receiver's sole discretion, to implement the Remediation Plan and to pay relocation expenses to the displaced occupants or to other persons, as determined by the Receiver in its sole but reasonable discretion or as required by *Health and Safety Code* section 17980.7(c)(6).

15. To prepare and distribute those periodic reports required by *California Rules of Court* rule 3.1182.

16. To declare as abandoned any personal property remaining at the Property upon the Receiver's taking possession of the Property and to either store or sell that personal property. If the Receiver, in its discretion, determines that the personal property lacks sufficient value to cover the costs of sale or storage, then the Receiver may discard the personal property.

17. To apply on an *ex parte* basis to the court for any of the following: (a) approval of the Receiver's requests for interim payment of the Receiver's Approved Expenses and the City's Approved Expenses; (b) approval of the Remediation Plan; (c) approval of Receiver's Certificates of Indebtedness and Receiver's Trust Deeds (other than the initial Receiver's Certificate of Indebtedness and Receiver's Trust Deed described in Section C.9 of this Order, for which no further court approval is required); (d) approval of the Property's sale; (e) approval of the distribution of proceeds from the Property's sale; (f) orders to enable the Receiver to properly perform its duties or to address unforeseen circumstances that arise; and (g) for further instructions.

18. To take any action that is implied from the powers specifically given to the Receiver or that is necessary or convenient to the exercise of those powers.

D. RECEIVER'S IMMUNITIES

To the greatest degree allowed under *California Code of Civil Procedure* sections 564 through 570, *California Health and Safety Code* section 17980.7(c), and other applicable law, the Receiver, the Receiver's representative, and their respective officers, employees, attorneys, agents, and contractors (collectively, the "**Receiver Parties**") are not personally responsible for receivership-related obligations and liabilities, including the following:

1. Obligations and liabilities incurred by the Receiver in connection with receivership activities or on behalf of the receivership estate that are within the express or implied scope of the Receiver’s authority under this Order, subsequent court orders, or any applicable law.

2. Obligations and liabilities relating to the Property that were incurred prior to the Receiver’s appointment.

3. Obligations and liabilities arising out of or resulting from the current or future presence or release of any Hazardous Substances on, from, or under the Property. Hazardous Substances include any substance, material, or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “regulated waste,” or words of similar import in any federal, state, or local law.

4. Obligations and liabilities arising under or related to any Receiver’s Certificate of Indebtedness or Receiver’s Trust Deed. All obligations and all liabilities arising under any Receiver’s Certificate of Indebtedness, Receiver’s Trust Deed, and all other agreements entered into by the Receiver on behalf of the receivership estate are unconditionally non-recourse to the Receiver and the Receiver’s representative.

5. Obligations and liabilities for the return of any security deposit that is not actually received by the Receiver.

In carrying out their duties and functions under this Order, the Receiver and the Receiver Parties are fulfilling quasi-judicial functions integral to the judicial process and as an arm of the court and thus are entitled to quasi-judicial immunity. When taking actions specifically approved or ordered by the court, the Receiver and the Receiver Parties are entitled to absolute immunity. *Holt v. Brock* (2022) 85 Cal.App.5th 611; *Howard v. Drapkin* (1990) 222 Cal.App.3d 843; see also *In Re Voyager Digital Holdings, Inc.* 2023 WL 2470938 (Bankr. S.D.N.Y., 2023.)

E. CITY’S FEES AND COSTS

The City, as the prevailing party under *California Health and Safety Code* section 17980.7(c)(11) and (d)(1), *California Code of Civil Procedure* section 1033.5(a)(10), *California Government Code* section 38773.5(b), and the City of Azusa’s Municipal Code section 34-168, is, subject to court approval, entitled to recover all of its hard costs, administrative enforcement costs

and attorney's fees, and administrative fines and penalties (collectively, as so approved by the court, the "City's Approved Expenses").

