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9 Attorneys for Preferred Vintage LLC

10 UNITED STATES BANKRUPTCY COURT  
11 NORTHERN DISTRICT OF CALIFORNIA

12 In Re: Case No. 17-31106

13 PREFERRED VINTAGE, LLC Chapter 11

14 Debtor.

15 Date: February 2, 2018  
16 Time: 10:00 AM  
17 Ctrrm: Honorable Dennis Montali  
18 450 Golden Gate Avenue  
19 16<sup>th</sup> Floor  
20 San Francisco

21 MOTION FOR AUTHORITY TO SELL REAL PROPERTY  
22 FREE AND CLEAR OF LIENS

23 Preferred Vintage, LLC (“Preferred”), as debtor in possession, hereby moves for relief as  
24 follows:

25 I.

26 RELIEF REQUESTED

- 27 1. Authorization to Sell the real property commonly described as 16490 Arnold  
28 Drive, Sonoma, California 95476 (“the Property”) free and clear of the disputed  
amount of the USI lien, with the disputed USI lien, estimated to be \$500,000, to  
attach to the proceeds;
2. To pay the undisputed amount of the USI obligation estimated to be \$2,510,000.

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- 3. To pay the undisputed obligations to Edward Keane and Sal S. Zagari;
- 4. To pay the ordinary an necessary costs of sale, including real estate commissions, and to pay the County of Sonoma County for unpaid taxes.
- 5. For a finding, pursuant to 11 USC § 363(m), that the Buyers are good faith purchasers.

II.

MOTION

A. BACKGROUND

In March of 2016, Debtor executed a Promissory Note in the principal amount of Two Million Three Hundred Thousand dollars (\$2,300,000) from an investor group represented by USI Servicing, Inc., a Nevada corporation (“USI”). The Promissory Note is secured by a deed of trust of the same date that was recorded in the Official Records of the County of Sonoma and is a lien against the Property. The terms of the Promissory Note provide for interest only payments of \$19,166.67 per month.

Debtor did not make the payment to USI for the months of October and November of 2016. In response to Preferred’s failure to pay USI increased the interest rate to a default rate of 25% per annum calculated on the unpaid principal, and continued to charge a default rate of interest even as Preferred cured the default and stayed current.

When Preferred was unable to pay the balloon payment due under the Promissory Note, USI commenced the foreclosure of its deed of trust. The chapter 11 was filed to allow time for the sale of the Property.

B. THE SALE

The Property is described as 16490 Arnold Drive, Sonoma, California 95476 (APN 133-010-045-000), and more particularly described in Exhibit A.

1 Preferred has accepted an offer to purchase the Property from Dallas R. Kashuba and  
2 Vida Kashuba, co-trustees of the Kashuba 2009 Trust dated July 1, 2009, at the sale price of  
3 \$4,250,000, all cash. A true and correct copy of the Real Estate Purchase Contract is attached as  
4 Exhibit B.

5  
6 The Property is encumbered with the following liens:

7 (I) Property taxes, including any personal property taxes and any assessments  
8 collected with taxes are as follows:

9 Code Area: 158060  
10 Tax Identification No.: 133-010-045-000  
11 Fiscal Year: 2017-2018  
12 1st Installment: \$10,258.76 Open  
13 2nd Installment: \$10,258.76 Open  
14 Exemption: \$0.00  
15 Land: \$974,033.00  
16 Improvements: \$708,716.00  
17 Personal Property: \$58,802.00

18 (ii) The lien of supplemental or escaped assessments of property taxes, if any, made  
19 pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3,  
20 Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a  
21 result of the transfer of title to the vestee named in Schedule A or as a result of changes in  
22 ownership or new construction occurring prior to Date of Policy.

23 (iii) A deed of trust to secure an indebtedness in the amount shown below,

24 Amount: \$2,300,000.00  
25 Dated: March 25, 2016  
26 Trustor/Grantor: Preferred Vintage, LLC, a California Limited Liability  
27 Company  
28 Trustee: USI Servicing, Inc  
Beneficiary: United Security Investors III LLC, a Nevada Limited  
Liability Company as to an undivided 60.870% and United Security Investors II, LLC, a  
Nevada  
Limited Liability Company, as to an undivided 39.130% interest Loan No: USF11888  
Recording Date: March 31, 2016  
Recording No.: 2016028613, of Official Records.

A Partial Assignment of the beneficial interest under said Deed of Trust

From: United Security Investors II, LLC, a Nevada Limited

1 Liability Company  
2 To: 16490 Arnold Dr. Investors LLC, a California Limited  
3 Liability, as to an undivided thirteen and forty three thousands percent (13.043%) interest,  
4 Equity Trust Company Custodian f/b/o Errol D. Brick IRA, as to an undivided three and two  
5 hundred sixty one thousandths percent (3.261%) interest, Beam Brothers, LLC, an Ohio limited  
6 liability company, as to an undivided four and three hundred forty eight thousandths percent  
7 (4.648%) interest; Richard J. Mayer Trustee of the Richard J. Mayer Revocable Trust dated  
8 April 23, 1992, as to an undivided six and five hundred twenty two thousandths percent  
9 (6.522%) interest, and Joseph Frank and Suzanne G. Frank Trustees of the Frank Family Trust,  
10 dated August 25, 2011, as to an undivided four and three hundred forty eight thousandths  
11 percent (4.348%) interest in the certain deed of Trust dated March 25, 2016.

