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9 Attorneys for Plaintiffs  
10 GORDON MALIC and LORRIE CHURCHILL  
11

**FILED**

Superior Court Of California  
County Of Riverside  
01/15/2015

**C. PEREZ**

**BY FAX**

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**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE  
PALM SPRINGS BRANCH**

GORDON MALIC and LORRIE  
CHURCHILL, husband and wife,

Plaintiffs,

v.

MARK B. GORDON and JANICE L.  
GORDON, individually and as Trustees of  
THE MARK B. GORDON AND JANICE  
L. GORDON FAMILY TRUST DATED  
FEBRUARY 28, 1995; TERRI LYNN  
MUNSELLE, an individual; SANDRA  
ANN DEERING, an individual;  
COLDWELL BANKER RESIDENTIAL  
BROKERAGE COMPANY, a California  
corporation; THOMAS A. ANGONE, an  
individual; JOSEPH R. DEVILLE, an  
individual; BENNION & DEVILLE FINE  
HOMES SOCAL, INC., a California  
corporation, dba WINDERMERE REAL  
ESTATE SOCAL, dba WINDERMERE  
REAL ESTATE SOUTHERN  
CALIFORNIA, dba WINDERMERE  
REAL ESTATE COACHELLA VALLEY;  
PETER E. THEOPHILOS, an individual;  
SAXONY REAL ESTATE, INC., a  
California corporation; and DOES 1-30,  
inclusive,

Defendants.

Case No. PSC1405468

Assigned for All Purposes to:

The Honorable David M. Chapman – Dept. PS2

**FIRST AMENDED COMPLAINT FOR:**

1. VIOLATION OF CIVIL CODE §1102 ET SEQ.;
2. FAILURE TO DISCLOSE MATERIAL FACTS;
3. BREACH OF FIDUCIARY DUTY;
4. CONSTRUCTIVE FRAUD;
5. FRAUD; and
6. NEGLIGENCE

**PRELIMINARY ALLEGATIONS**

1. Plaintiffs, GORDON MALIC and LORRIE CHURCHILL (collectively, "**Plaintiffs**" or "**Buyers**"), are, and at all times herein mentioned were, married individuals residing in the County of Riverside, State of California.

2. Plaintiffs are informed and believe and thereon allege that Defendants, MARK B. GORDON and JANICE L. GORDON (collectively, "**Gordon**" or "**Sellers**"), are, and at all times herein mentioned were, married individuals residing in the County of Riverside, State of California, and Trustees of THE MARK B. GORDON AND JANICE L. GORDON FAMILY TRUST DATED FEBRUARY 28, 1995.

3. Plaintiffs are informed and believe and thereon allege that Defendant, TERRI LYNN MUNSELLE ("**Munselle**"), is, and at all times herein mentioned was, an individual licensed as a Broker by the California Bureau of Real Estate doing business the County of Riverside, State of California.

4. Plaintiffs are informed and believe and thereon allege that Defendant, SANDRA ANN DEERING ("**Deering**"), is, and at all times herein mentioned was, an individual licensed as a Broker by the California Bureau of Real Estate doing business the County of Riverside, State of California.

5. Plaintiffs are informed and believe and thereon allege that Defendant, COLDWELL BANKER RESIDENTIAL BROKERAGE COMPANY ("**Coldwell**"), is, and at all times herein mentioned was, a corporation organized and existing under the laws of the State of California, doing business in the County of Riverside, State of California. Plaintiffs are further informed and believe and thereon allege that Deering was the broker of record for Coldwell at all times herein mentioned, and that Coldwell was the employer of Munselle at all times herein mentioned. Munselle, Deering Coldwell and DOES 21-30 are collectively referred to as "**Buyers' Agents.**"

6. Plaintiffs are informed and believe and thereon allege that Defendant, THOMAS A. ANGONE ("**Angone**"), is, and at all times herein mentioned was, an individual licensed as a

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1 Broker by the California Bureau of Real Estate doing business the County of Riverside, State of  
2 California.

3 7. Plaintiffs are informed and believe and thereon allege that Defendant, JOSEPH R.  
4 DEVILLE ("Deville"), is, and at all times herein mentioned was, an individual licensed as a  
5 Broker by the California Bureau of Real Estate doing business the County of Riverside, State of  
6 California.

7 8. Plaintiffs are informed and believe and thereon allege that Defendant, BENNION  
8 & DEVILLE FINE HOMES SOCIAL, INC. ("Windermere"), is, and at all times herein  
9 mentioned was, a corporation organized and existing under the laws of the State of California,  
10 doing business in the County of Riverside, State of California as WINDERMERE REAL  
11 ESTATE SOCIAL, WINDERMERE REAL ESTATE SOUTHERN CALIFORNIA, and  
12 WINDERMERE REAL ESTATE COACHELLA VALLEY. Plaintiffs are further informed and  
13 believe and thereon allege that Deville was the broker of record for Windermere at all times  
14 herein mentioned, and that Windermere was the employer of Angone at all times herein  
15 mentioned prior to the closing of the transaction that is the subject of this action.

16 9. Plaintiffs are informed and believe and thereon allege that Defendant, PETER E.  
17 THEOPHILOS ("Theophilos"), is, and at all times herein mentioned was, an individual licensed  
18 as a Broker by the California Bureau of Real Estate doing business the County of Riverside, State  
19 of California.

20 10. Plaintiffs are informed and believe and thereon allege that Defendant, SAXONY  
21 REAL ESTATE, INC. ("Saxony"), is, and at all times herein mentioned was, a corporation  
22 organized and existing under the laws of the State of California, doing business in the County of  
23 Riverside, State of California. Plaintiffs are further informed and believe and thereon allege that  
24 Theophilos was the broker of record for Saxony at all times herein mentioned, and that Saxony  
25 was the employer of Angone sometime prior to and at the time of the closing of the transaction  
26 that is the subject of this action. Angone, Deville, Windermere, Theophilos, Saxony and DOES  
27 1-20 are collectively referred to as "Sellers' Agents."  
28

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11. The true names and capacities, whether individual, associate, corporate or otherwise, of DOES 1 through 30, inclusive, are unknown to Plaintiffs, who therefore sue said defendants by such fictitious names pursuant to Code of Civil Procedure §474. Plaintiffs are informed and believe and thereon allege that each said defendant herein designated as a DOE is responsible in some manner for the events and happenings herein referred, or as hereinafter alleged. Plaintiffs will seek leave to amend this Complaint when the true names and capacities of each said defendant have been ascertained.

12. The named Defendants and DOE defendants (hereinafter collectively referred to as “**Defendants**”), and each of them, were at all times herein mentioned, the agents, servants, employees, joint venturers, and/or co-conspirators of each of the other Co-Defendants, and at all times herein mentioned were acting in the course and scope of said agency, employment or service, and in furtherance of a joint venture and/or conspiracy.

