

Disclosure and Advisories

0 Skyline Dr., Desert Hot Springs, CA 92282



SELLER'S VACANT LAND ADVISORY

(C.A.R. Form SVLA, Revised 6/23)

1. **INTRODUCTION:** Selling property in California is a process that involves many steps. From start to finish, it could take anywhere from a few weeks to many months, depending upon the condition of your Property, local market conditions and other factors. You have already taken an important step by listing your Property for sale with a licensed real estate broker. Your broker will help guide you through the process and may refer you to other professionals, as needed. This advisory addresses many things you may need to think about and do as you market your Property. Some of these things are requirements imposed upon you, either by law or by the listing or sale contract. Others are simply practical matters that may arise during the process. Please read this document carefully and, if you have any questions, ask your broker or appropriate legal or tax advisor for help.
2. **DISCLOSURES:**
 - A. **General Disclosure Duties:** You must affirmatively disclose to the buyer, in writing, all known facts that materially affect the value or desirability of your Property. You must disclose these facts whether or not asked about such matters by the buyer, any broker, or anyone else. This duty to disclose applies even if the buyer agrees to purchase your Property in its present condition without requiring you to make any repairs. If you do not know what or how to disclose, you should consult a real estate attorney in California of your choosing. Broker cannot advise you on the legal sufficiency of any disclosures you make.
 - B. **Specific Contractual Disclosure Duties:**
 - (1) The Vacant Land Purchase Agreement provides that the seller shall, if required by Law, deliver to buyer information regarding earthquakes, environmental hazards, flood hazards, and fire hazards
 - (2) If seller has actual knowledge, the purchase agreement requires seller to disclose (i) Legal Proceedings affecting the Property, (ii) Agricultural Use restrictions, (iii) Deed restrictions; (iv) Farm Use and right to farm issues, (v) Endangered Species issues, (vi) Environmental Hazards, (vii) Common Walls, (viii) Landlocked property, (ix) Easements and Encroachments, (x) Soil fill and Soil problems, (xi) Earthquake damage, (xii) Zoning Issues, (xiii) Neighborhood problems, and (xiv) Surveys, plans, and permits in seller's possession.
 - (3) Existing Rental and Service agreements must be disclosed.
 - (4) Seller is also required to make a good faith effort to obtain and deliver to the buyer a disclosure notice from the appropriate local agency(ies) about any special tax levied on your Property pursuant to the Mello-Roos Community Facilities Act, the Improvement Bond Act of 1915, and a notice concerning the contractual assessment provided by § 5898.24 of the Streets and Highways Code.
 - (5) Common Interest Developments: If the Property is in a common interest development, you must provide to the buyer copies of the governing documents, the most recent financial statements distributed, and other documents required by law or contract. If you do not have a current version of these documents, you can request them from the management of your homeowners' association. To avoid delays, you are encouraged to obtain these documents as soon as possible, even if you have not yet entered into a purchase agreement to sell your Property.
 - (6) Contract Terms and Conditions: A buyer may request, as part of the contract for the sale of your Property, that you pay for repairs to the Property and other items. Your decision on whether or not to comply with a buyer's requests may affect your ability to sell your Property at a specified price.
 - C. **Other Legal Duties - Withholding Taxes:** Under federal and California tax laws, a buyer is required to withhold a portion of the purchase price from your sale proceeds for tax purposes unless you sign an affidavit of non-foreign status and California residency, or some other exemption applies and is documented.
 - D. **Prohibition Against Discrimination:** Discriminatory conduct in the sale of real property against individuals belonging to legally protected classes is a violation of the law.
3. **LEGAL AND TAX IMPLICATIONS:** Your Property may have legal, tax, insurance, title or other implications. You should consult an appropriate professional for advice on these matters.
4. **MARKETING CONSIDERATIONS:**
 - A. **Pre-Sale Inspections and Considerations:** You should consider doing what you can to prepare your Property for sale. Many people are not aware of defects in or problems with their own Property. One way to make yourself aware is to obtain professional inspections prior to sale. Pre-sale inspections may include a general property inspection and an inspection of the septic or well systems, if any, among others. By doing this, you then have an opportunity to make repairs before your Property is sold, which may enhance its marketability. Keep in mind, however, that any problems revealed by such inspection reports or repairs that have been made, should be disclosed to the buyer (see "Disclosures" in **paragraph 2** above). This is true even if the buyer gets his/her own inspections covering the same area. Obtaining inspection reports may also assist you during contract negotiations with the buyer.
 - B. **Safety Precautions:** Advertising and marketing your Property for sale, including, but not limited to, placing a



keysafe/lockbox, erecting FOR SALE signs, and disseminating photographs, videotapes, and virtual tours of the Property, may jeopardize the safety of your Property. You are strongly encouraged to maintain insurance, and to take any and all possible precautions and safeguards to protect Property, and your belongings, including valuables located on the Property.

- C. **Expenses:** You are advised that you, not the Broker, are responsible for the fees and costs, if any, to comply with your duties and obligations to the buyer of your Property.

5. **OTHER ITEMS:**

Seller has read and understands this Advisory. By signing below, Seller acknowledges receipt of a copy of this document.

Seller



Date

6-12-21

Matthew L. Taylor, Partition Referee

Print Name

Seller

Date

Print Name

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SELLER'S VACANT LAND ADVISORY (SVLA PAGE 2 OF 2)



BROKER COMPENSATION ADVISORY

(C.A.R. Form BCA, 7/24)

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 legislation expected to become law in California on January 1, 2025, all licensees showing a buyer any type of property will be required to have a written agreement with that buyer prior to the showing.



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.