12 Recording Date: June 6, 2017  
13 Recording No: 2017044000, of Official Records  
14 As To: 31.822%

15 A Partial Assignment of the beneficial interest under said Deed of Trust

16 From: United Security Investors II, LLC, a Nevada Limited  
17 Liability Company

18 To: United Security Investors III LLC, a Nevada Limited  
19 Liability Company, as to an undivided four and eight hundred twenty six thousandths percent  
20 (4.826%) interest

21 Recording Date: June 6, 2017  
22 Recording No: 2017044001, of Official Records  
23 As To: 4.826%

24 A Partial Assignment of the beneficial interest under said Deed of Trust

25 From: United Security Investors II, LLC, a Nevada Limited  
26 Liability Company

27 To: United Security Investors III LLC, a Nevada Limited  
28 Liability Company, as to an undivided two and six hundred nine thousandths percent (2.609%)  
interest

Recording Date: June 6, 2017  
Recording No: 2017044002, of Official Records  
As To: 2.609%

(iv) A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$250,000.00  
Dated: July 13, 2016  
Trustor/Grantor: Preferred Vintage, LLC, a California Limited Liability  
Company  
Trustee: First American Title Co.  
Beneficiary: Edward Keane, an unmarried man  
Loan No: 16070306  
Recording Date: July 14, 2016

1 Recording No.: 2016060512, of Official Records

2 (v) A deed of trust to secure an indebtedness in the amount shown below,

3 Amount: \$300,000.00  
4 Dated: March 10, 2017  
5 Trustor/Grantor: Preferred Vintage, LLC  
6 Trustee: First American Title Insurance Company, a California  
7 Corporation  
8 Beneficiary: Sal S. Zagari  
9 Loan No: None Shown  
10 Recording Date: March 14, 2017  
11 Recording No.: 2017019672, of Official Records

12 The estate has employed Holly Bennett with Sotheby's International Realty as Real  
13 Estate Broker for the sale of the Property. The estate's agreement with Holly Bennett provides  
14 that she will be paid a commission equal to two and one-half percent (2.5%) of the sale price  
15 received for the property to be paid at the close of escrow. The buyers are represented by  
16 Donald Van de Mark also with Sotheby's International Realty who is to be paid two and one-  
17 half percent (2.5%) of the sale price received from the Property to be paid at close of escrow<sup>1</sup>.

18 C. THE DISPUTED LIEN

19 Preferred acknowledges it did not timely pay the October and November 2016 payments  
20 required by the Promissory Note with USI. Preferred further acknowledges the Promissory  
21 Note provides that upon Preferred's default USI may impose a 25% default rate of interest.  
22 However, it is Preferred's contention the 25% default is unreasonable as there is no  
23 proportionate relationship to the actual damages sustained by USI or that could have been  
24 anticipated by the parties upon Preferred's default, and therefore is an unenforceable penalty.  
25 Preferred further contends a late charge based on a percentage of the unpaid balance of the loan

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28 <sup>1</sup> If the court does not permit dual representation, Preferred will request that it be  
authorized to make payment to Holly Bennett and Sotheby's from the surplus funds.

1 is unreasonable and punitive, and as a penalty, it is deemed a forfeiture that must be avoided.  
2 USI contends otherwise. USI contends the default interest is the subject of a valid and  
3 enforceable liquidated damages agreement between Preferred and USI.

4  
5 D. THE SALE IS IN THE BEST INTEREST OF THE ESTATE

6 The sale will pay all creditors in full and return a surplus to the debtor to fund plan  
7 payments to the approximately \$180,000 in unsecured claims:

8	Sale price	\$4,250,000
9	Estimated Costs (6%)	( 255,000)
10	USI	(3,010,000) <sup>2</sup>
11	Edward Keane	( 260,000)
12	Sal Zagari	<u>( 315,000)</u>
	Net	\$ 410,000

13 E. THE BUYERS

14 In the Buyers search for a property they contacted a realtor with Sotheby's International,  
15 inspected the Property and thereafter made an offer to purchase. The offer was rejected by  
16 Preferred's counter offer. After back and forth negotiations on price and terms an agreement  
17 was reached. It is that agreement that is before the court for approval.

18  
19 The Buyers have not had any connections with Preferred, its creditors, any party in  
20 interest, their respective attorneys and accountants, the United States Trustee, or any person  
21 employed in the office of the United States Trustee. As such, it can be fairly concluded the  
22 Buyers are good faith purchasers who should be afforded the protection of Section 363(m).

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24 F. DISCUSSION

25 The Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 1334 and  
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28 <sup>2</sup> This is an estimate only of which the debtor disputes approximately \$500,000 that it  
contends is an unenforceable penalty.

1 157. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A) & (N). This motion is  
2 made pursuant to 11 USC § 363 (b), (f) and (m).