F. RECEIVER'S COMPENSATION

1. The Receiver will be compensated for its services on behalf of the receivership estate as follows: (a) for non-legal work related to the administration of the receivership estate and management of the Property, the Receiver will be compensated at the rate of \$300 per hour, plus (b) for non-legal work related to rehabilitation construction or demolition oversight, the Receiver will be compensated in a fixed amount equal to eight percent (8%) of the court-approved rehabilitation construction or demolition costs in lieu of an hourly rate. The components of the Receiver's compensation described in (a) and (b), preceding, are independent and non-cumulative, i.e., the compensation described in (a) will be earned only for Property administrative and management services and the compensation described in (b) will be earned only for rehabilitation construction or demolition oversight services. The sum of the compensation components described in (a) and (b), preceding, is referred to in this Order as the "**Receiver's Management Fees.**"

2. The Receiver may, but is not obligated to, advance funds to pay for third-party expenses incurred in connection with receivership estate activities, including third-party expenses related to: the exercise of those powers described in Section C of this Order; copying; long distance telephone calls; courier services; expenses to secure the Property; insurance; cleanup and disposal costs; storage costs; locksmith services; relocation expenses; bond expenses; utilities; property maintenance; debris removal; and all other third-party receivership-related expenses (collectively, "**Receiver's Costs**").

3. Pursuant to *California Rules of Court* rule 3.1180, and because the Receiver is a corporation and must be represented by licensed attorneys, the Receiver is authorized to retain the law firm of Fennemore LLP ("**Fennemore**") to provide legal services on behalf of the receivership estate. The Fennemore attorneys and paraprofessionals who will be primarily responsible for providing legal services to the receivership estate, and their corresponding billing rates, are set forth on the attached **Exhibit D**. The Receiver may also pay Fennemore for all reasonable and customary incidental costs and expenses charged by Fennemore in connection with its legal representation of

the Receiver and those costs and expenses (if any) will be considered as Receiver's Costs. The Receiver may, subject to the court's prior approval, retain other legal counsel to represent it if the Receiver determines that it requires specialized legal services not available through Fennemore or that other legal counsel may more effectively or efficiently represent the Receiver's or the receivership estate's interests. Unless otherwise authorized by the court, the Receiver may not compensate other legal counsel at rates exceeding those payable to Fennemore. The sum of all legal fees incurred by the Receiver in connection with legal matters affecting the receivership estate is collectively referred to in this Order as the "**Receiver's Legal Fees.**"

4. The Receiver's Management Fees, Receiver's Costs, and Receiver's Legal Fees are collectively referred to in this Order as the "**Receiver's Expenses.**" The Receiver's Expenses include fees and costs incurred: (a) before the Receiver was appointed, if related to the inspection and evaluation of the Property's suitability for receivership, including preparing pre-appointment documents and attending pre-appointment court hearings; (b) during the pendency of the Receiver's appointment; and (c) in the defense or prosecution of any appeal of any order, judgment or other ruling or determination related to or arising out of the receivership case, regardless of whether initiated during the Receiver's appointment or after the Receiver's discharge, and regardless of whether the appeal is instituted by the Receiver, Defendants, or any other party, including appeals related to: (i) this Order; (ii) any order approving the Remediation Plan; (iii) any order authorizing the sale of the Property; (iv) any order approving the Receiver's Expenses; (v) any order approving the Receiver's final accounting and report; and (vi) any order discharging the Receiver and exonerating the Receiver's bond.

5. The Receiver must reasonably document all of the Receiver's Expenses. All of the Receiver's Expenses are subject to the court's approval and, as so approved, are referred to in this Order as the "**Receiver's Approved Expenses.**" With the court's approval, the Receiver will be entitled to interim payments toward the Receiver's Approved Expenses, as provided by *California Rules of Court* rule 3.1183(a).

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G. PROPERTY DISPOSITION

1. The Receiver may apply to the court for approval (“**Sale Application**”) to sell the Property in the condition (vacant land, AS-IS, or fully rehabilitated) described in the court-approved Remediation Plan (“**Proposed Condition at Sale**”), free and clear of all pre-existing liens and encumbrances, except for delinquent real property taxes and state and federal tax liens. All pre-existing liens and encumbrances, except those for delinquent property taxes and state and federal tax liens, will be automatically stripped from the Property’s title upon the sale of the Property and will automatically attach to the net sale proceeds in the same priority order as they held prior to being stripped. The Receiver may sell the Property pursuant to *Code of Civil Procedure* section 568.5, by open market sale, or such other method approved by the court, upon terms and conditions acceptable to the Receiver and approved by the court. The Receiver may, prior to the court’s approval of the Sale Application, enter into a purchase and sale agreement with any offeror that the Receiver determines, in its discretion, is qualified to purchase the Property in its Proposed Condition at Sale. However, the effectiveness of any purchase and sale agreement that is executed before the court’s approval of the Sale Application will be contingent on the court’s approval of the Sale Application.