#### **CHARGING ALLEGATIONS**

13. Plaintiffs, as Buyers, and Gordon, as Sellers, entered into that certain Residential Purchase Agreement and Joint Escrow Instructions dated August 3, 2013 (“**RPA**”), a true and correct copy of which is attached hereto as **Exhibit “A”** and by this reference incorporated herein, for the purchase and sale of that certain real property located within the common interest development known as Andalusia at Coral Mountain consisting of a single family residence located at 81455 Andalusia, La Quinta, California (the “**Property**”). The Property transaction closed with payment by Buyers to Sellers of the purchase price of \$2,067,500 (“**Purchase Price**”) and the transfer of the Property to Buyers via that certain Grant Deed recorded with the Riverside County Records Office as DOC # 2013-0459353 on September 23, 2013.

14. Plaintiffs are informed and believe and thereon allege that Sellers were represented in the Property transaction by Sellers’ Agents (Angone, Deville, Windermere, Theophilos and Saxony) and DOES 1-20; and that Buyers were represented in the Property transaction by Buyers’ Agents (Munselle, Deering and Coldwell) and DOES 21-30.

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1           15. Plaintiffs are informed and believe and thereon allege that Deville and DOES 1-5  
2 had direct supervision and control of Angone at all times herein mentioned prior to the closing of  
3 the transaction that is the subject of this action; that Theophilos and DOES 6-10 had direct  
4 supervision and control of Angone at all times herein mentioned sometime prior to and at the time  
5 of the closing of the transaction that is the subject of this action; and that Deering and DOES 21-  
6 25 had direct supervision and control of Munselle at all times herein mentioned.

7           16. After the closing of the Property transaction and taking possession of the Property,  
8 Buyers observed grading and other site preparation work being performed behind the Property  
9 adjacent to the existing clubhouse at Andalusia at Coral Mountain. At no time prior to the closing  
10 of the Property transaction was such grading and site improvement work visibly apparent to  
11 Buyers.

12           17. Upon further investigation and inquiry by Buyers after closing of the Property  
13 transaction, Buyers discovered plans for a clubhouse expansion at Andalusia at Coral Mountain to  
14 consist of 10,000 square feet of member space along with 5,500 square feet of outdoor terraces,  
15 encompassing a new golf pro shop, cart barn, spa, men's and women's lounges and locker rooms,  
16 a board room, and a bar and grill with outdoor seating (the "**Clubhouse Expansion**"). The site  
17 for the Clubhouse Expansion is located in close proximity to the Property.

18           18. At no time prior to the closing of the Property transaction were Buyers aware of  
19 the planned Clubhouse Expansion. At no time were Buyers ever informed of the Clubhouse  
20 Expansion by either of the Sellers, Sellers' Agents or Buyers' Agents.

21           19. Plaintiffs are informed and believe and thereon allege that Sellers, Angone,  
22 Munselle, DOES 11-20 and DOES 26-40 knew of the Clubhouse Expansion and failed to disclose  
23 the same to Buyers; and that Deville, Theophilos, Deering, DOES 1-10 and DOES 21-25 knew of  
24 the Clubhouse Expansion and knew of the failure of Angone, Munselle, DOES 11-20 and DOES  
25 26-40, as applicable, to disclose the same to Buyers.

26           20. Plaintiffs are informed and believe and thereon allege that Sellers, Sellers' Agents  
27 and Buyers' Agents knew that these facts were unknown to Buyers and were not within the  
28 diligent attention and observation of Buyers prior to the closing of the Property transaction.

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21. Construction of the Clubhouse Expansion has caused, and is expected to continue to cause, noise and loss of privacy at the Property. Once the Clubhouse Expansion is completed, it is expected to impair the view from the rear of Property, and the improvements and use of the new facilities are expected to cause noise and loss of privacy at the Property. The Clubhouse Expansion is a fact that materially affects the value and desirability of the Property, especially as to Plaintiffs, as Plaintiffs would not have paid the Purchase Price and/or would have selected another residence within Andalusia at Coral Mountain further away from the Clubhouse Expansion site had they been informed about the planned Clubhouse Expansion prior to the closing of the Property transaction.

22. Plaintiffs are entitled to an award of attorney fees against Sellers as the prevailing party in this action pursuant to the terms of the RPA.

#### **FIRST CAUSE OF ACTION**

##### **(For Violation of Civil Code §1102 et seq. – Against Sellers)**

23. Plaintiffs reallege and incorporate herein by reference each and every allegation contained in paragraphs 1 through 22 of this Complaint as though fully set forth at length herein.

24. Prior to the close of the Property transaction, Sellers willfully or negligently failed to indicate on the Real Estate Transfer Disclosure Statement (“TDS”) provided to Plaintiffs pursuant to Civil Code §1102 et seq., a true and correct copy of which is attached hereto as Exhibit “B” and by this reference incorporated herein, that neighborhood noise problems or other nuisances should be expected from the Clubhouse Expansion (item C11 on the TDS) or the addition to the common area improvements related to the Clubhouse Expansion (item C14 on the TDS), all in breach of Sellers’ statutory duties under Civil Code §1102 et seq.

25. As a result of Sellers’ breach of their statutory duties under Civil Code §1102 et seq., Plaintiffs completed the purchase of the Property and have been damaged in the sum equal to the difference between the purchase price paid by Buyers for the Property and the actual value of the Property, taking into consideration the loss of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion and use of the new facilities, all to be proven at the time of trial but believed to be in excess of \$350,000.

**SECOND CAUSE OF ACTION**

**(For Failure to Disclose Material Facts – Against Sellers, Sellers’ Agents, Buyers’ Agents  
and DOES 1-30)**

26. Plaintiffs reallege and incorporate herein by reference each and every allegation contained in paragraphs 1 through 22 of this Complaint as though fully set forth at length herein.

27. Sellers, Sellers’ Agents, Buyers’ Agents and DOES 1-30 became aware of the planned Clubhouse Expansion prior to the close of the Property transaction and had a duty to disclose the same to Plaintiffs or otherwise ensure that Plaintiffs were informed of the planned Clubhouse Expansion prior to the close of the Property transaction.

28. Sellers, Sellers’ Agents, Buyers’ Agents and DOES 1-30 knew that these facts were unknown to Plaintiffs and were not within the diligent attention and observation of Plaintiffs prior to the closing of the Property transaction.

29. Sellers, Sellers’ Agents, Buyers’ Agents and DOES 1-30 failed to disclose the planned Clubhouse Expansion to Plaintiffs or otherwise ensure that Plaintiffs were informed of the planned Clubhouse Expansion prior to the close of the Property transaction.