(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 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 acknowledges that they have read, understand, and have received a Copy of this Broker Compensation Advisory. 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



Matthew L. Taylor, Partition Referee

Date 6/12/25

Seller/Buyer

Date

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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		Date	6/12/25
	Matthew L. Taylor, Partition Referee		
Seller	_____	Date	_____

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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 6/24)

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 professional even if Seller or Broker has 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 contain conflicting information. If there are discrepancies between reports, disclosures or other information, you are responsible for contacting appropriate professionals to confirm the accuracy of 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 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

- 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 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 inspection contingency period. Brokers do not have expertise in this area.

2. **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, pcb's, 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 inspection 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.
3. **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 inspection 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.
4. **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 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 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 geologic 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.
5. **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 within 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, or 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 for the area of concern to Buyer. 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 somebody 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 area.
6. **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 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 roof. 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. Brokers do not have expertise in this area. 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.

7. **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 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 had 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.
8. **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 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 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.
9. **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.
10. **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 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 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.
11. **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. Because 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.



- 12. 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 inspection contingency period. Brokers do not have expertise in this area.
- 13. 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 inspection contingency period. Brokers do not have expertise in this area.
- 14. FIRE HARDENING, DEFENSIBLE SPACE, AND WILDFIRE DISASTERS:** California is subject to wildfires which have resulted in damage and destruction of many properties located in the state. 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 mandates that sellers provide buyers with statements of compliance with local mandates if adopted by local agencies. 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 to 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 partial 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/pricegougingduringdisasters#8C1>
- Brokers do not have expertise in this area.**
- 15. 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 reviews 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 do not have expertise in this area.

B. Property Use and Ownership

- 1. 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.
- 2. 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.

3. **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 his 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.
4. **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.
5. **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.
6. **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 inspection contingency period. Brokers do not have expertise in this area.
7. **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 inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.
8. **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 his or her 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. If 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, as do all insurance policies, contain some exclusions, 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 mistakenly has 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.

9. **LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (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.
10. **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.
11. **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.



- 12. 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 inspection contingency period. Brokers do not have expertise in this area.
- 13. 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, (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.
- 14. 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 inspection contingency period. Brokers do not have expertise in this area.
- 15. 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 inspection contingency period. Brokers do not have expertise in this area.
- 16. 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.
- 17. 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.
- 18. 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

1. **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.
2. **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.
3. **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.
4. **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 inspection contingency period. Brokers do not have expertise in this area.
5. **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 inspection contingency period. Brokers do not have expertise in this area.
6. **WILDLIFE:** California is the 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.

7. **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 inspection contingency period. Brokers do not have expertise in this area.

D. Legal Requirements (Federal, State and Local)

1. **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.
2. **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 inspection 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.
3. **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 <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.
4. **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 inspection 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.
5. **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.

6. **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 his or her lender and/or insurance agent during Buyer's inspection contingency period. Buyer is advised that there is a potential for flooding even outside designated zones. Brokers do not have expertise in this area.
7. **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.
8. **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 his or her 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.

9. **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.
10. **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

1. **SIGNING DOCUMENTS ELECTRONICALLY:** 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 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 are 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.

2. **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.
3. **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.
4. **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.
5. **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.
6. **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.
7. **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.
8. **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 CND). 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.
9. **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

1. **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.
2. **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/> during Buyer's inspection contingency period. Another source affiliated with the CPSC is <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.
3. **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."
4. **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.

5. **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.
6. **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.
7. **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.
8. **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. Buyers 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.
9. **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.
10. **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 read, understands and received a copy of all 15 pages of this Advisory.

BUYER _____ Date _____

BUYER _____ Date _____

SELLER _____ *Matthew L. Taylor, Partition Referee* Date 6/12/25

SELLER _____ Date _____

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SBSA REVISED 6/24 (PAGE 15 OF 15)

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

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0 Skyline Dr. DHS





**NOTICE OF YOUR "SUPPLEMENTAL"
PROPERTY TAX BILL**
(C.A.R. Form SPT, 12/21)

Name of Buyer(s) _____
 Property Address 0 Skyline Dr.
Desert Hot Springs, CA

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."

Buyer acknowledges Buyer has read, understands and has received a copy of this "Notice of Your 'Supplemental' Property Tax Bill".

Buyer _____ Date _____

Buyer _____ Date _____

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SPT 12/21 (PAGE 1 OF 1)



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



CALIFORNIA
ASSOCIATION
OF REALTORS®

USE OF NON-STANDARD FORMS ADVISORY

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

Property Address: 0 Skyline Dr., Desert Hot Springs, CA

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.

Matthew L. Taylor, Partition Referee Date 6-12-25

_____ Date _____

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NSF 6/22 (PAGE 1 OF 1)



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

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

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

Phone: 9092285255 Fax: _____
www.lwolf.com

0 Skyline Dr. DHS



SQUARE FOOTAGE AND LOT SIZE ADVISORY AND DISCLOSURE

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

Property Address: 0 Skyline Dr., Desert Hot Springs, CA ("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 Matthew L. Taylor, Partition Referee Date 6-12-24
 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 6/23)**

Seller makes the following disclosures with regard to the real property or manufactured home described as 0 Skyline Dr., situated in Desert Hot Springs (City), Riverside (County), California, _____ (Zip Code), Assessor's Parcel No. 644-020-013 ("Property").

☐ This property is a duplex, triplex or fourplex. 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.

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 a condominium or located in a planned unit development or 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;

Seller is a Partition Referee for the Superior Court and has no personal knowledge of the items on this page. Buyer is encouraged to conduct their own investigations to satisfy their due diligence.