2. If there is more than one offer to purchase the Property, the Receiver may select the offeror whom the Receiver determines, in its discretion, to be most qualified to complete the purchase and fulfill the buyer’s obligations under the purchase and sale agreement to recommend to the court. All sales are subject to overbid until the court approves the Sale Application. The Receiver is not required to present any overbid to the court unless it exceeds the price originally recommended by \$5,000 or more. All overbids will require a good faith deposit no less than ten percent (10%) of the overbid price, which will be creditable to the purchase price upon the close of escrow, but otherwise non-refundable to the overbidder except in the event of the Receiver’s default under the overbid purchase and sale agreement.

3. The Receiver may broker the sale or lease of the Property. The Receiver may pay reasonable and customary escrow and title charges and a sales commission not exceeding six percent (6%) of the sales price or lease revenue, unless a different commission rate is authorized

by the court, including to itself if it acts in its capacity as a broker with respect to the Property's sale.

4. Subject to the court's approval, the Receiver will distribute the "net sale proceeds" generated from the Property's sale in accordance with *California Code of Civil Procedure* section 701.810. As used in this Order, the term "net sale proceeds" means the amount of the Property's gross sale proceeds remaining after deducting the following: escrow and title insurance costs and expenses; sales commissions; amounts paid to the holders of any Receiver's Certificates of Indebtedness; amounts paid to cause the Property's condition of title to be as required by the purchase and sale agreement; delinquent property taxes and assessments; state and federal tax liens; other claims with a statutory priority; and all other reasonable and customary charges and expenses incurred by sellers of similar real property in the Property's locale.

5. If receivership estate proceeds are insufficient to satisfy all receivership estate obligations, including the Receiver's Approved Expenses and the City's Approved Expenses, then in addition to granting relief under *Health and Safety Code* section 17980.7(c)(15), the court may order any one or more of the Defendants to pay any shortfall. The court may order that each Defendant is jointly and severally liable with the other Defendants to the Receiver and the City/County for the full amount of the shortfall. The Receiver and the City may collect that shortfall in any manner authorized by law.

H. AFFIRMATIVE INJUNCTIVE RELIEF

Defendants, their partners, assignees, successors, representatives, managers, agents, attorneys, employees, and all other persons acting under or in concert with Defendants (all of the foregoing, collectively, "**Enjoined Parties**"), are ordered to:

1. Immediately relinquish and turn over possession of the Property to the Receiver. Any current, lawful occupants of the Property may continue to occupy the Property unless the Receiver, in its discretion, determines that their relocation is necessary or convenient to the carrying out of the Receiver's powers and responsibilities.

2. Immediately turn over to the Receiver all keys to the Property and all books, records, agreements, contracts, policies of insurance, and other instruments pertaining to the Property.

3. Immediately inform the Receiver as to the nature and extent of insurance coverage on the Property and have the insurance policies endorsed to name the Receiver as an additional insured.

4. Immediately turn over to the Receiver all information, documents, records, or other information that the Receiver requests, including, but not limited to, all books and records pertaining to the Property's real estate tax bills and utility bills, wherever located and in whatever mode maintained, including information contained on computers and all software relating thereto, as well as any permits, government approvals and other information that pertains to the Property.

5. Immediately forward to the Receiver all rents, profits, insurance proceeds, or other income of any type that may be received in connection with the Property.

6. Within five (5) days following the Receiver's request, execute (in recordable form, if necessary) and deliver to the Receiver all documents necessary or convenient (as determined by the Receiver in its sole discretion) to implement the actions authorized by this Order or within the Receiver's power to undertake, including rescissions of any notices of default or notices of trustee's sale.

7. Any utility will apply any deposit which it is holding for utility service to the Property as a deposit for continued utility service while the Receiver is operating the Property and may not require any additional deposit from the Receiver and may not terminate utility service to the Property because of the Receiver's failure to post a deposit.