30. The Clubhouse Expansion is a fact that materially affects the value and desirability of the Property, especially as to Plaintiffs.

31. As a result of the breach of duty by Sellers, Sellers’ Agents, Buyers’ Agents and DOES 1-30 to disclose the planned Clubhouse Expansion or otherwise ensure that Plaintiffs were informed of the planned Clubhouse Expansion prior to the close of the Property transaction, Plaintiffs completed the purchase of the Property and have been damaged in the sum equal to the difference between the purchase price paid by Buyers for the Property and the actual value of the Property, taking into consideration the loss of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion and use of the new facilities, all to be proven at the time of trial but believed to be in excess of \$350,000.

32. Sellers are jointly and severally liable to Plaintiffs should it be found that Sellers’ Agents or DOES 1-20 knew about the planned Clubhouse Expansion and failed to disclose the

1 same to Plaintiffs prior to the close of the Property Transaction, even if Sellers had no actual  
2 knowledge of the planned Clubhouse Expansion.

### 3 **THIRD CAUSE OF ACTION**

#### 4 **(For Breach of Fiduciary Duty – Against Buyers’ Agents and DOES 21-30)**

5 33. Plaintiffs reallege and incorporate herein by reference each and every allegation  
6 contained in paragraphs 1 through 22 of this Complaint as though fully set forth at length herein.

7 34. As Plaintiff’s agents, Buyers’ Agents and DOES 21-30 owed to Plaintiffs a  
8 fiduciary duty to make the fullest disclosure of all material facts that might affect Plaintiffs’  
9 decision to purchase the Property.

10 35. Plaintiffs are informed and believe and thereon allege that Buyers’ Agents and  
11 DOES 21-30 became aware of the planned Clubhouse Expansion or otherwise should have  
12 exercised reasonable diligence to discover the planned Clubhouse Expansion prior to the close of  
13 the Property transaction.

14 36. Buyers’ Agents and DOES 21-30 breached their fiduciary duty to make the fullest  
15 disclosure of all material facts that might affect Plaintiffs’ decision to purchase the Property by  
16 failing to exercise reasonable diligence to discover the planned Clubhouse Expansion and  
17 disclosing the same to Plaintiffs.

18 37. As a result of the breach of fiduciary duty by Buyers’ Agents and DOES 11-20 to  
19 make the fullest disclosure of all material facts that might affect Plaintiffs’ decision to purchase  
20 the Property, Plaintiffs completed the purchase of the Property and have been damaged in the sum  
21 equal to the difference between the purchase price paid by Buyers for the Property and the actual  
22 value of the Property, taking into consideration the loss of view, loss of privacy and noise  
23 resulting from the construction of the Clubhouse Expansion and use of the new facilities, all to be  
24 proven at the time of trial but believed to be in excess of \$350,000.

### 25 **FOURTH CAUSE OF ACTION**

#### 26 **(For Constructive Fraud – Against Buyers’ Agents and DOES 21-30)**

27 38. Plaintiffs reallege and incorporate herein by reference each and every allegation  
28 contained in paragraphs 1 through 22 of this Complaint as though fully set forth at length herein.



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1           39. Plaintiffs reposed absolute trust and confidence in the integrity and fidelity of  
2 Buyers' Agents and DOES 21-30 in their representation of Buyers in the Property transaction and  
3 reasonably relied on Buyers' Agents and DOES 21-30 in such capacity. A confidential and  
4 fiduciary relationship thus existed at all times herein mentioned between Plaintiffs, Buyers'  
5 Agents and DOES 21-30.

6           40. As Plaintiff's agents, Buyers' Agents and DOES 21-30 owed to Plaintiffs a  
7 fiduciary duty to make the fullest disclosure of all material facts that might affect Plaintiffs'  
8 decision to purchase the Property.

9           41. Plaintiffs are informed and believe and thereon allege that Buyers' Agents and  
10 DOES 21-30 became aware of the planned Clubhouse Expansion prior to the close of the  
11 Property transaction, but failed to disclose the same to Plaintiffs with the intent to induce  
12 Plaintiffs to complete the purchase of the Property. Specifically, Plaintiffs are informed and  
13 believe and thereon allege that Buyers' Agents and DOES 21-30 had visited the sales office  
14 and/or restaurant at Andalusia at Coral Mountain sometime prior to the close of the Property  
15 transaction and viewed digital renderings of the planned Clubhouse Expansion and/or a scaled  
16 model of the planned Clubhouse Expansion; and/or that Buyers' Agents and DOES 21-30 learned  
17 of the planned Clubhouse Expansion sometime prior to the close of the Property transaction  
18 through certain media sources, including, without limitation, information posted on the website  
19 and/or Facebook page of Andalusia at Coral Mountain and/or news articles regarding the planned  
20 Clubhouse Expansion published in The Desert Sun and/or other news outlets.

21           42. Buyers' Agents and DOES 21-30 breached their fiduciary duty to make the fullest  
22 disclosure of all material facts that might affect Plaintiffs' decision to purchase the Property by  
23 failing to disclose the planned Clubhouse Expansion to Plaintiff.

24           43. As a result of the constructive fraud of Buyers' Agents and DOES 21-30 in failing  
25 to make the fullest disclosure of all material facts that might affect Plaintiffs' decision to purchase  
26 the Property, Plaintiffs completed the purchase of the Property and have been damaged in the sum  
27 equal to the difference between the purchase price paid by Buyers for the Property and the actual  
28 value of the Property, taking into consideration the loss of view, loss of privacy and noise

1 resulting from the construction of the Clubhouse Expansion and use of the new facilities, all to be  
2 proven at the time of trial but believed to be in excess of \$350,000.

3 44. The aforementioned conduct of Buyers' Agents and DOES 21-30 was an  
4 intentional misrepresentation, deceit or concealment of a material fact known to Buyers' Agents  
5 and DOES 21-30, with the intention on the part of Buyers' Agents and DOES 21-30 of thereby  
6 depriving Plaintiffs of all material facts that might affect Plaintiffs' decision to purchase the  
7 Property, and was despicable conduct that subjected Plaintiffs to a cruel and unjust hardship in  
8 conscious disregard of the Plaintiffs' rights, so as to justify an award of exemplary and punitive  
9 damages.

#### 10 **FIFTH CAUSE OF ACTION**

##### 11 **(For Deceit – Against Sellers, Sellers' Agents and DOES 1-20)**

12 45. Plaintiffs reallege and incorporate herein by reference each and every allegation  
13 contained in paragraphs 1 through 22 of this Complaint as though fully set forth at length herein.