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 _____ Matthew L. Taylor, Partition Referee Date 6/12/21
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 6/23 (PAGE 1 OF 1)



EXEMPT SELLER DISCLOSURE (ESD PAGE 1 OF 1)



SELLER VACANT LAND QUESTIONNAIRE

(C.A.R. Form VLQ, Revised 6/23)

Seller makes the following disclosures with regard to the real property described as 0 Skyline Dr.,
Assessor's Parcel No. 644-020-013, situated in Desert Hot Springs,
County of Riverside, California ("Property").

1. The following are representations made by the Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker have not verified information provided by Seller. A real estate broker is qualified to advise on real estate transactions. If Seller or Buyer desire legal advice, they should consult an attorney.
2. **Note to Seller: PURPOSE:** To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
 - Answer based on actual knowledge and recollection at this time.
 - Something that you do not consider material or significant may be perceived differently by a Buyer.
 - Think about what you would want to know if you were buying the Property today.
 - Read the questions carefully and take your time.
3. **Note to Buyer: PURPOSE:** To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
 - Something that may be material or significant to you, may not be perceived the same way by the Seller.
 - If something is important to you, be sure to put your concerns and questions in writing (C.A.R. Form BMI).
 - Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
 - Seller's disclosures are not a substitute for your own investigations, personal judgments or common sense.
4. **SELLER AWARENESS:** For each statement below, answer the question "Are you (Seller) aware of..." by checking either "Yes" or "No." Provide explanations to answers in the space provided or attach additional comments and check paragraph 17.

5. **DOCUMENTS:**

— ARE YOU (SELLER) AWARE OF...

A. Reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys or other documents (whether prepared in the past or present, including any previous transaction, and whether or not Seller acted upon the item), pertaining to (i) the condition or repair of the Property or any improvement on this Property in the past, now or proposed; or (ii) easements, encroachments or boundary disputes affecting the Property whether oral or in writing and whether or not provided to the Seller..... ☐ Yes ☐ No

B. Department of Real Estate Public Report, or subdivision map..... ☐ Yes ☐ No

Note: If yes to 5, provide any such documents in your possession to Buyer.

Explanation: _____

6. **STATUTORILY OR CONTRACTUALLY REQUIRED OR RELATED:**

— ARE YOU (SELLER) AWARE OF...

A. 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

B. The release of an illegal controlled substance on or beneath the Property..... ☐ Yes ☐ No

C. 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.)

D. Whether the Property is affected by a nuisance created by an "industrial use" zone..... ☐ Yes ☐ No

E. Whether the Property is located within 1 mile of a former federal or state ordinance location..... ☐ Yes ☐ No
(In general, an area once used for military training purposes that may contain potentially explosive munitions.)

F. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision..... ☐ Yes ☐ No

G. Insurance claims affecting the Property within the past 5 years..... ☐ Yes ☐ No

H. Matters affecting title of the Property..... ☐ Yes ☐ No

I. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3..... ☐ Yes ☐ No

J. Material facts or defects affecting the Property not otherwise disclosed to Buyer..... ☐ Yes ☐ No

Explanation, or ☐ (if checked) see attached: _____

As Partition Referee, Matthew L. Taylor and his representatives are exempt from disclosure. Buyer is encouraged to complete all necessary inspections 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.

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Seller's Initials M

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SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 1 OF 4)



Property Address: 0 Skyline Dr., Desert Hot Springs, CA

Date: June 9, 2025

7. BOUNDARIES, ACCESS AND PROPERTY USE BY OTHERS:

— ARE YOU (SELLER) AWARE OF...

- A. Surveys, markers, stakes, pins or maps showing the location of the Property ☐ Yes ☐ No
- B. Any unrecorded easement, encroachment or other dispute, maintenance or use agreement affecting access to, or boundaries of, the Property ☐ Yes ☐ No
- C. Use of the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways or other forms of ingress or egress, or other travel or drainage ☐ Yes ☐ No
- D. Leases, rental agreements, service contracts, licenses, permits or related agreements regarding use of the Property by others ☐ Yes ☐ No
- E. Use of any neighboring property by you ☐ Yes ☐ No
- F. The absence or limitation of legal or physical access to the Property ☐ Yes ☐ No
- Explanation: _____
- _____
- _____

8. GEOLOGIC CONDITIONS AND ENVIRONMENTAL HAZARDS:

— ARE YOU (SELLER) AWARE OF...

- A. Fill (compacted or otherwise), soil instability, caves, mines, caverns, or slippage on the Property ☐ Yes ☐ No
- B. Radon, methane or other gases, contaminated soil or water, hazardous waste, or waste disposal sites on the Property ☐ Yes ☐ No
- C. Fuel, oil or chemical storage tanks, or facilities above or underground ☐ Yes ☐ No
- D. Past or present treatment or eradication of pests or odors ☐ Yes ☐ No
- Explanation: _____
- _____
- _____

9. GOVERNMENTAL:

— ARE YOU (SELLER) AWARE OF...

- A. Agricultural use restrictions pursuant to the Williamson Act or other law ☐ Yes ☐ No
- B. Whether the Property is in or adjacent to an area with Right to Farm rights ☐ Yes ☐ No
- C. Presence of any endangered, threatened, "candidate" species, wetlands, historic artifacts or human remains on the Property ☐ Yes ☐ No
- D. Any protected habitat for plants, trees, animals or insects that apply to or could affect the Property ☐ Yes ☐ No
- E. Conditions or laws that may affect the ability to place and/or use a manufactured home on the Property ☐ Yes ☐ No
- F. Special taxes pursuant to the Mello-Ross Community Facilities Act, Improvement Bond Act of 1915 or other law, ☐ Yes ☐ No
- G. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that apply to or could affect the Property ☐ Yes ☐ No
- H. Existence or pendency of any rent control, occupancy restrictions or retrofit requirements that apply to or could affect the Property ☐ Yes ☐ No
- I. Existing or contemplated building or use moratorium that apply to or could affect the Property ☐ Yes ☐ No
- J. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property ☐ Yes ☐ No
- K. Proposed construction, reconfiguration, or closure of nearby government facilities or amenities such as schools, parks, roadways and traffic signals ☐ Yes ☐ No
- L. Existing or proposed government requirements affecting the Property (i) that tall grass, brush or other vegetation be cleared; (ii) that restrict tree (or other landscaping) planting, removal or cutting, or (iii) that flammable materials be removed ☐ Yes ☐ No
- Explanation: _____
- _____
- _____

10. WATER-RELATED ISSUES:

— ARE YOU (SELLER) AWARE OF...