3 Preferred, as debtor in possession, has been given authority, subject to court approval,  
4 to sell property of the estate. 11 USC § 363(b). Preferred has also been given authority to sell  
5 property free and clear of any interest in property where such interest is in bona fide dispute. 11  
6 USC § 363(f). There is a bona fide dispute with USI as to the interest it claims on the unpaid  
7 balance: USI contends it is entitled to a default rate of interest calculated on the unpaid principal  
8 balance, whereas Preferred contends USI is not entitled to any more than the 10% contract rate  
9 of interest. That dispute is to be resolved by adversary proceeding.  
10

11 G. CONCLUSION

12 The price at which Preferred proposes to sell the Property will pay all creditors in full,  
13 including the disputed claim of USI should USI prevail in the adversary proceeding.  
14

15 WHEREFORE, Preferred requests an order:

- 16 1. Authorizing Preferred to sell the Property on the terms set forth above;  
17 2. Authorizing Preferred to pay directly from escrow the following claims:  
18 (I) Sonoma County Tax Collector;  
19 (ii) The ordinary and necessary costs of sale, including real estate commissions;  
20 (iii) \$2,510,000 to USI Servicing, Inc. on behalf of the beneficiaries of that deed of  
21 trust identified as Document No. 2016028613 of Official Records;  
22 (iv) Edward Keane as beneficiary of the deed of trust identified as Document  
23 No. 2016060512, of Official Records;  
24 (v) Sal Zagari as beneficiary of that deed of trust identified as Document No.  
25 2017019672 of Official Records;  
26 (vi) \$500,000 to an interest bearing trust account at American River Bank, 90  
27  
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1 South E Street, Santa Rosa, California to be held in the name of Preferred's counsel, or such  
2 other account as may be agreed by Preferred and USI, with the lien of USI to attach to the  
3 account;

4 (vii) The surplus to Preferred;

5 3. Finding, pursuant to 11 USC § 363(m), Buyers are good faith purchasers;

6 4. Such other and further relief as the court deems proper.  
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9 Dated: January 11, 2018

*/s/ Michael C. Fallon*

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11 Michael C. Fallon  
12 Attorney for Preferred  
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## EXHIBIT A

**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): 133-010-045-000**

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THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF SONOMA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LYING WITHIN PETALUMA RANCHO AND BEING A PORTION OF THE LANDS OF PHILIP B. DAVIS, RECORDED IN BOOK 764, AT PAGE 33, RECORDER'S SERIAL NO. C-59156, OFFICIAL RECORDS OF SONOMA COUNTY, AND MORE FULLY DESCRIBED AS FOLLOWS:

FOR A POINT OF COMMENCEMENT BEGIN AT AN IRON PIPE AT THE INTERSECTION OF THE WESTERLY LINE OF THE SONOMA-GLEN ELLEN COUNTY ROAD KNOWN AS ARNOLD DRIVE WITH THE SOUTHERLY LINE OF A PRIVATE ROAD 30 FEET IN WIDTH REFERRED TO IN THE ABOVE DEED; THENCE LEAVING SAID HIGHWAY AND ALONG THE SOUTHERLY LINE OF SAID PRIVATE ROAD, SOUTH 69° 00, WEST, 1409.96 FEET TO AN IRON PIPE HEREINAFTER REFERRED TO AS STATION A; THENCE SOUTH 22° 17' 30 EAST, 591.00 FEET TO AN IRON PIPE IN A FENCE CORNER; THENCE SOUTH 65° 45' 20 WEST, 1909.90 FEET TO AN IRON PIPE IN A FENCE CORNER; THENCE NORTH 24° 29' WEST, 565.21 FEET TO A REDWOOD HUB IN A FENCE CORNER; THENCE RUN ALONG THE LINE OF THE 45.48 ACRE TRACT DESCRIBED IN THE DEED FROM PHILIP B. DAVIS. ET UX, TO THOMAS F. CASS AND RUTH W. CASS, HIS WIFE, DATED AUGUST 17, 1956. RECORDED SEPTEMBER 11, 1956, IN BOOK 1467 OF OFFICIAL RECORDS, PAGE 206, RUNNING DOWN A CREEK NORTH 66° 19' 40 EAST, 288.36 FEET TO A POINT FOR THE ACTUAL POINT OF COMMENCEMENT OF THE TRACT TO BE HEREIN DESCRIBED; THENCE FROM SAID POINT OF COMMENCEMENT, NORTH 53° 56' 20 WEST 288.97 FEET TO A POINT MARKED BY AN IRON PIPE DRIVEN IN THE GROUND; THENCE NORTH 21° 19' EAST, 227.94 FEET TO A POINT MARKED BY AN IRON PIPE DRIVEN IN THE GROUND; THENCE NORTH 3° 20' 20 WEST, 94.81 FEET TO A POINT MARKED BY AN IRON PIPE DRIVEN IN THE GROUND; THENCE NORTH 0° 37' 40 WEST, 208.76 FEET TO A POINT MARKED BY AN IRON PIPE DRIVEN IN THE GROUND; THENCE NORTH 74° 49' 40 EAST, 150.61 FEET TO AN IRON PIPE; THENCE SOUTH 73° 37' 40 EAST, 112.65 FEET TO AN IRON PIPE; THENCE SOUTH 87° 46' 50 EAST, 103.68 FEET TO AN IRON PIPE DRIVEN IN THE WESTERN BOUNDARY OF THE 45.48 ACRE TRACT DESCRIBED IN THE DEED FROM PHILIP B. DAVIS, ET UX, TO THOMAS F. CASS AND RUTH W. CASS, HIS WIFE, DATED AUGUST 17, 1956, RECORDED SEPTEMBER 11, 1956 IN BOOK 1467 OF OFFICIAL RECORDS, PAGES 206, THENCE ALONG SAID WESTERN BOUNDARY SOUTH 0° 29' 40 EAST, 600.23 FEET TO A POINT WHICH BEARS NORTH 66° 19,40 EAST FROM THE POINT OF COMMENCEMENT; THENCE ALONG THE BOUNDARY OF THE 45.48 ACRE TRACT DESCRIBED IN THE DEED FROM DAVIS TO CASS AS AFORESAID SOUTH 66° 19,40 WEST, 222.39 FEET TO THE POINT OF COMMENCEMENT.