14 46. Prior to the close of the Property transaction, Sellers, Sellers' Agents and DOES 1-  
15 20 became aware of the planned Clubhouse Expansion, but concealed the same from Plaintiffs  
16 with the intent to induce Plaintiffs to complete the purchase of the Property. Specifically,  
17 Plaintiffs are informed and believe and thereon allege that Sellers were personally advised of the  
18 planned Clubhouse Expansion by the developer of Andalusia at Coral Mountain (T.D. Desert  
19 Development) and/or by the common interest association that governs the Property sometime  
20 prior to the close of the Property transaction. Plaintiffs are informed and believe and thereon  
21 allege that Angone was previously employed by the developer of Andalusia at Coral Mountain  
22 (T.D. Desert Development) and was aware of the full build-out plans for said development; that  
23 he had full access to the sales office at Andalusia at Coral Mountain, as well as to information  
24 published by Andalusia at Coral Mountain on its website, Facebook page and in printed materials;  
25 that he visited the sales office at Andalusia at Coral Mountain and reviewed the information  
26 published by Andalusia at Coral Mountain on its website and/or Facebook page and/or in printed  
27 materials; and that he was thereby made aware of the planned Clubhouse Expansion sometime  
28 prior to the close of the Property transaction. Plaintiffs are informed and believe and thereon

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1 allege that Sellers, Sellers' Agents and DOES 1-20 had visited the sales office and/or restaurant at  
2 Andalusia at Coral Mountain sometime prior to the close of the Property transaction and viewed  
3 digital renderings of the planned Clubhouse Expansion and/or a scaled model of the planned  
4 Clubhouse Expansion; and/or that Sellers, Sellers' Agents and DOES 1-20 learned of the planned  
5 Clubhouse Expansion sometime prior to the close of the Property transaction through certain  
6 media sources, including, without limitation, information posted on the website and/or Facebook  
7 page of Andalusia at Coral Mountain and/or news articles regarding the planned Clubhouse  
8 Expansion published in The Desert Sun and/or other news outlets.

9 47. As a result of the deceit of Sellers, Sellers' Agents and DOES 1-20 in failing to  
10 disclose and concealing from Plaintiffs the planned Clubhouse Expansion, Plaintiffs completed  
11 the purchase of the Property and have been damaged in the sum equal to the difference between  
12 the purchase price paid by Buyers for the Property and the actual value of the Property, taking  
13 into consideration the loss of view, loss of privacy and noise resulting from the construction of  
14 the Clubhouse Expansion and use of the new facilities, all to be proven at the time of trial but  
15 believed to be in excess of \$350,000.

16 48. The aforementioned conduct of Sellers, Sellers' Agents and DOES 1-20 was an  
17 intentional deceit or concealment of a material fact known to Sellers, Sellers' Agents and DOES  
18 1-20, with the intention on the part of Sellers, Sellers' Agents and DOES 1-20 of thereby  
19 depriving Plaintiffs of all material facts that might affect Plaintiffs' decision to purchase the  
20 Property, and was despicable conduct that subjected Plaintiffs to a cruel and unjust hardship in  
21 conscious disregard of the Plaintiffs' rights, so as to justify an award of exemplary and punitive  
22 damages.

23 49. Sellers are jointly and severally liable to Plaintiffs should it be found that Sellers'  
24 Agents or DOES 1-20 knew about the planned Clubhouse Expansion and concealed the same  
25 from Buyers prior to the close of the Property Transaction, even if Sellers had no actual  
26 knowledge of the planned Clubhouse Expansion.

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1 **SIXTH CAUSE OF ACTION**

2 **(For Negligence – Against Buyers’ Agents and DOES 21-30)**

3 50. Plaintiffs reallege and incorporate herein by reference each and every allegation  
4 contained in paragraphs 1 through 22 of this Complaint as though fully set forth at length herein.

5 51. As Plaintiff’s agents, Buyers’ Agents and DOES 21-30 owed to Plaintiffs a duty  
6 to exercise reasonable diligence to discover the planned Clubhouse Expansion and disclose the  
7 same to Plaintiffs.

8 52. Buyers’ Agents and DOES 21-30 breached their duty by failing to exercise  
9 reasonable diligence to discover the planned Clubhouse Expansion and disclosing the same to  
10 Plaintiffs.

11 53. As a result of the breach of duty by Buyers’ Agents and DOES 21-30 to discover  
12 and disclose the planned Clubhouse Expansion, Plaintiffs completed the purchase of the Property  
13 and have been damaged in the sum equal to the difference between the purchase price paid by  
14 Buyers for the Property and the actual value of the Property, taking into consideration the loss of  
15 view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion and  
16 use of the new facilities, all to be proven at the time of trial but believed to be in excess of  
17 \$350,000.

18 WHEREFORE, Plaintiffs pray judgment against Defendants as follows:

19 **FIRST CAUSE OF ACTION**

20 1. For compensatory damages equal to the difference between the purchase price paid  
21 by Buyers for the Property and the actual value of the Property, taking into consideration the loss  
22 of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion  
23 and use of the new facilities, in a sum to be proven at the time of trial but believed to be in excess  
24 of \$350,000; and

25 2. For reasonable attorney fees.

26 **SECOND CAUSE OF ACTION**

27 3. For compensatory damages equal to the difference between the purchase price paid  
28 by Buyers for the Property and the actual value of the Property, taking into consideration the loss

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1 of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion  
2 and use of the new facilities, in a sum to be proven at the time of trial but believed to be in excess  
3 of \$350,000; and

4 4. For reasonable attorney fees.

5 **THIRD CAUSE OF ACTION**

6 5. For compensatory damages equal to the difference between the purchase price paid  
7 by Buyers for the Property and the actual value of the Property, taking into consideration the loss  
8 of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion  
9 and use of the new facilities, in a sum to be proven at the time of trial but believed to be in excess  
10 of \$350,000.

11 **FOURTH CAUSE OF ACTION**

12 6. For compensatory damages equal to the difference between the purchase price paid  
13 by Buyers for the Property and the actual value of the Property, taking into consideration the loss  
14 of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion  
15 and use of the new facilities, in a sum to be proven at the time of trial but believed to be in excess  
16 of \$350,000; and

17 7. For punitive damages in an amount appropriate to punish Defendants and deter  
18 others from engaging in similar misconduct.

19 **FIFTH CAUSE OF ACTION**

20 8. For compensatory damages equal to the difference between the purchase price paid  
21 by Buyers for the Property and the actual value of the Property, taking into consideration the loss  
22 of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion  
23 and use of the new facilities, in a sum to be proven at the time of trial but believed to be in excess  
24 of \$350,000; and

25 9. For punitive damages in an amount appropriate to punish Defendants and deter  
26 others from engaging in similar misconduct.