- A. Standing water, flooding, pumps, underground water, or water-related soil settling or slippage on or affecting the Property ☐ Yes ☐ No
- B. Rivers, streams, flood channels, underground springs, high water table, floods or tides on or affecting the Property ☐ Yes ☐ No
- Explanation: _____
- _____
- _____

Buyer's Initials _____ / _____

Seller's Initials mt / _____

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SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 2 OF 4)

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0 Skyline Dr. DHS



Property Address: 0 Skyline Dr., Desert Hot Springs, CA

Date: June 9, 2025

11. UTILITIES AND SERVICES:

— ARE YOU (SELLER) AWARE OF...

A. Whether any of the following utilities or services are available ON the Property ☐ Yes ☐ No

If yes, check which ones: ☐ wells ☐ sewer ☐ septic ☐ sanitation ☐ leach lines ☐ water

☐ gas ☐ electric ☐ telephone ☐ cable ☐ other

If no, are you aware of the distance such utilities or services are from the Property ☐ Yes ☐ No

Explanation: _____

12. LANDSCAPING, AGRICULTURE, STRUCTURES OR OTHER IMPROVEMENTS:

— ARE YOU (SELLER) AWARE OF...

A. Diseases or infestations affecting trees, plants or vegetation on or near the Property ☐ Yes ☐ No

B. Diseases, infestation or other reason affecting the production of any agricultural trees or crops on the Property ☐ Yes ☐ No

C. Operational sprinklers or irrigation systems on the Property ☐ Yes ☐ No
If yes, are they ☐ automatic or ☐ manually operated.

D. Any structures or improvements (such as pad, foundations, or shelter) ☐ Yes ☐ No

Explanation: _____

13. NEIGHBORHOOD:

— ARE YOU (SELLER) AWARE OF...

Neighborhood noise, nuisance or other problems from sources such as, but not limited to, the following: neighbors, livestock, wildlife, insects or pests, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, or wildlife..... ☐ Yes ☐ No

Explanation: _____

14. COMMON INTEREST CONDOMINIUMS AND DEVELOPMENTS:

— ARE YOU (SELLER) AWARE OF...

A. Any Homeowner or Property Owner Association (OA) governing the Property, or any pending or proposed dues increases, special assessments, rules changes, insurance, availability issues or threatened or pending litigation by or against the OA affecting the Property ☐ Yes ☐ No

Explanation: _____

15. TITLE, OWNERSHIP AND LEGAL CLAIMS:

— ARE YOU (SELLER) AWARE OF...

A. Any other person or entity on title other than Seller(s) signing this form ☐ Yes ☐ No

B. Leases, options or claims affecting or relating to title or use of the Property ☐ Yes ☐ No

C. Any other person or entity other than Seller(s) signing this form with a legal claim to oil, mineral, gas or water rights ☐ Yes ☐ No

D. Past, present, pending or threatened lawsuits, mediations, arbitrations, tax liens, abatement liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, OA or neighborhood ☐ Yes ☐ No

Explanation: _____

16. DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT:

— ARE YOU (SELLER) AWARE OF...

Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to correct damage ☐ Yes ☐ No

Explanation: _____

17. ☐ (IF CHECKED) **ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

Buyer's Initials _____

Seller's Initials mm

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SELLER VACANT LAND QUESTIONNAIRE (VLQ PAGE 3 OF 4)

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0 Skyline Dr. DHS



Property Address: 0 Skyline Dr., Desert Hot Springs, CA

Date: June 9, 2025

Seller represents that Seller has provided the answers and, if any, explanations and comments on this Form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this Form is independent from any duty of disclosure that a real estate licensee may have in this transaction, and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from his/her own duty of disclosure.

Seller  Matthew L. Taylor, Partition Referee Date 6/12/25
 Seller _____ Date _____

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Vacant Land Questionnaire form.

Buyer _____ Date _____
 Buyer _____ Date _____

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0 Skyline Dr, DHS

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: 0 Skyline Dr., Desert Hot Springs, CA

Buyer's Signature: _____ Date: _____

Buyer's Signature: _____ Date: _____

Selling Agent's Signature: _____ Date: _____

Seller's Signature: Matthew L. Taylor, Partition Referee Date: _____

Seller's Signature: _____ Date: _____

Listing Agent's Signature: 
John B. Martindale Date: 06/10/2025

**Exhibit A to the
Vacant Land Listing Agreement
Dated June 12th, 2025**

Interlocutory Judgement of Partition

Electronically RECEIVED by Superior Court of California, County of Riverside, on 09/25/2024 05:00 PM by Jason B. Gallin, Executive Officer/Clerk of the Court By Elizabeth Castaneda, Clerk
TALKOV LAW CORP.
 4000 MacArthur Blvd Ste 655
 Newport Beach, CA 92660
 Telephone: (949) 888-8800

SCOTT TALKOV, State Bar No. 264676
 ADEEB DJAWAD, State Bar No. 347984
TALKOV LAW CORP.
 4000 MacArthur Blvd Ste 655
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 Telephone: (949) 888-8800
 Email: Adeeb@talkovlaw.com

Attorneys for Plaintiff Bobbi Lyn Kady-Horton

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF RIVERSIDE**

BOBBI LYN KADY-HORTON, an individual,

 Plaintiff,

 v.