PARCEL TWO:

BEING A PORTION OF LOT 4 AS SHOWN ON PARCEL MAP NO. 2448 RECORDED IN BOOK 159 OF MAPS, PAGE 49, SONOMA COUNTY RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 4 OF PARCEL MAP NO. 2448; RUNNING THENCE, ALONG THE NORTHERLY BOUNDARY OF SAID LOT 4, S. 65° 40' 40 W. 270.00 FEET; THENCE, LEAVING SAID NORTHERLY BOUNDARY AND RUNNING 5. 24° 19' 20 E. 100.00 FEET; THENCE 5. 39° 05' 00 W., 291.54 FEET; THENCE S. 05° 26' 35 E., 83.43 FEET TO THE NORTHEASTERLY CORNER OF THE 50 FOOT WIDE ROADWAY AND UTILITY EASEMENT SHOWN ON SAID PARCEL MAP NO. 2448; THENCE, ALONG THE EASTERLY TERMINATION LINE OF SAID 50 FOOT WIDE EASEMENT, S. 38° 20' 00 E. 25.00 FEET TO AN ANGLE POINT ON THE SOUTHERLY BOUNDARY OF SAID LOT 4 OF PARCEL MAP NO. 2448; THENCE, ALONG SAID SOUTHERLY BOUNDARY OF LOT 4, S. 38° 20' 00 E. 194.51 FEET TO AN ANGLE POINT THEREON; THENCE, CONTINUING ALONG SAID SOUTHERLY BOUNDARY OF LOT 4, N. 74° 51' 10 E. 88.22 FEET; THENCE CONTINUING ALONG SAID SOUTHERLY BOUNDARY, 5. 73° 36' 10 E. 112.67 FEET;

**EXHIBIT "A"**  
Legal Description  
(continued)

THENCE, CONTINUING ALONG SAID SOUTHERLY BOUNDARY OF LOT 4, 5. 87° 45' 20 E. 103.70 FEET TO THE SOUTHEASTERLY CORNER THEREOF; THENCE, ALONG THE EASTERLY BOUNDARY OF SAID LOT 4, N. 00° 29' 30 W, 161.27 FEET; THENCE, CONTINUING ALONG SAID EASTERLY BOUNDARY OF LOT 4, N. 65° 22' 00 E., 174.77 FEET; THENCE, CONTINUING ALONG SAID EASTERLY BOUNDARY OF LOT 4, N. 24° 23' 30 W. 507.91 FEET TO THE POINT OF BEGINNING.

PARCEL THREE:

A NON-EXCLUSIVE EASEMENT OF RIGHT OF WAY, FOR ROAD PURPOSES, SAID RIGHT OF WAY BEING MORE PARTICULARLY DESCRIBED AS BEING 15.0 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF ARNOLD DRIVE AND FROM WHICH POINT AN IRON PIPE BEARS NORTH 32° 57' WEST, 15.33 FEET DISTANT, SAID POINT IN THE CENTER OF THAT 30.0 FOOT STRIP OF LAND REFERRED TO IN SAID T. F. CASS DEED, AFORESAID; THENCE FROM SAID POINT OF BEGINNING, SOUTH 69° 02' 20 WEST, 1404.72 FEET TO A POINT, FROM WHICH AN IRON PIPE BEARS NORTH 22° 28' 20 WEST, 15.0 FEET DISTANT; THENCE CONTINUING SOUTH 69° 02' 20 WEST, 6.66 FEET; THENCE CURVING TO THE LEFT WITH A RADIUS OF 144.0 FEET, FOR A DISTANCE OF 74.88 FEET; THENCE SOUTH 39° 14' 40 WEST, 26.26 FEET; THENCE CURVING TO THE RIGHT, WITH A RADIUS OF 120.0 FEET, FOR A DISTANCE OF 140.94 FEET; THENCE NORTH 73° 27' 40 WEST, 35.01 FEET FOR A DISTANCE OF 140.94 FEET; THENCE NORTH 73° 27' 40 WEST, 35.01 FEET; THENCE CURVING TO THE LEFT, WITH A RADIUS OF 67.0 FEET, FOR A DISTANCE OF 99.14 FEET; THENCE SOUTH 21° 45' 20 WEST, 63.22 FEET; THENCE CURVING TO THE RIGHT, WITH A RADIUS OF 190.0 FEET, FOR A DISTANCE OF 123.70 FEET; THENCE SOUTH 59° 03' 20 WEST, 41.04 FEET; THENCE SOUTH 63° 07' WEST, 88.53 FEET; THENCE SOUTH 58° 45' 20 WEST 76.14 FEET; THENCE CURVING TO THE RIGHT, WITH A RADIUS OF 180.0 FEET, FOR A DISTANCE OF 46.09 FEET; THENCE SOUTH 73° 25' 40 WEST, 118.26 FEET; THENCE CURVING TO THE RIGHT, WITH A RADIUS OF 98.0 FEET, FOR A DISTANCE OF 174.17 FEET; THENCE NORTH 4° 44' 40 WEST, 18.37 FEET; THENCE CURVING TO THE LEFT, WITH A RADIUS OF 180.0 FEET, FOR A DISTANCE OF 123.48 FEET; THENCE NORTH 44° 03' WEST, 206.86 FEET; THENCE CURVING TO THE LEFT WITH A RADIUS OF 150.0 FEET, FOR A DISTANCE OF 34.99 FEET; THENCE NORTH 57° 25' WEST, 193.17 FEET TO THE WESTERLY LINE OF SAID CASS PROPERTY, AND THE TERMINUS OF SAID RIGHT OF WAY.

SAID EASEMENT IS APPURTENANT TO AND FOR THE BENEFIT OF THE LAND DESCRIBED HEREIN AS PARCEL TWO, AND MAY BE APPORTIONED FOR USE BY THE OWNERS OF ANY PORTION THEREOF.

PARCEL FOUR:

A 50-FOOT ROADWAY AND UTILITY EASEMENT SHOWN ON THE AFORESAID PARCEL MAP LYING WITHIN LOTS 1 AND 3, AS SHOWN THEREIN.

PARCEL FIVE:

TWO 50-FOOT EASEMENTS OF RIGHT OF WAY MORE PARTICULARLY DESCRIBED IN THAT CERTAIN DEED FROM A. S. BAUER AND WIFE TO MYRON FREIBERG, RECORDED MAY 13, 1971 N BOOK 2533, PAGE 782, SONOMA COUNTY RECORDS, AS FOLLOWS: TOGETHER WITH A NON- EXCLUSIVE EASEMENT OF RIGHT OF WAY, OVER A STRIP OF LAND 50-FEET IN WIDTH, LEADING FROM THE NORTHWEST CORNER OF THE TRACT HEREIN DESCRIBED THROUGH PARCEL ONE, AS SHOWN AND DESIGNATED UPON THE AMENDED RECORD OF SURVEY OF SOBRE VISTA ACRES, RECORDED MARCH 14, 1950 IN BOOK 64 OF MAPS, PAGES 17, 18, 19, AND 20, SONOMA COUNTY RECORDS, WHICH SAID

**EXHIBIT "A"**  
Legal Description  
(continued)

50-FOOT STRIP OF LAND IS MORE PARTICULARLY DESCRIBED IN THE GRANT OF RIGHT OF WAY FROM EVA M. PHILLIPS, A WIDOW, TO PHILLIP B. DAVIS AND MURIEL PHILLIPS DAVIS, HIS WIFE, DATED SEPTEMBER 26, 1955 AND RECORDED MARCH 16, 1956, UNDER RECORDER'S SERIAL NO. E-76689.

PARCEL SIX:

A NON-EXCLUSIVE EASEMENT OF RIGHT OF WAY 50-FEET IN WIDTH, WHICH LIES CONTIGUOUS TO THAT PORTION OF THE WESTERN LINE OF THE HEREIN DESCRIBED PROPERTY. WHICH SAID PORTION IS DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF THE HEREIN DESCRIBED PROPERTY, WHICH IS THE SOUTHERN TERMINUS OF THE 50-FOOT RIGHT OF WAY DESCRIBED IN GRANT FROM EVA M. PHILLIPS, A WIDOW, TO PHILLIP B. DAVIS AND WIFE, HEREIN REFERRED TO; THENCE SOUTH 34° 26' 40 EAST, 168.70 FEET TO A POINT; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 370 FEET, THROUGH AN ANGLE OF 30° 51' 40, A DISTANCE OF 199.29 FEET.

PARCEL SEVEN:

AN EASEMENT FOR EMERGENCY ACCESS AS MORE PARTICULARLY DESCRIBED IN EXHIBIT C AND DELINEATED ON EXHIBIT D OF THAT CERTAIN GRANT OF EASEMENT FOR EMERGENCY ACCESS RECORDED, TO BE DETERMINED, AS INST. NO. 2012105187, OFFICIAL RECORDS, SONOMA COUNTY.