8. Immediately following the Receiver's request, provide the Receiver with all tax identification numbers (e.g., Social Security Numbers and Employer Identification Numbers) used in connection with the ownership or operation of the Property or operation of the Property or required for the Receiver to make proper filings with federal and state taxing authorities. No funds will be paid to any Defendant or any third party unless the Defendant or third party has provided the Receiver with properly completed tax forms, including a Form W-9. The Receiver is authorized to use the tax identification numbers solely in connection with receivership estate matters.

I. PROHIBITORY INJUNCTIVE RELIEF

The Enjoined Parties are prohibited from:

1. Demanding, collecting, receiving, or diverting any rents, profits, insurance proceeds, or other income of any type from the Property.

2. Except as may occur in connection with the Enjoined Parties' exercise of the right to petition the courts for relief, obstructing or interfering with, directly or indirectly, the Receiver's conduct of the receivership.

3. Encumbering, mortgaging, lienning, leasing, renting, gifting, conveying, selling, listing, marketing for sale, or transferring the Property or any interest in it.

4. Canceling, reducing, or modifying any existing insurance coverage with respect to the Property.

5. Entering upon the Property or into any structure located on the Property without the Receiver's or the court's prior written consent.

6. Preventing, impairing, restricting, or otherwise interfering with the Receiver's and its agents', contractors', and representatives' entry onto the Property, including any occupied or unoccupied residence(s) thereon.

7. Commencing or continuing any judicial or non-judicial foreclosure action, trustee's sale, or similar process, including filing any notice of default or notice of trustee's sale.

8. Commencing or continuing any action which impairs or precludes the Receiver's ability to obtain any policy of title insurance needed to implement the actions authorized by this Order or any subsequent court order.

9. Removing any furniture, fixture or item of personal property from the Property without the Receiver's prior written consent.

10. Claiming any deduction with respect to state income taxes for interest, taxes, expenses, depreciation, or amortization paid or incurred with respect to the Property during the pendency of the receivership.

J. ADDITIONAL TERMS

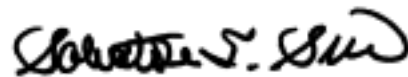
1. The Receiver and the parties to this action may, at any time, apply to this court for further instructions or orders and for further powers necessary to enable the Receiver to perform the Receiver's duties properly.

1 2. This Order is immediately effective. In addition, this action is continued generally
2 and the court reserves full jurisdiction over such other proceedings as may be necessary to
3 effectuate the provisions of this Order or any subsequent court order and to award such other relief
4 recoverable under *Health and Safety Code* section 17980.7, et seq., or any other provision of law,
5 including, but not limited to, the award of attorneys' fees and costs.

6 3. The receivership is ongoing until further order of this court.

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8 Dated: 05/16/2024





JUDGE OF THE SUPERIOR COURT

Salvatore Sirna / Judge

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EXHIBIT A

Legal Description of Property

The land referred to herein is situated the City of Azusa, County of Los Angeles, State of California, and described as follows:

Lot 20 in Tract No. 15395 as per map thereof recorded in book 483, page(s) 3 AND 4 of Maps in the office of the County Recorder of said County.

Parcel No.: 8612-006-011
Address: 440 North Durrell Avenue, Azusa, CA 91702

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF _____

_____	)	CASE NO. _____
Plaintiff,	)	RECEIVER'S CERTIFICATE OF
	)	INDEBTEDNESS
v.	)	
_____	)	
	)	
Defendants.	)	
	)	
_____	)	

GS Strategies, Inc., as the court-appointed receiver ("**Receiver**") for the receivership estate ("**Receivership Estate**") consisting of that certain real property and improvements commonly known as _____, CA _____, APN _____, and more fully described in the attached Exhibit 1 ("**Property**"), issues this Receiver's Certificate of Indebtedness ("**Certificate**") in the amount of _____ Dollars (\$_____) ("**Principal**") to _____ ("**Lender**"). This Certificate is issued to evidence the Receivership Estate's obligation to repay the Lender the Principal and Interest (as defined below).