 TIMOTHY O'SHAUGHNESSY, an individual;
 and JASON KADY, an individual; and DOES 1
 through 10, inclusive,

 Defendants.

Case No. ~~23CV46959~~ CVRI2304443

**[PROPOSED] INTERLOCUTORY
 JUDGMENT OF PARTITION**

- Filed concurrently with:
1. Notice of Motion and Motion
 2. Points and Authorities
 3. Evidence in Support
 4. Separate Statement of Undisputed Facts and Conclusions of Law
 5. [Proposed] Order Granting Summary Judgment
 6. Proof of Service

In re: 60810 Sunrise Rd, Whitewater, CA 92282 APN 668-080-012; 15505 Seeley Rd Whitewater, CA 92282 APN 668-080-013; 15236 Painted Hills Rd, Whitewater, CA 92282 APN 668-060-021; 0 Oleander St, Whitewater, CA 92282 APN 667-220-003-6; 0 Estrelita Dr, Whitewater, CA 92282 APN 667-220-001-4 and Vacant Lot in Desert Hot Springs, CA 92240-5739 APN 644-020-013

Action Filed: August 22, 2023

Hearing on Motion for Summary Judgment:
 Date: September 10, 2024
 Time: 8:30 AM
 Dept.: 6
 Reservation ID: 16697389725

FILED
 SUPERIOR COURT OF CALIFORNIA
 COUNTY OF RIVERSIDE

OCT 25 2024

M. VARGAS

The subject six real properties are subject to this partition action and are commonly known as described as follows:

Properties Subject to Partition	
Commonly Known Address and APN	Legal Description
60810 Sunrise Rd, Whitewater, CA 92282, APN 668- 080-012 ("Sunrise Properties")	THE WEST 108 FEET OF THE SOUTH 125 FEET OF THE WEST ONE- HALF OF THE NORTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 5, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE CITY OF RIVERSIDE, STATE OF CALIFORNIA. EXCEPTING THEREFROM TO THE UNITED STATES SUCH OIL, GAS, AND ALL OTHER MINERAL DEPOSITS TOGETHER WITH THE RIGHTS TO PROSPECT FOR, MINE AND REMOVE THE SAME, AS WERE REQUIRED TO BE RESERVED TO THE UNITED STATES BY THE ACT OF JUNE 1, 193 8 (52 STAT. 609) AS AMENDED, AND AS RESERVED IN THE PATENT FROM THE UNITED STATES TO WILLIAM A. PATRICK RECORDED MARCH 7, 1955 AS INSTRUMENT NO. 14729 OF OFFICIAL RECORDS.
15505 Seeley Rd Whitewater, CA 92282, APN 668- 080-013 ("Seeley Properties")	THE SOUTH 125.00 FEET OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 4 EAST; SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF. EXCEPT THE WEST 108.00 FEET. ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED NOVEMBER 12, 1963 AS INSTRUMENT NO. 119327 OF OFFICIAL

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1		RECORDS. ALSO EXCEPT TO THE THE UNITED STATES SUCH OIL,
2		GAS, AND ALL OTHER MINERAL DEPOSITS TOGETHER WITH THE
3		RIGHTS TO PROSPECT FOR, MINE AND REMOVE THE SAME, AS
4		WERE REQUIRED TO BE RESERVED TO THE UNITED STATES BY
5		THE ACT OF JUNE 1, 1938 (52 STAT. 609) AS AMENDED, AND AS
6		RESERVED IN THE PATENT FROM THE UNITED STATES TO
7		WILLIAM A. PATRICK RECORDED MARCH 7, 1955 AS INSTRUMENT
8		NO. 14729 OF OFFICIAL RECORDS.
9	15236 Painted Hills	The West half of the Southwest Quarter of the Northeast Quarter of the
10	Rd, Whitewater, CA	Southeast Quarter of Section 6, Tract 3 South, Range 4 East, San Bernardino
11	92282, APN 668-	Base and Meridian, in the County of Riverside, State of California, except
12	060-021 ("Painted	therefrom the Southerly 200 feet thereof.
13	Hills Properties")	
14	0 Oleander St,	That certain one-foot-wide strip of land, in the SW ¼ of Section 32, T2S, R4E,
15	Whitewater, CA	adjoining the N line of said SW¼, and specifically identified as Assessor's
16	APN, 667-220-003	Parcel No. 667-220-003-6 on the official Assessor's Plat, Book 667, Page 22,
17	("Oleander	Office of Assessor Riverside County, CA., subject to any recorded or existing
18	Properties")	rights-of-way, easements, exceptions, liens, encumbrances, reservations,
19		conditions, restrictions, and obligations.
20	0 Estralita Dr,	That portion of the land shown as Mrs. Gerald. Sever Properties containing 107
21	Whitewater, CA	.68 acres In the Southwest quarter of Section 32, Township 2 South, Range 4
22	92282, APN 667-	East, San Bernardino Base and Meridian, as shown by Record to Survey on file
23	220-001 ("Estralita	in Book 22 Page 36, Records of Survey, Riverside County Records, described
24	Properties")	as follows: Beginning at the Northwest corner of said Properties being the West
25		quarter corner of said Section; thence North 83° 28' East, 340 feet to the North
26		line of said Properties; thence South 00° 02' East, 640 feet, parallel with the
27		