## EXHIBIT B



CALIFORNIA ASSOCIATION OF REALTORS®

REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (FOR BUYER REPRESENTATIVES)

(C.A.R. Form RCSD-B, Revised 6/16)

This form is not an assignment. It should not be used to add new parties after a contract has been formed. The purpose of this form is to identify who the principal is in the transaction and who has authority to sign documents on behalf of the principal

This is a disclosure to the [X] Purchase Agreement, [ ] Buyer Representation Agreement, [ ] Other, dated 11/30/2017 ("Agreement"), for the property known as 16490 Arnold Dr, Sonoma CA ("Property"), between Dallas R. Kashuba, Co-Trustee & Vida Kashuba, Co-Trustee ("Seller", [ ] "Buyer Broker"), and ("Buyer")

If a trust, identify Buyer as the trustee(s) of the trust or by simplified trust name (e.g. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust 3.) Full name of trust should be identified in 1A below. If power of attorney, insert principal's name as Buyer.

1. [X] A. TRUST: (1) Assets used to acquire/lease the Property are held in trust pursuant to a trust document titled Kashuba 2009 Trust dated 07/01/2009.

(2) The person(s) signing below is/are Sole/Co/Successor Trustee(s) of the Trust.

[ ] B. ENTITY: Buyer is a [ ] Corporation, [ ] Limited Liability Company, [ ] Partnership [ ] Other: which has authorized the officer(s), managing member(s), partner(s) or person(s) signing below to act on its behalf. An authorizing resolution of the applicable body of the entity described above [ ] is [ ] is not attached.

[ ] C. POWER OF ATTORNEY: Buyer ("Principal") has authorized the person(s) signing below ("Attorney-In-Fact", "Power of Attorney" or "POA") to act on his/her behalf pursuant to a General Power of Attorney ([ ] Specific Power of Attorney for the Property), dated. This form is not a Power of Attorney. A Power of Attorney must have already been executed before this form is used.

2. Buyer's Representative represents that the trust, entity or power of attorney for which that Party is acting already exists.

Buyer:

DocuSigned by: Dallas R. Kashuba, Co-Trustee Date: 12/01/2017 (Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)

(Print Representative Name) Dallas R. Kashuba Title: Co-Trustee

DocuSigned by: Vida Kashuba Date: 12/01/2017 (Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)

(Print Representative Name) Vida Kashuba Title: Co-Trustee

Acknowledgement of Receipt By Other Party:

(Buyer Broker) Sotheby's International Realty By Donald Van de Mark Date: 12/01/2017

(Seller) Greg Hoffman, MM Date: 2/1/2017 | 18:38 PST (Print Seller Name) Preferred Vintage, LLC.

(Seller) Date: (Print Seller Name)

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Reviewed by



RCSD-B REVISED 6/16 (PAGE 1 OF 1)

REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 1 OF 1)





CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer) (As required by the Civil Code) (C.A.R. Form AD, Revised 12/14)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer. (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, Inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE):

[X] Buyer [ ] Seller [ ] Landlord [ ] Tenant Date 11/30/2017

[X] Buyer [ ] Seller [ ] Landlord [ ] Tenant Date 11/30/2017

Agent Sotheby's International Realty BRE Lic. # 00899496

By Donald Van de Mark Real Estate Broker (Firm) BRE Lic. # 01357054 Date 11/30/2017

(Salesperson or Broker-Associate) Donald Van de Mark

Agency Disclosure Compliance (Civil Code §2079.14): When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant. When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here: Greg Hoffman, MDE 12/1/2017 18:38 PST

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CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.  
\_\_\_\_\_ (DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one):  the seller exclusively; or  both the buyer and seller.

(Name of Listing Agent)  
\_\_\_\_\_ (DO NOT COMPLETE. SAMPLE ONLY) is the agent of (check one):  the buyer exclusively; or  the seller exclusively; or  both the buyer and seller.  
(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

REAL ESTATE BUSINESS SERVICES, INC.  
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525 South Virgil Avenue, Los Angeles, California 90020

AD REVISED 12/14 (PAGE 2 OF 2)

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



DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

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Arnold Drive,





CALIFORNIA ASSOCIATION OF REALTORS®

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller Disclosure and Consent and agrees to the agency possibilities disclosed.

Form with fields for Seller (Greg Hoffman, MM, Preferred Vintage, LLC, Date 12/1/2017), Buyer (Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee, Date 11/30/2017), and Real Estate Broker (Firm) (Sotheby's International Realty, CalBRE Lic # 00899496, Date 12/1/2017) with signatures and dates.

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



PRBS 11/14 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

WIRE FRAUD ADVISORY (C.A.R. Form WFA, 6/16)

Property Address: 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216 ("Property").

WIRE FRAUD ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring funds is a welcome convenience, buyers and sellers need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed wire transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring instructions. In those cases, the buyers called the number provided, to confirm the instructions, and then unwittingly authorized a transfer to somewhere other than escrow. Sellers have also had their sales proceeds taken through similar schemes.