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1 **SIXTH CAUSE OF ACTION**

2 10. For compensatory damages equal to the difference between the purchase price paid  
3 by Buyers for the Property and the actual value of the Property, taking into consideration the loss  
4 of view, loss of privacy and noise resulting from the construction of the Clubhouse Expansion  
5 and use of the new facilities, in a sum to be proven at the time of trial but believed to be in excess  
6 of \$350,000.

7 **ALL CAUSES OF ACTION**

8 12. For costs of suit incurred herein; and

9 13. For such other and further relief as the Court deems just and proper.

10  
11 Dated: January 15, 2014

ANDERHOLT WHITTAKER LLP

12  
13 By: 

14 ROMAN M. WHITTAKER  
15 Attorney for Plaintiffs  
16 GORDON MALIC and LORRIE  
17 CHURCHILL  
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**EXHIBIT "A"**



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

CALIFORNIA  
RESIDENTIAL PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS

For Use With Single-Family Residential Property -- Attached or Detached  
(C.A.R. Form RPA-CA, Revised 4/12)

Date August 3, 2013

1. OFFER:
  - A. THIS IS AN OFFER FROM Gordon Melic, Jessie Churchill ("Buyer").
  - B. THE REAL PROPERTY TO BE ACQUIRED is described as 87435 Ardmore, La Brea, CA 92253 situated in LA, CHAD County of San Diego, California. ("Property").
  - C. THE PURCHASE PRICE offered is \$1,940,000 Dollars.
  - D. CLOSE OF ESCROW shall occur on 08/15/13 (Date) or 15 Days After Acceptance.
2. AGENCY:
  - A. DISCLOSURE: Buyer and Seller each acknowledge prior receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
  - B. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
  - C. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent Golden Gate Bank Residential Brokerage (Print Firm Name) is the agent of (check one): ☒ the Seller exclusively; or ☐ both the Buyer and Seller.  
 Selling Agent Golden Gate Bank Residential Brokerage (Print Firm Name) (if not the same as the Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
  - A. INITIAL DEPOSIT: Deposit shall be in the amount of \$60,000.  
 (1) Buyer shall deliver deposit directly to Escrow Holder by personal check, ☒ electronic funds transfer, ☐ other.  
 within 3 business days after acceptance (or ☐ Other).  
 OR (2) (if checked) ☐ Buyer has given the deposit by personal check (or ☐ Other) to the agent submitting the offer (or to ☐ ) made payable to Golden Gate Bank Residential Brokerage. The deposit shall be held unchanged until Acceptance and then deposited with Escrow Holder (or ☐ into Broker's trust account) within 3 business days after Acceptance (or ☐ Other).
  - B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ within Days After Acceptance, or ☐ .  
 If a Increased damages clause is incorporated into this Agreement, Buyer and Seller shall sign a separate Indemnified damages clause (C.A.R. Form RID) for any increased deposit at the time it is delivered.
  - C. LOANS:
    - (1) FIRST LOAN: in the amount of \$.  
 This loan will be conventional financing or, if checked, ☐ FHA, ☐ VA, ☐ Seller (C.A.R. Form SPA), ☐ assumed financing (C.A.R. Form PAA), ☐ Other. This loan shall be at a fixed rate not to exceed % or ☐ an adjustable rate loan with initial rate not to exceed %.  
 Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.
    - (2) ☐ SECOND LOAN: in the amount of \$.  
 This loan will be conventional financing or, if checked, ☐ Seller (C.A.R. Form SPA), ☐ assumed financing (C.A.R. Form PAA), ☐ Other. This loan shall be at a fixed rate not to exceed % or ☐ an adjustable rate loan with initial rate not to exceed %.  
 Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.
    - (3) FHA/VA: For any FHA or VA loan specified above, Buyer has 17 (or ☐ ) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless otherwise agreed in writing.
  - D. ADDITIONAL FINANCING TERMS:
  - E. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$1,940,000 to be deposited with Escrow Holder within sufficient time to close escrow.
  - F. PURCHASE PRICE (TOTAL): \$2,000,000

Buyer's Initials: GM JC

Seller's Initials: MG JG



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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA) PAGE 1 OF 8  
 Agent: Fern Munoz Phone: 780.772.8411 Fax: 548-348-1295 Prepared using sfpForm® software  
 Broker: Coldwell Banker Residential Brokerage 43-000 Club Drive Indian Wells, CA 92210



81455 Andalusia  
 Property Address: La Quinta, CA 92253 Date: August 3, 2019

**D. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to 31(1)) shall, within 7 (or ☐ ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, ☐ verification attached.)

**E. LOAN TERMS:**

**(1) LOAN APPLICATIONS:** Within 7 (or ☐ ) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked, ☐ letter attached.)

**(2) LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

**(3) LOAN CONTINGENCY REMOVAL:**

**(i)** Within 17 (or ☐ ) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing remove the loan contingency or cancel this Agreement.

**OR (ii)** (If checked) ☐ the loan contingency shall remain in effect until the designated loans are funded.

**(4) NO LOAN CONTINGENCY:** (If checked) ☐ Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

**F. APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or, if checked, ☒ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, ☐ If checked, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or ☐ ) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 14B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or ☐ ) Days After Acceptance.

**G. ALL CASH OFFER:** (If checked) ☐ Buyer shall, within 7 (or ☐ ) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, ☐ verification attached.)

**H. BUYER STATED FINANCING:** Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, an applicable amount of down payment, contingent or non-contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

**I. ALLOCATION OF COSTS:** (If checked) ☐ Unless otherwise specified here, in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

**A. INSPECTIONS AND REPORTS:**

**(1)** ☐ Buyer ☒ Seller shall pay for an inspection and report for wood destroying pests and organisms ("Wood Pest Report") prepared by Reddy's a registered structural pest control company.

**(2)** ☐ Buyer ☐ Seller shall pay to have septic or private sewage disposal systems inspected N/A.

**(3)** ☐ Buyer ☐ Seller shall pay to have domestic wells tested for water potability and productivity N/A.

**(4)** ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report prepared by Property 10.

**(5)** ☐ Buyer ☐ Seller shall pay for the following inspection or report:

**(6)** ☒ Buyer ☐ Seller shall pay for the following inspection or report: None Transacted

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

**(1)** ☐ Buyer ☒ Seller shall pay for smoke detector installation and/or water heater bracket, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless exempt.