This Certificate is issued under the authority of the Superior Court of the State of California for the County of _____ through its Order Appointing the Receiver dated _____, 20__, and its Order authorizing issuance of this Certificate dated _____, 20__, in Case No. _____ entitled *City of _____ v. _____, et al.* The Certificate is issued and repayable on the following terms:

A. Loan and Origination Fee.

The Lender has agreed to lend the Principal to the Receivership Estate for the purposes set forth in the Court Orders described in this Certificate. The Lender will disburse the Principal, less an origination fee equal to five and one-half percent (5.5%) of the Principal (i.e., \$_____) (the Principal less the origination fee, the “**Net Loan Proceeds**”) to the Receiver’s designated account within three (3) business days following the Receiver’s written request. The Receiver and the Lender acknowledge that, for purposes of this Certificate, the Net Loan Proceeds will be _____ Dollars (\$_____). The date on which the Net Loan Proceeds are disbursed to the Receiver’s account is referred to in this Certificate as the “**Disbursement Date.**”

B. Interest.

The Principal will accrue simple interest at the rate of twelve percent (12%) per annum, commencing on the Disbursement Date and continuing thereafter until paid. Each Extension Fee (defined below) (if any) will be added to the Principal and will accrue interest on the same terms as the Principal, except that interest will commence on the date that the Extension Fee becomes earned under the terms of this Certificate. As used in this Certificate, the term “**Interest**” means all accrued and unpaid interest on the Principal. Interest will be calculated based on a 365-day year.

C. Maturity Date.

If not paid sooner, the Payoff Amount (defined in Section D, below) will be due and payable, without demand, on the date (“**Payment Date**”) that is the earlier of: (1) the date of the close of the escrow (“**Close of Escrow**”) for the first sale of the Property following the Disbursement Date, and (2) the twelve (12) month anniversary (“**Original Outside Maturity Date**”) of the Disbursement Date, subject, however, to the extension provisions set out in this Paragraph C, below.

If the Payment Date has not occurred by the Original Outside Maturity Date, the Original Outside Maturity Date will be automatically extended for up to three (3) additional one (1) month periods. The Lender will be entitled to an Extension Fee (each, an “**Extension Fee**”) equal to one percent (1%) of the then-outstanding balance of the Principal for each one (1) month period (or

portion thereof) between the Original Outside Maturity Date and the Payment Date. Each Extension Fee will be fully earned and applicable as of each monthly anniversary of the Original Outside Maturity Date.

The Original Outside Maturity Date will not be extended beyond the fifteen (15)-month anniversary of the Disbursement Date, except as may be agreed in writing by the Receiver and the Lender, acting in their sole discretion.

D. Repayment Terms.

No payments toward Principal or Interest will be due prior to the Payment Date. On the Payment Date, the Lender will be paid an amount (“**Payoff Amount**”) equal to the sum of the following: (1) the unpaid Principal and accrued and unpaid Interest; and (2) any other amounts owing pursuant to the terms of the Receiver’s Trust Deed (defined below). The Lender will deliver the original of this Certificate, together with a fully-executed and notarized request for reconveyance of the Receiver’s Trust Deed, to the escrow agent acting as escrow holder (“**Escrow Holder**”) for the sale of the Property, and will permit the recordation of the request for reconveyance and the cancellation of the original Certificate when Escrow Holder holds sufficient sums to tender the Payoff Amount to the Lender and has been irrevocably authorized by the Receiver to do so. If there is no Escrow Holder, the Lender will deliver the original of this Certificate and the request for reconveyance to the Receiver (or its designee) concurrently with Lender’s receipt of the Payoff Amount.

E. Prepayment.

The Principal, Interest, and any other amounts owing pursuant to the terms of the Receiver’s Trust Deed may be prepaid in full or in part at any time prior to the Payment Date without penalty. Upon full prepayment, the Lender will deliver to the Receiver (or its designee) the original of this Certificate and a fully-executed and notarized request for reconveyance of the Receiver’s Trust Deed and will permit the recordation of the request for reconveyance and the cancellation of the original Certificate.

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F. Certificate Security.

Prior to or within five (5) business days following the Disbursement Date, the Receiver will execute and record against the Property a standard form deed of trust and assignment of rents in the form attached as Exhibit 2 (“**Receiver’s Trust Deed**”). The Receiver’s Trust Deed will hold a priority lien position senior to all other non-statutory liens or claims against the Property (other than federal and state tax liens and for delinquent property taxes).