ACCORDINGLY, BUYERS AND SELLERS ARE ADVISED:

- 1. Obtain the phone number of the Escrow Officer at the beginning of the transaction.
2. DO NOT EVER WIRE FUNDS PRIOR TO CALLING YOUR ESCROW OFFICER TO CONFIRM WIRE INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number included in the emailed wire transfer instructions.
3. Orally confirm the wire transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire instructions, immediately notify your bank, the Escrow Holder and your real estate agent. The sources below, as well as others, can also provide information:

- Federal Bureau of Investigation: https://www.fbi.gov/
National White Collar Crime Center: http://www.nw3c.org/
On Guard Online: https://www.onguardonline.gov/

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud Advisory.

Buyer: Dallas R. Kashuba, Co-Trustee Date 11/30/2017
Buyer: Vida Kashuba, Co-Trustee Date 11/30/2017
Seller: Preferred Vintage, LLC Date 12/1/2017 | 18:38
Seller: Date

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



WFA 6/16 (PAGE 1 OF 1)

WIRE FRAUD ADVISORY (WFA PAGE 1 OF 1)





CALIFORNIA ASSOCIATION OF REALTORS®

RESIDENTIAL PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RPA-CA, Revised 12/15)

Date Prepared: 11/30/2017

1. OFFER:

- A. THIS IS AN OFFER FROM Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee ("Buyer").
B. THE REAL PROPERTY to be acquired is 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216, situated in Sonoma (City), Sonoma (County), California, 95476-3216 (Zip Code), Assessor's Parcel No. 133-010-045 ("Property").
C. THE PURCHASE PRICE offered is Four Million, Two Hundred Fifty Thousand Dollars \$ 4,250,000.00
D. CLOSE OF ESCROW shall occur on See attached Addendum No. 1 (date) or Days After Acceptance.
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction: Listing Agent Sotheby's International Realty (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller. Selling Agent Sotheby's International Realty (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.
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

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 \$ 42,500.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other within 3 business days after Acceptance (or );
OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or ) to the agent submitting the offer (or to ), made payable to . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or ). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ 85,000.00 within Days After Acceptance (or upon removal of all contingencies ). If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or ) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

- (1) FIRST LOAN: in the amount of \$ This loan will be conventional financing or FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), 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 Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), 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 in 3D(1), 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 agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this Agreement.

E. ADDITIONAL FINANCING TERMS:

- F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 4,122,500.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.
G. PURCHASE PRICE (TOTAL): \$ 4,250,000.00

Buyer's Initials (DK) (VK)

Seller's Initials (GAM)

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RPA-CA REVISED 12/15 (PAGE 1 OF 10)

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 1 OF 10)

Sotheby's International Realty, 15 East Napa Street Sonoma CA 95476 Phone: 707.935.2299 Fax: 707.935.2505 Arnold Drive, Donald Van de Mark Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48028 www.ziplogix.com

Property Address: 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216

Date: November 30, 2017

- H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or     ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. ( Verification attached.)
- I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 14B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or     ) Days After Acceptance.
- J. LOAN TERMS:
  - (1) LOAN APPLICATIONS: Within 3 (or     ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's 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 paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. ( Letter attached.)
  - (2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.
  - (3) LOAN CONTINGENCY REMOVAL: Within 21 (or     ) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
  - (4)  NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
  - (5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.
- K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. SALE OF BUYER'S PROPERTY:

- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
- OR B.  This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ADDENDA AND ADVISORIES:

- A. ADDENDA:
 

<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)	<input type="checkbox"/> Addendum # <u>        </u> (C.A.R. Form ADM)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)	<input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)	<input type="checkbox"/> Other <u>                    </u>
- B. BUYER AND SELLER ADVISORIES:
 

<input type="checkbox"/> Probate Advisory (C.A.R. Form PA)	<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA)	<input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA)	<input type="checkbox"/> FEO Advisory (C.A.R. Form FEO)
	<input type="checkbox"/> Other <u>                    </u>

6. OTHER TERMS: See attached Addendum No.1

7. ALLOCATION OF COSTS

- A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
  - (1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other:                       
prepared by JCP or Property ID
  - (2)  Buyer  Seller shall pay for the following Report any and all deemed necessary by Buyer.  
prepared by
  - (3)  Buyer  Seller shall pay for the following Report                       
prepared by

Buyer's Initials ( DK ) ( VK )

Seller's Initials ( GAM ) (          )





Property Address: 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216

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**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

- (1)  Buyer  Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- (2) (i)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.  
(ii)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.  
(iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

**C. ESCROW AND TITLE:**

- (1) (a)  Buyer  Seller shall pay escrow fee \_\_\_\_\_  
(b) Escrow Holder shall be Fidelity National Title Co.  
(c) The Parties shall, within 5 (or \_\_\_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 13E \_\_\_\_\_  
(b) Owner's title policy to be issued by Fidelity National Title Co.  
(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 Homeowners' Association ("HOA") transfer fee if applicable. \_\_\_\_\_
- (4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.
- (5)  Buyer  Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (6) Buyer to pay for any HOA certification fee.
- (7)  Buyer  Seller shall pay for any private transfer fee \_\_\_\_\_
- (8)  Buyer  Seller shall pay for \_\_\_\_\_
- (9)  Buyer  Seller shall pay for \_\_\_\_\_
- (10)  Buyer  Seller shall pay for the cost, not to exceed \$ 800.00, of a standard (or  upgraded) one-year home warranty plan, issued by Fidelity Home Warranty, with the following optional coverages:  Air Conditioner  Pool/Spa  Other: 2nd Dwelling Unit  
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.