**(2)** ☐ Buyer ☒ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law.

**C. ESCROW AND TITLE:**

**(1)** ☒ Buyer ☐ Seller shall pay escrow fee Each to pay their own. Escrow Holder shall be Bank of America.

**(2)** ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 12E. Owner's title policy to be issued by First Title. (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

**(1)** ☐ Buyer ☒ Seller shall pay County transfer tax or fee.

**(2)** ☐ Buyer ☐ Seller shall pay City transfer tax or fee.

**(3)** ☐ Buyer ☒ Seller shall pay Homeowner's Association ("HOA") transfer fee.

**(4)** ☐ Buyer ☒ Seller shall pay HOA document preparation fees.

**(5)** ☐ Buyer ☒ Seller shall pay for any private transfer fee.

**(6)** ☐ Buyer ☒ Seller shall pay the cost, not to exceed \$ 1,000.00, of a one-year home warranty plan issued by AMS. Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

**(7)** ☐ Buyer ☐ Seller shall pay for:

**(8)** ☐ Buyer ☐ Seller shall pay for:

Buyer's Initials: RC, AMSeller's Initials: MG, JG

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 8)

81455 Andalusia

81453 Andalusia

Property Address: 81453 Andalusia, CA 92253

Date: August 3, 2013

**5. CLOSING AND POSSESSION:**

- A. Buyer intends (or ☒ does not intend) to occupy the Property as Buyer's primary residence.  
 B. Seller-occupied or vacant property: Possession shall be delivered to Buyer at 5 PM or (☐ AM ☐ PM) on the date of Close of Escrow; ☐ on \_\_\_\_\_; or ☐ no later than \_\_\_\_\_ Days After Close of Escrow. If transfer of title and possession do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.  
 C. Tenant-occupied property: (i) Property shall be vacant at least 5 (or ☐ ) Days Prior to Close of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR (i) (if checked) ☐ Tenant to remain in possession. (C.A.R. Form PAA, paragraph 3)

D. At Close of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale, and (ii) Seller shall deliver to Buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.

E. At Close of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, garage door opener, if Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association (HOA) to obtain keys to accessible HOA facilities.

**6. STATUTORY DISCLOSURES INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES AND CANCELLATION RIGHTS:**

- A. (i) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer, if required by Law, (i) Federal Lead-Based Paint Disclosure (C.A.R. Form FLD) and paragraph (Lead Disclosure); and (ii) disclosures or notices required by sections 1102 et seq. and 1103 et seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to: a Real Estate Transfer Disclosure Statement ("TDS"), Material Hazard Disclosure Statement ("MHD"), notice or actual knowledge of release of illegal controlled substances, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mills-Rios Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or SSO).  
 (2) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory and Lead Disclosures to Seller.  
 (3) In the event Seller, prior to Close of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.  
 (4) If any disclosure or notice specified in 5A(1), or subsequent or amended disclosure or notice is delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.  
 (5) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

B. **NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide a MHD, disclose if the Property is located in a Special Flood Hazard Area, Potential Flooding (Inundation) Area, Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AG or QS).

D. **MEGANS' LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 260.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](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 are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this work.)

E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.dot.gov>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

**7. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**

- A. **SELLER HAS:** 7 (or ☐ ) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or GSD).  
 B. If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ☐ ) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the name and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall Review and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3).

**8. ITEMS INCLUDED IN AND EXCLUDED FROM PURCHASE PRICE:**

A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 8B or C.

**B. ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property;  
 (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, water systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air conditioning, pool/spa equipment, garage door openers, remote controls, mailbox, in-ground landscaping, trees/shrubs, water systems, water purifiers, security systems/alarms; (i) checked ☐ stove(s); ☐ refrigerator(s);

Buyer's Initials: *EC*Seller's Initials: *MG, JG*

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 8)



81453 Andalusia

81455 Antelope  
Property Address: Le Chino, CA 92253 Date: August 3, 2013

13. The following additional items: Accessories to be approved within 5 days of acceptance.  
 14. Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.  
 15. All items included shall be transferred free of liens and without Seller warranty.  
 C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, audio and video components (such as flat screen TVs and speakers) are excluded. If any such item is not hand attached to the Property, even if a bracket or other mechanism attached to the component is attached to the Property, and  
 8. CONDITION OF PROPERTY: Unless otherwise agreed: (a) the Property is sold (b) in its PRESENT physical ("as-is") condition as of the date of Acceptance; and (c) subject to Buyer's investigation rights; (d) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (e) all debris and personal property not included in the sale shall be removed by Close Of Escrow.  
 A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.  
 B. Buyer has the right to inspect the Property and, as specified in paragraph 14B, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that Seller make repairs or take other action.  
 C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current law, or have had permits issued.  
 10. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:  
 A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 14B. Within the time specified in paragraph 14B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by law.  
 B. Seller shall make the Property available for all Buyer investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer investigations and, after remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.  
 C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's investigations and through the date possession is made available to Buyer.  
 D. Buyer, indemnify and Seller protection for entry upon property. Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations, or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Nonresponsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.  
 11. SELLER DISCLOSURES; AGENDA; ADVISORIES; OTHER TERMS:  
 A. Seller Disclosures (if checked): Seller shall, within the time specified in paragraph 14A, complete and provide Buyer with a:  
☒ Seller Property Questionnaire (C.A.R. Form SPO) OR ☐ Supplemental Contractual and Statutory Disclosures (C.A.R. Form SSD)  
 B. Addendums (if checked): ☐ Addendum # \_\_\_\_\_ (C.A.R. Form ADM)  
☒ Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)  
☐ Purchase Agreement Addendum (C.A.R. Form PAAY) ☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPT)  
☐ Short Sale Addendum (C.A.R. Form SSA) ☐ Other \_\_\_\_\_  
 C. Advisories (if checked): ☒ Buyer's Inspection Advisory (C.A.R. Form BIA)  
☐ Probate Advisory (C.A.R. Form PAAC) ☒ Statewide Buyer and Seller Advisory (C.A.R. Form SBA)  
☐ Trust Advisory (C.A.R. Form TA) ☐ REC Advisory (C.A.R. Form REC)  
 D. Other Terms: \_\_\_\_\_  
 12. TITLE AND VESTING:  
 A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B.  
 B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not as of the date of Acceptance except (i) mandatory liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.  
 C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.  
 D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (i.e. for stock cooperative or long-term lease, or assignment of stock certificates or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. This shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.  
 E. Buyer shall receive a CALIFORNIA Homeowner's Policy of Title Insurance. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

Buyer's Initials: [Signature] Seller's Initials: MGK JG

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 8)

81455 Addendum

**81455 Andalusia**

Property Address: La Quinta, CA 92253 Date: August 3, 2013

**13. SALE OF BUYER'S PROPERTY:**

A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.

OR B. ☒ (If checked): The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.

**14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER HAS:** 7 (or ☐ ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 4, 6A, B and C, 7A, 8A, 11A and B, and 12A. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not delivered the items within the time specified.