G. Priority; Non-Recourse Obligations.

The obligations arising under this Certificate and the Receiver’s Trust Deed have priority over all other obligations being secured by or arising under any other liens or claims against the Property (other than for federal and state tax liens and delinquent property taxes). The obligations due or to become due under the terms of this Certificate or the Receiver’s Trust Deed are absolutely and unconditionally non-recourse as to the Receiver, its subsidiaries and affiliates, and their respective representatives, shareholders, directors, officers, agents, contractors, and attorneys. The obligations due or to become due under the terms of this Certificate or the Receiver’s Trust Deed are payable solely from the sale proceeds of the Property and the Lender’s sole recourse upon default in payment of any sums due under this Certificate or the Receiver’s Trust Deed will be judicial or non-judicial foreclosure of the Receiver’s Trust Deed.

H. Insurance.

The Receiver will, as a receivership estate expense and until the Loan and all other amounts due under the terms of this Certificate have been fully repaid, obtain and maintain standard form casualty insurance in an amount no less than the Loan and insuring the structures located on the Property against loss or damage due to fire or other casualty. Prior to the Disbursement Date, the Receiver will provide the Lender with a certificate of insurance evidencing the insurance required

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by this Paragraph H and will cause the policy to be endorsed to name the Lender as an additional insured.

RECEIVER:

Dated: _____, 202__

GS STRATEGIES, INC., a California corporation

By: _____
KEVIN RANDOLPH, IN HIS CAPACITY AS
THE DESIGNATED REPRESENTATIVE OF
THE COURT-APPOINTED RECEIVER IN
_____ SUPERIOR COURT CASE
NO. _____ ENTITLED CITY OF
_____ V. _____, ET
AL.

BEST BEST & KRIEGER LLP

EXHIBIT C

Recording Requested By and
When Recorded Return To:

APN _____
Title Order No. _____

(Space Above This Line For Recorder's Use)

RECEIVER'S DEED OF TRUST

This **RECEIVER'S DEED OF TRUST**, made on _____, 202__, between GS STRATEGIES, INC., a California corporation, in its capacity as court-appointed receiver for the property located at _____, California _____, herein called TRUSTOR, whose address is 550 E. Hospitality Lane, Suite 350, San Bernardino, California 92408, and ORANGE COAST TITLE COMPANY, a California corporation, herein called TRUSTEE, and _____,

Trustor irrevocably grants, transfers, and assigns to Trustee in trust, with the power of sale, that property in [the City of _____, County of _____,] OR [an unincorporated area of the County of _____], State of California, commonly known _____, _____, California _____ (APN _____) and described as:

[LEGAL DESCRIPTION]

APN _____

(the "Property"), together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, for the purpose of securing (i) payment of the sum of _____ Dollars (\$_____), together with interest thereon according to the terms of that certain "Receiver's Certificate of Indebtedness" dated _____, 202__, between Trustor and Beneficiary (the "Certificate"), issued pursuant to the Court Action (as defined below), as such Certificate and/or indebtedness may be modified in the Court Action, and any extensions or renewals thereof, and the performance of all other obligations described in the Certificate; (ii) the performance of each agreement incorporated by reference or contained herein; and (iii) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a further receiver's certificate of indebtedness and/or a promissory note(s) reciting that they are secured by this Deed of Trust. This Deed of Trust is given in accordance with that certain (a) Order Appointing Receiver, dated _____, ("Order") of the _____ County Superior Court (the "Court") in Case No. _____ (the "Court Action"). The Trustor, Trustee and Beneficiary acknowledge that the powers described in this Deed of Trust are subject to the Court's authority and jurisdiction.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To take reasonable measures to secure the Property; not to remove or demolish any building thereon except as provided in the Order or as otherwise directed or permitted by the Court;