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1		West line of said Section; thence South 83° 28' West 340 feet, parallel with the
2		North line of said Properties to a point on said West line; thence North 00° 02'
3		West 640 feet on said West line to the point of beginning. Excepting and
4		reserving therefrom all Uranium, Thorium or any other material which is or
5		may be determined to be peculiarly essential to the production of fissionable
6		materials, whether or not of commercial value, together with the right of the
7		United States through its authorized agents or representatives at any time to
8		enter upon said land and prospect for, mine and remove the same as excepted
9		and reserved In Patent from the United States of America, recorded March 11,
10		1953 in Book 1449 Page 518 of Official Records.
11	Vacant Lot in Desert	THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY
12	Hot Springs, CA	OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF
13	92240-5739, APN	CALIFORNIA AND IS DESCRIBED AS FOLLOWS: ALL THAT PORTION
14	644-020-013	OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 2
15	("Desert Hot Springs	SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY
16	Properties")	OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF
17		CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF,
18		DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST
19		CORNER OF LOT 14 OF DESERT HOT SPRINGS HIGHLANDS, UNIT
20		NO. 4, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF
21		RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP RECORDED
22		IN BOOK 34, PAGE 27, OF MAPS, RECORDS OF RIVERSIDE COUNTY,
23		CALIFORNIA; THENCE SOUTH 74° 26' 00" EAST, 170.84 FEET TO THE
24		SOUTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND
25		CONFIRMED TO LOYD E. IRONS AND RUTH C. IRONS, RECORDED
26		FEBRUARY 25, 1969 AS INSTRUMENT NO. 18270, OFFICIAL
27		

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RECORDS; THENCE ALONG THE NORTHWESTERLY LINE OF SAID
PARCEL NORTH 42° 28' 20" EAST A DISTANCE OF 219.28 FEET TO
THE NORTHWEST CORNER THEREOF, THE TRUE POINT OF
BEGINNING; THENCE SOUTH 53° 41' 10" EAST ALONG THE
NORTHEASTERLY LINE OF SAID PARCEL 150.53 FEET TO THE
NORTHEAST CORNER THEREOF; THENCE CONTINUING ALONG THE
SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE
OF SAID PARCEL SOUTH 53° 41' 10" EAST A DISTANCE OF 158.64
FEET; THENCE SOUTH 07° 15' 10" EAST, A DISTANCE OF 139.38 FEET;
THENCE SOUTH 34° 44' 13" EAST, A DISTANCE OF 223.47 FEET;
THENCE NORTH 59° 32' 01" EAST, A DISTANCE OF 176.32 FEET;
THENCE NORTH 45° 16' 40" EAST, A DISTANCE OF 87.33 FEET;
THENCE NORTH 24° 56' 52" WEST, A DISTANCE OF 404.75 FEET;
THENCE SOUTH 87° 24' 40" WEST, A DISTANCE OF 172.21 FEET;
THENCE NORTH 48° 46' 20" WEST, A DISTANCE OF 73.37 FEET;
THENCE NORTH 28° 48' 20" WEST, A DISTANCE OF 101.67 FEET;
THENCE SOUTH 48° 31' 20" WEST, A DISTANCE OF 215.16 FEET TO
THE TRUE POINT OF BEGINNING.

The Court, having considered Plaintiff's motion for summary judgment, the opposition thereto, the pleadings on file with this Court, and the arguments of counsel at the hearing on said motion, HEREBY ORDERS, ADJUDGES, AND DECREES THAT:

(A) Owners. Ownership of the subject real Properties described above is owned in undivided interests as follows:

Parties Respective Record Title Interests in The Properties			
Properties	Bobbi Lyn Kady-Horton	Timothy O'Shaughnessy	Jason Kady

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Sunrise	25%	75% N/A	
Seeley	25%	75% N/A	
Painted Hills	25%	75% N/A	
Oleander	25%	50%	25%
Estralita	25%	50%	25%
Desert Hot Springs	62.50%	25%	12.50%

(B) Appointment of Referee. Matthew L. Taylor, Esq. (the "Referee") is appointed Referee with full authority to partition the Properties, subject to confirmation of the Court, which manner of partition is hereby determined to be most beneficial to the parties.

(C) Injunction. The owners of the Properties set forth above are hereby enjoined and prohibited from transferring, selling, leasing, encumbering, or damaging the Properties.

(D) Notice. Notice of sale shall be given in the manner required for notice of sale as specified in Code of Civil Procedure § 873.640 and shall be given to the persons specified in Code of Civil Procedure § 873.640. In all other respects, the sale shall be conducted as provided in Code of Civil Procedure §§ 873.600-873.690. All pleadings shall be served upon all parties as required by this Court.

IT IS FURTHER ORDERED that the Referee shall have the following powers and responsibilities:

1. **Determination of Manner of Partition.** The Referee is authorized to determine the manner of partition. If the Referee determines that partition in-kind is most appropriate, the Referee shall prepare a report to this Court for approval. Code Civ. Proc. §§ 873.210 & 873.280. If the Referee determines that the Properties should be sold, the Referee shall be authorized to so proceed.

2. **Provisions Applicable to Partition by Sale.** In the event that the Referee determines that a sale is most appropriate, the following provisions shall apply:

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3. Listing Agreement. The Referee may hire one or more licensed real estate brokers/agents of his choosing to list and sell the Properties. The Properties shall be listed for sale pursuant to the terms of a written listing agreement ("Listing Agreement") as follows:

- a. The Listing Agreement shall contain a provision that the broker's commission shall not exceed 3.5% to be paid to the listing agent and/or listing brokerage.
- b. The Listing Agreement shall not provide for any blanket offer of compensation to any buyer's agent on any Multiple Listing Service (MLS). The Referee is authorized to accept an offer that makes a usual and ordinary offer of compensation to the buyer's agent to be paid from the proceeds of sale.
- c. The Listing Agreement shall be for a period of no longer than one hundred and twenty (120) days. If the Properties is not under contract for partition within the initial listing period set forth above, upon the expiration of the Listing Agreement, the Referee shall have the authority to either renew the listing agreement with the same real estate brokers/agents or select another real estate broker/agent to handle the partition by entering into a new listing agreement and continue to do so until the Properties is partitioned.