B. **(1) BUYER HAS:** 17 (or ☐ ) Days After Acceptance, unless otherwise agreed in writing, to:

- (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and
- (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures Delivered by Seller in accordance with paragraph 6A.

(2) Within the time specified in 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RQ). Seller has no obligation to agree to or respond to Buyer's requests.

(3) By the end of the time specified in 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not delivered within the time specified in 14A, then Buyer has 3 (or ☐ ) Days After Delivery of any such items, or the time specified in 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) Continuation of Contingency: Even after the end of the time specified in 14B(1) and before Seller cancels, if at all, pursuant to 14C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 14C(1).

C. **SELLER RIGHT TO CANCEL:**

- (1) Seller right to Cancel: Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NSP), may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
- (2) Seller right to Cancel: Buyer Contract Obligations: Seller, after first Delivering to Buyer a NSP, may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to Deliver a notice of FHA or VA costs or terms as required by 3C(3) (C.A.R. Form FVA); (iv) if Buyer fails to Deliver a letter as required by 3A; (v) if Buyer fails to Deliver verification as required by 3G or 3J; (vi) if Seller reasonably disapproves of the verification provided by 3G or 3J; (vii) if Buyer fails to return Statutory and Lead Disclosures as required by paragraph 6A(2); or (viii) if Buyer fails to sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 25. In such event, Seller shall authorize return of Buyer's deposit.
- (3) Notice to Buyer to Perform: The NSP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or ☐ ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 14C(2).

D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.

E. **CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).

F. **EFFECT OF CANCELLATION ON DEPOSIT:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1087.3).

15. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.

16. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 3 (or ☐ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 5; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBBA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

Buyer's Initials: LU MGSeller's Initials: MG JG

RPA-CA REVISED 4/13 (PAGE 5 OF 8)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Property Address: 81455 Andalusia  
La Quinta, CA 92253

Date: August 3, 2013

10. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
11. **MULTIPLE LISTING SERVICE (MLS):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
20. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination laws.
21. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 26A.
22. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
  - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
  - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59PM on the final day.
  - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - H. "Deliver", "Delivered" or "Delivery", means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 8, regardless of the method used (i.e. messenger, mail, email, fax, other); OR (ii) if checked, ☐ per the attached addendum (C.A.R. Form RDN).
  - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
  - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
23. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
24. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related county forms and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6C, 11B and D, 12, 13B, 14F, 17, 22, 23, 24, 26, 30 and paragraph D of the section titled Real Estate Brokers on page 8. If a Copy of the separate compensation agreement(s) provided for in paragraph 23, or paragraph D of the section titled Real Estate Brokers on page 8 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will waive such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
  - B. A Copy of this Agreement shall be delivered to Escrow Holder within 2 business days after Acceptance for ☐. Escrow Holder shall provide Seller's Statement of Information to Title Company when received from Seller. Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
  - C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 23 and paragraph D of the section titled Real Estate Brokers on page 8. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 23, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
  - D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

Buyer's Initials

RPA-CA REVISED 6/13 (PAGE 5 OF 8)

Seller's Initials

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



61455 Andalusia  
Property Address: La Quinta, CA 92253

Date: August 3, 2013

25. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF THE INCREASED DEPOSIT, BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION FOR ANY INCREASED DEPOSIT (C.A.R. FORM RID).

Buyer's Initials JE, AM Seller's Initials MG, JG

26. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 28C.

B. ARBITRATION OF DISPUTES:

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL. UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials JE, AM Seller's Initials MG, JG

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2935; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enforce the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver not violation of the mediation and arbitration provisions.

(2) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

27. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Broker's compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

28. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing signed by Buyer and Seller.

Buyer's Initials JE, AM

Seller's Initials MG, JG

RPA-CA REVISED 4-13 (PAGE 7 OF 8)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 8)

61455 Andalusia

81455 Andalusia  
 Property Address: La Quinta, CA 92253 Date: August 3, 2013

25. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Agent, Broker/De by Buyer (or, if checked, ☐ by authorized to receive R. by 5:00 PM on the third day after the offer is signed by Buyer (or, if checked, ☐ by 5:00 PM on August 6, 2013 (date)).

Date Aug 3, 2013 Date Aug 3, 2013  
 BUYER Robert Thralie BUYER Terrie Churchill  
 (Print name) (Print name)  
 (Address) (Address)

26. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationship. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.  
☒ (if checked) SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CC) DATED: 8/5/13

Date 8/5/13 Date 8/5/13  
 SELLER Mark B. Gordon SELLER Janice L. Gordon  
 (Print name) (Print name)  
 (Address) (Address)

CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) 8/5/13 at 5:00 PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

**REAL ESTATE BROKERS:**  
 A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.  
 B. Agency relationships are confirmed as stated in paragraph 2.  
 C. If specified in paragraph 2A, Agent who submitted the offer for Buyer acknowledges receipt of deposit.  
 D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept out of Listing Broker's proceeds in escrow; (i) the amount specified in the M.L.S., provided Cooperating Broker is a Participant of the M.L.S. in which the Property is offered for sale or a reciprocal M.L.S.; or (ii) ☐ (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLX) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Banker, Xianchun, Broker/Agent DRE Lic. # 0226522  
 By Terrie Churchill DRE Lic. # 01269226 Date 08/03/2013  
 Address 45000 CINDY DRIVE City La Quinta, CA State CA ZIP 92253  
 Telephone 760-772-2441 Fax 760-772-2441 E-mail terriechurchill@earthlink.net

Real Estate Broker (Listing Firm) Banker, Xianchun, Broker/Agent DRE Lic. # 0226522  
 By Terrie Churchill DRE Lic. # 01269226 Date 08/03/2013  
 Address 45000 CINDY DRIVE City La Quinta, CA State CA ZIP 92253  
 Telephone 760-772-2441 Fax 760-772-2441 E-mail terriechurchill@earthlink.net

**ESCROW HOLDER ACKNOWLEDGMENT:**  
 Escrow Holder acknowledges receipt of a Copy of this Agreement, of checked, ☐ a deposit in the amount of \$                     , and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, and supplemental escrow instructions and the terms of Escrow Holder's general provisions.  
 Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is 8/5/13.  
 By                      Escrow #                       
 Address                      Date                       
 Phone/Fax/E-mail                       
 Escrow Holder is licensed by the California Department of ☐ Corporations, ☐ Insurance, ☐ Real Estate. License #                     


**PRESENTATION OF OFFER:**                      Listing Broker presented this offer to Seller on                      (date).  
 Broker or Designee initials                     

**REJECTION OF OFFER:**                      No counter offer is being made. This offer was rejected by Seller on                      (date).  
 Seller's initials                     

A REAL ESTATE BROKER OR REALTOR, INC. (R.E.B.) MUST CARRY A \$100,000 BOND TO COVER THE BONDING OBLIGATION OF THIS FORM, OR ANY PERSON THEREIN, BY WHICHEVER ONE OF OR ANY OTHER MEANS, INCLUDING THROUGH A REPRESENTATIVE. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION OF ANY FINANCIAL TRANSACTION. A REAL ESTATE BROKER IN THE POSITION DESCRIBED TO ACT ON BEHALF OF THE TRANSACTION, IF THEY OFFER, LIST, OR FOR ANY OTHER PURPOSE, AN APPROPRIATE PROFESSIONAL.