1 to complete or restore the Property promptly and in good and workmanlike manner as provided by
 2 the Order and to otherwise restore promptly and in good and workmanlike manner, except as
 3 otherwise directed by the Court, any building which may be constructed, damaged or destroyed on
 4 the Property, and to pay when due all claims for labor performed and materials furnished therefore
 5 except as otherwise directed by the Court; to comply with all laws affecting the Property or
 6 requiring any alterations or improvements to be made thereon except as otherwise directed by the
 7 Court; not to commit or permit waste of the Property; not to commit, suffer or permit any act upon
 8 the Property in violation of law except for violations existing as of the date of this Deed of Trust
 9 and not contemplated by the Order to be corrected in connection with the work contemplated
 10 thereunder; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the
 11 character or use of the Property may be reasonably necessary except as otherwise directed by the
 12 Court, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary such insurance as is specified in the
 Certificate, with loss payable to Beneficiary to the extent of its interest in the Property. The amount
 collected under any insurance policy will be applied by Beneficiary upon any indebtedness secured
 hereby and in such order as Beneficiary may determine, or, at option of Beneficiary, the entire
 amount so collected or any part thereof may be released to Trustor. Such application or release
 shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant
 to such notice.

3) If and as directed and approved by the Court: (i) to appear in and defend any action
 or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or
 Trustee; (ii) to pay all costs and expenses, including cost of evidence of title and attorney's fees in
 a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear,
 and in any suit brought by Beneficiary to foreclose this Deed of Trust

4) If and as directed and approved by the Court, to pay: (i) at least ten days before
 delinquency all taxes and assessments affecting the Property, including assessments on appurtenant
 water stock, (ii) when due, all encumbrances, charges and liens, with interest, on the Property or
 any part thereof, which appear to be prior or superior hereto, and (iii) upon demand by Trustee or
 Beneficiary, all costs, fees and expenses of Trustee or Beneficiary reasonably incurred in
 connection with any default of the obligations set forth herein or secured hereby, with interest from
 date of expenditure at the rate of ten percent (10%) per annum.

Should the amounts described above in this Paragraph 4 not be paid when due (irrespective
 of whether the Court has directed Trustor to make such payment(s)) or should Trustor fail to make
 any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation
 so to do and without notice to or demand upon Trustor and without releasing Trustor from any
 obligation hereof, may; make or do the same in such manner and to such extent as either may deem
 necessary to protect the security hereof, Beneficiary and Trustee being authorized to enter upon the
 Property for such purposes; appear in and defend any action or proceeding purporting to affect the
 security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or
 compromise any encumbrance, charge or lien which in the judgment of either appears to be prior
 or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel
 and pay its reasonable fees.

5) All sums so expended by Beneficiary or Trustee automatically shall
 become part of the indebtedness secured by this Deed of Trust, with interest from date of
 expenditure at the rate of ten percent (10%) per annum, as shall the payment for any statement
 provided for by law in effect at the date hereof regarding the obligation secured hereby in the
 amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time
 when said statement is demanded. The amounts described above in this Paragraph shall be paid

on the Payment Date, as defined in the Certificate, except to the extent Trustor is directed by the Court to pay such amounts earlier.

B. It is mutually agreed:

1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary to the extent of its interest in the Property, which will apply or release such moneys received in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Certificate and any other evidence of indebtedness secured hereby to Trustee for cancellation for cancellation and retention or other disposition as Trustee in its sole discretion may choose, and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as *"the person or persons legally entitled thereto"*.

4) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this trust(s) existing hereunder, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Certificate, and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

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Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

6) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

7) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Certificate secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8) That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9) That the entire indebtedness secured by this Deed of Trust shall be enforceable only against the Property, and in the event of any default of the obligations set forth in this Deed of Trust or the Certificate or otherwise secured by this Deed of Trust, Beneficiary shall look only to the Property and not to any other asset of Trustor, and in no event shall Trustor or its representatives, shareholders, directors, officers, agents, contractors, and attorneys, be personally liable for any such obligation. Notwithstanding the foregoing, Trustor shall be liable for any active fraud or other intentional misconduct to the extent adjudged liable by the Court.

Signature of Trustor

**GS STRATEGIES, INC., IN ITS CAPACITY AS THE
COURT-APPOINTED RECEIVER FOR THE PROPERTY LOCATED
AT _____, CA, IN
_____ COUNTY SUPERIOR COURT CASE NO. _____
ENTITLED _____ V. _____, ET AL.**

KEVIN RANDOLPH, its Designated Representative

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EXHIBIT D

Compensation Rates

<u>Attorney:</u>	<u>Billing Rate</u>
Kevin K. Randolph	\$625
Marlene L. Allen Murray	\$595
Amanda Lee	\$340
<u>Paraprofessionals:</u>	
Lisa Matheny	\$310