4. Referee's Authority. The Referee shall have full authority to partition the Properties. The Referee is authorized to undertake any and all duties associated with placing the Properties on the market. The Referee may execute all documents necessary for consummation of a partition, including but not be limited to execution of all documents required by an escrow officer and/or title insurance company, such as a Statement of Information (or such similar document providing biographical information about the owners of the Properties) and tax reporting documents for any party hereto who does not provide said information within ten (10) days of being provided said document. Furthermore, the Referee shall be authorized to sign any affidavits, on behalf of any of the parties hereto, for the benefit of a title insurance company in order to provide title insurance to establish that the Properties is able to be transferred to a buyer. Based on the Referee's evaluation of the market data, the Referee shall set an initial listing price. The Referee shall be authorized to reduce the asking

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price for the Properties as the Referee determines if it is advisable in order to generate interest in the Properties. The Properties shall be partitioned on the best terms and price with no carry-back financing. Any partition entered into by the Referee shall be subject to Court confirmation before it is finalized.

5. Notice of Sale. The Referee shall provide notice of the sale of the Properties in the manner provided by Code of Civil Procedure section 873.640. Notice in that manner may be waived by agreement of all parties in writing without further order of this Court.

6. Procedure for Sale Confirmation. The Referee shall sell the Properties in the form and manner approved by the Court in this Order, in accordance with Code of Civil Procedure section 873.510 *et seq.* and shall seek Court confirmation of the sale following the procedures set forth in Code of Civil Procedure section 873.710 through 873.790. The parties may make written motion to object to the sale. The Referee may seek court confirmation by (1) stipulation of the parties or (2) motion. If the time demands of the sale escrow so require, the Referee may seek approval by *ex parte* motion to this court.

7. Parties as Purchasers of the Properties. The parties, as existing partial owners of the Properties, may seek to purchase the Properties from the Referee as allowed by Code of Civil Procedure 873.69 by either (1) submitting a written purchase offer during the time period that the Referee is accepting purchase offers for the Properties, or (2) by submitting an over bid at the time of court confirmation following the procedures and rules set forth in Code of Civil Procedure section 873.740. The Referee shall evaluate the offers from the parties and from any non-parties to determine which offer is the highest and best considering all terms.

8. Procedure for Consummation of Partition Following Court Approval. Upon approval and confirmation of the partition of the Properties by the Court and the payment of the purchase price, the Referee is authorized and directed to execute and deliver a deed of the Properties transferring title to the buyers either in the name of the Referee or the name of the owners of the Properties. The parties shall fully cooperate with the Referee and any escrow in all aspects in order to timely consummate the partition by completing any requested tax documents within 10 days of

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request by the Referee. Failure to timely do so shall authorize the Referee to execute said documents on behalf of any party refusing to timely provide the required tax forms.

9. Contracts of the Referee with Professionals. The Referee is authorized to hire, employ, retain, and enter into and execute any contracts with any professionals or employees which the Referee deems necessary to assist them in the discharge of their duties. All reasonable expenses incurred in connection with the hiring and retention of authorized personnel shall be expenses of the Properties and shall be paid from the proceeds of the partition of the Properties. Reasonable expenses shall be paid or reimbursed by the Referee from the proceeds of the partition of the Properties prior to any other distributions to the owners of the Properties. The Referee shall have no obligation to expend funds to bring the Properties into good and marketable condition, unless the owners provide sufficient funds for this purpose. In the event any funds are expended by the Referee toward the repairs, cleaning or maintenance of the Properties, the Referee shall be reimbursed from the proceeds of the sale.

10. Application of Proceeds to Pay for Expenses. From the proceeds that shall come into the Referee's possession, whatever the source, the Referee shall apply and disburse said fund, from time to time, in the following general order of priority, subject to change in the Referee's discretion:

- a. To pay the expenses and charges of the Referee in the conduct of their office.
- b. To pay all expenses reasonably necessary or incidental to the care, preservation and maintenance of the Properties.

11. Claims Period and Investigation by Referee. In connection with the Referee's request for final distribution order, the Court authorizes and directs the Referee following the close of sale of the Properties, or earlier if requested by the parties, to investigate and report to the Court regarding any claims for compensatory adjustment between the parties, including those allowed by Code of Civil Procedure section 872.140, and including those claims relating to reimbursement, credit, or offsets arising from the prior period of joint ownership of the Properties. Referee's report shall include claims for attorney's fees whether or not previously submitted to the Court. The Referee is granted authority under Code of Civil Procedure sections 872.630(b) and 873.850 in relation to the

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report and shall be authorized to request from the parties their verified claims, interview witnesses, inspect the Properties and otherwise take such other actions as may reasonably assist the Referee in discharging these duties. The Referee may establish a claims procedure and may establish a claims submission deadline for the submission of any claims relating to accounting and compensatory adjustments between the parties. The Referee shall create a report of their findings and recommendations to be submitted to the Court for review ("Referee's Report").

12. Instructions Relating to Partition Proceeds. After the Court has approved the partition of the Properties and the Referee has completed the partition of the Properties, the Referee shall submit a written request to the Court with proposed instructions regarding how to disburse the proceeds of the Properties. Any party to this action may file a motion to accept, with or without modifications, the Referee's Report ("Motion to Accept the Referee's Report") as the judgment of this Court. At the hearing on the Motion to Accept the Referee's Report, the Referee's Report shall constitute the presentation of the facts and/or law in controversy pursuant to Code of Civil Procedure section 873.850 sufficient for the Court to enter a judgment in conformity therewith.