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 525 South West Avenue, Los Angeles, California 90020  
 REVISION DATE 4/13

Reviewed by                      Date                       
 Broker or Designer                     



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 8 OF 8) R1455 Andalusia





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

# BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA-A, Revised 10/02)

Property Address: 81455 Appletonia, La Quinta, CA 92253

(Property)

**A. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Broker. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**B. BUYER RIGHTS AND DUTIES:** You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement. If you act within specific time periods, if you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

**C. SELLER RIGHTS AND DUTIES:** Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

**D. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. In sales involving residential dwellings with no more than four units, Brokers have a duty to make a diligent visual inspection of the accessible areas of the Property and to disclose the results of that inspection. However, as some Property defects or conditions may not be discoverable from a visual inspection, it is possible Brokers are not aware of them. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **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.**

**E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:**

- 1. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof, plumbing, heating, air conditioning, electrical, mechanical, security, pools/spa, other structural and non-structural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property. (Structural engineers are best suited to determine possible design or construction defects, and whether improvements are structurally sound.)
- 2. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. (Professionals such as appraisers, architects, surveyors and civil engineers are best suited to determine square footage, dimensions and boundaries of the Property.)
- 3. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms and other infestation or infection. 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. A registered structural pest control company is best suited to perform these inspections.
- 4. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage. (Geotechnical engineers are best suited to determine such conditions, causes and remedies.)

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BIA-A REVISED 10/02 (PAGE 1 OF 2)

Buyer's Initials: [Signature]  
Seller's Initials: [Signature]  
Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_



## BUYER'S INSPECTION ADVISORY (BIA-A PAGE 1 OF 2)

Agent: Tom Munselle

Phone: 760.772.2411

Fax: 858.345.1204

Prepared using zipForm® software

Broker: Coldwell Banker Residential Brokerage, 45-000 Club Drive Irvine, CA 92618



Property Address: 51455 Andalusia, La Grange, CA 92253

Date: August 3, 2013

5. **ROOF:** Present condition, age, leaks, and remaining useful life. (Roofing contractors are best suited to determine these conditions.)
6. **POOL/SPA:** Cracks, leaks or operational problems. (Pool contractors are best suited to determine these conditions.)
7. **WASTE DISPOSAL:** Type, size, adequacy, capacity and condition of sewer and septic systems and components; connection to sewer, and applicable fees.
8. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components.
9. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants). (For more information on these items, you may consult an appropriate professional or read the booklets "Environmental Hazards: A Guide for Homeowners, Buyers, Landlords and Tenants," "Protect Your Family From Lead in Your Home" or both.)
10. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood. (A Geologist or Geotechnical Engineer is best suited to provide information on these conditions.)
11. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurances may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early in this information may affect other decisions, including the removal of loan and inspection contingencies. (An insurance agent is best suited to provide information on these conditions.)
12. **BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size. (Such information is available from appropriate governmental agencies and private information providers. Brokers are not qualified to review or interpret any such information.)
13. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements. (Government agencies can provide information about these restrictions and other requirements.)
14. **SECURITY AND SAFETY:** State and local law may require the installation of barriers, access alarms, self-latching mechanisms 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. (Local government agencies can provide information about these restrictions and other requirements.)
15. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, 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 commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects in the Property, its common areas, or other areas unless such defects are visibly observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

Buyer Signature <i>Mark B. Gordon</i> Mark B. Gordon	Date AUG 3, 2013	Buyer Signature <i>L. Churchill</i> Lorrie Churchill	Date Aug 3, 2013
Seller Signature Mark B. Gordon	Date	Seller Signature Janice L. Gordon	Date

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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SIA-A REVISED 10/02 (PAGE 2 OF 2)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



BUYER'S INSPECTION ADVISORY (SIA-A PAGE 2 OF 2)

51455 Andalusia



**EXHIBIT "B"**



DocuSign Envelope ID: F6BFC9C-C6AE-4D42-A454-7428AD901232

61455 Andaleosa

Property Address: Pa. Colours, CA 92253

Date: August 14, 2013

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

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

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

\*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 5 (commencing with Section 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.2 (commencing with Section 10890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with Section 115500) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1994 edition of the California Building Standards Code, Section 10104 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with section 1101.4 of the Civil Code.

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

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

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

None of the above is checked.

D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 13113.6 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.

2. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

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

Seller: [Signature] Date: 8-14-13Seller: [Signature] Date: 8-14-13Buyer's Agent: [Signature] Date: 8-14-13Copyright © 1991-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC.  
TDS REVISED (1/12) (PAGE 2 OF 3)Reviewed by: [Signature] Date: 8-14-13

REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 2 OF 3)

LOT 0-0: WRE

DocuSign Envelope ID: FB80FC9C-C0AE-404D-A6E4-745BAD2012B3

Property Address: 67455 Andalusia  
San Gabriel, CA 92223

Date: August 24, 2013

## III. AGENT'S INSPECTION DISCLOSURE

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

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

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

AGENT RECOMMENDS BUYER OBTAIN THE SERVICES OF

A PROFESSIONAL INSPECTOR.

Agent (Broker Representing Seller)

Windschance Real Estate

(Please Print)

By

[Signature]

Date

8/14/13

## IV. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent, who has obtained the offer to offer (and the agent, discloses.)

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

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

Agent (Broker Obtaining the Offer)

Coldwell Banker Residential

(Please Print)

By

[Signature]

Date

8/15/13

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

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

Seller

Date 8-14-13

Buyer

[Signature]

Date

8/20/2013

Seller

Date 8-14-13

Buyer

[Signature]

Date

8/20/2013

Agent (Broker Representing Seller)

Windschance Real Estate

(Please Print)

By

[Signature]

Date

8/14/13

Agent (Broker Obtaining the Offer)

Coldwell Banker Residential

(Please Print)

By

[Signature]

Date

8/15/13

SECTION 102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

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

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TDS REVISED 1/1/12 (PAGE 3 OF 3)

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

LOT 0-81-WRE