13. Retention of Proceeds Until Court Order. Until the Court issues the final distribution order, the Referee shall hold all net proceeds in a segregated account. The net proceeds of the Properties shall be distributed by the Referee in accordance with the terms of the final disbursement order to be entered by this Court.

14. Referee to Manage Properties. The Referee is empowered to manage the Properties. To this end, the Referee is authorized to repair and maintain the Properties and any of its buildings if such repair and maintenance is necessary to preserve the regular upkeep of the Properties.

15. Termination of Tenancies. The Referee is authorized to issue notices to any tenants to terminate their tenancy following legally required notice periods and following the end of the existing lease term. The Referee is also authorized to institute one or more actions in unlawful detainer either in the name of the Referee or in the name of the owners of the Properties. To this end, the Referee is authorized to hire private counsel with a specialty in unlawful detainer actions without further order of this Court and to pay reasonable market rates for that attorney. Nothing in this order shall be

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1 deemed to authorize termination of an otherwise-valid lease with a tenant in the Properties prior to
2 the end of the lease term.

3 16. Possession of the Properties by Referee. The Referee shall have access to the
4 Properties, including all keys and access codes. The Parties are ordered to remove all animals from
5 the Properties that would interfere with the Referee's possessory rights. The Referee is authorized to
6 engage the services of the local animal control department to remove from the Properties any and all
7 animals that interfere with the Referee's right to access and possess the Properties.

8 17. Enforcement of Possession by Referee as to Parties. The Referee may, at their
9 discretion, require that parties to this action vacate the Properties along with their personal Properties.
10 If any said party does not vacate the Properties upon request by the Referee, the Clerk of this Court is
11 authorized and directed upon request by the Referee to issue a Writ of Possession authorizing the
12 Sheriff to deliver possession of the Properties to the Referee and to remove said party or anyone
13 claiming possession through said party. For the purposes of Judicial Council form EJ-130, the
14 Referee shall be shown as "assignee of record" in paragraph 3. The Writ of Possession shall be issued
15 against all parties to this action and all other occupants of the Properties, known or unknown. The real
16 Properties described in the Writ of Possession shall be the Properties. The date of judgment on the
17 Writ of Possession shall be the date this order is filed.

18 18. Professional Fees of the Referee. Pursuant to Code of Civil Procedure section 873.010,
19 the Court has authority to fix the reasonable compensation for services of the Referee. The Court
20 acknowledges and approves of the Referee's fee schedule. In addition, the Referee shall be
21 reimbursed for all expenses incurred by the Referee on behalf of the Properties upon the completion
22 of the partition of the Properties. The Referee must file a final statement of account and report with
23 the Court for the time and expense incurred in connection with the discharge of their services and
24 provide notice to the parties for any hearing set for the approval of the report. The parties, as may be
25 permitted by law, will have an opportunity to object to the report and any billing of the Referee and
26 their staff members and agents. Pursuant to Code of Civil Procedure section 873.010(4), the
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professional fees and costs of the Referee shall be a lien upon the Properties commencing on the date of entry of this judgment.

19. Financial Accounts. The Referee is authorized to open one or more accounts at any federally insured bank, savings and loan, credit union, or similar financial institution for the purpose of holding funds associated with this case.

20. Further Instructions. As allowed by Code of Civil Procedure section 873.070, the Referee or any party may seek further instructions from this Court concerning the duties of the Referee.

21. Liability of the Referee. Pursuant to Code of Civil Procedure section 873.160, the Referee is not personally liable on contracts made or for expenses incurred, except as such liability is expressly assumed by the Referee in writing.

22. Insurance. The Referee shall determine whether a current policy of insurance covers the Properties. The parties are hereby ordered to provide that information to the Referee upon request. The Referee has no duty to procure insurance on the Properties if there is insufficient insurance coverage thereon.

23. Participation by Referee. The Referee shall be authorized to participate in all court proceedings relating to the Properties. The Referee may report to the court from time-to-time relating to issues with the Properties and the status of partition efforts relating to the Properties.

24. General Powers. The Referee is authorized to execute and prepare all documents and to perform all acts, in the Referee's own name or the names of the owners of the Properties, which are-necessary or incidental to preserving, protecting, managing, and/or controlling the Properties. The Referee may contact any utility provider to the Properties for the purpose of transferring, starting, or stopping utility service. In addition to the specific powers set forth herein, the Referee is hereby vested with general powers of referees in cases of this type.

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25. Orders in Aid of the Referee. Plaintiff and Defendant, and their respective agents, employees, servants, representatives, and persons acting in concert with them or under their direction or control are hereby enjoined and restrained from:

1. Interfering with or impeding the Referee in carrying out their duties;
2. Withholding from the Referee any documents or records to be delivered from them pursuant to this order;
3. Selling, leasing, transferring, mortgaging, or otherwise encumbering the Properties or any part thereof;
4. Doing any act that impairs or damages the Properties or that reduces the value of the Properties;
5. Taking any actions that interfere with the ability of the Referee to have free and unfettered access to the Properties, including but not limited to installing locks, chains, or other barriers to entry to the Properties for the purpose of impeding the Referee's access to the Properties.

26. Retention of Jurisdiction. The Court shall retain jurisdiction pursuant to California Code of Civil Procedure §873.850 following confirmation of the sale of the Properties to review the reports of the Referee, if any, to order the manner in which the sale proceeds are to be disbursed, and to order equitable adjustments that the Court considers just and appropriate.

IT IS SO ORDERED.

DATED: 10/16, 2024


JUDGE OF THE SUPERIOR COURT