OR  Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

**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 paragraph 8 B or C.

**B. ITEMS INCLUDED IN SALE:** Except as otherwise specified or disclosed,

- (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, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked:  all stove(s), except \_\_\_\_\_;  all refrigerator(s) except \_\_\_\_\_;  all washer(s) and dryer(s), except \_\_\_\_\_;
- (3) The following additional items: all pool, farm and garden equipment.
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are ( are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

**C. ITEMS EXCLUDED FROM SALE:** Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) \_\_\_\_\_

\_\_\_\_\_ Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or  will be removed and holes or other damage shall be repaired, but not painted).

Buyer's Initials ( BR ) ( VR )

Seller's Initials ( ZAM ) ( \_\_\_\_\_ )

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CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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Arnold Drive,



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9. 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: (i) at 6 PM or ( 2:00  AM/ PM) on the date of Close Of Escrow; (ii)  no later than 29 calendar days after Close Of Escrow; or (iii)  at  AM/ PM on \_\_\_\_\_.
- C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as  C.A.R. Form SIP, for Seller continued occupancy of less than 30 days,  C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant-occupied property: 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  Tenant to remain in possession (C.A.R. Form TIP).

- E. At Close Of Escrow: Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the 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.

10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed 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"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 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 ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, 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.
- (7) If any disclosure or notice specified in paragraph 10A(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.

B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) 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; and 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 AS or QS).

D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](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 area.)

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.phmsa.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.

F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:  
(1) SELLER HAS: 7 (or  ) Days After Acceptance to disclose to Buyer if the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).

Buyer's Initials ( DK ) ( VR )  
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Seller's Initials ( GTM ) ( \_\_\_\_\_ )





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(2) 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 HOA1): (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 names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize 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). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (II) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (III) 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 conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in those investigations: (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.

12. **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: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; (iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA); (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or 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 either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such 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 indemnity 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 Non-Responsibility" (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.

13. **TITLE AND VESTING:**

- A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). 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. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- 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 for: (i) monetary liens of record (which Seller is obligated to pay off) 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 (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title 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.**

Buyer's Initials ( DK ) ( VK )  
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Seller's Initials ( GHM ) ( \_\_\_\_\_ )



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E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

**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 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.

B. (1) BUYER HAS: 17 (or     ) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), 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 and other disclosures Delivered by Seller in accordance with paragraph 10A.

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

(3) By the end of the time specified in paragraph 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 paragraph 14A, then Buyer has 5 (or     ) Days After Delivery of any such items, or the time specified in paragraph 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 paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) 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 paragraph 14D(1).

(5) Access to Property: Buyer shall have access to the Property to conduct inspections and investigations for 17 (or     ) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.

C.  REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.

**D. 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 NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

E. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party 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 NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.

F. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, 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 the inability to obtain financing.

G. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or     ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

H. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties 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. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

Buyer's Initials ( SK ) ( JK )  
RPA-CA REVISED 12/15 (PAGE 6 OF 10)

Seller's Initials ( GHM ) (      )



**CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 10)**



Property Address: 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216

Date: November 30, 2017

- 15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (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 11; (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).
- 16. **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 invoices and paid 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 invoices and paid receipts and statements to Buyer prior to final verification of condition.
- 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 SBSA 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.
- 18. **BROKERS:**
  - A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree 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.
  - B. **SCOPE OF DUTY:** 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 on the Property, in common areas, or offsite unless such defects are visually 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 determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) 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.
- 19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).
- 20. **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 counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 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, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). 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 and, as directed by Escrow Holder, within 3 (or  ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
  - B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or  ). 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. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials ( DK ) ( VK )  
RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials ( GAM ) (          )



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)



Property Address: 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216

Date: November 30, 2017

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, 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.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (I) if Buyer's initial or any additional deposit or down payment 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.
- E. 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 3 Days after mutual execution of the amendment.

**21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. 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. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).

Buyer's Initials BRUK

Seller's Initials SKM

**22. DISPUTE RESOLUTION:**

- A. MEDIATION: The Parties 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 through the C.A.R. Real Estate Mediation Center for Consumers ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties 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 22C.

**B. ARBITRATION OF DISPUTES:**

The Parties 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. The Parties 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 22C.

"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 BRUK

Seller's Initials SKM

**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 §2995; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

Buyer's Initials ( BR ) ( UK )

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



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- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **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 this Agreement.
- 23. **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.
- 24. **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.
- 25. **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 22A.
- 26. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOOA).
- 27. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 28. **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. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' 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.

- 29. **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.**

30. **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. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "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.
- G. "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 11:59 PM on the final day.
- H. "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.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "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 Party.
- K. "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.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

- 31. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Donald Van de Mark, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by  AM/  PM, on \_\_\_\_\_ (date)).

One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosures (C.A.R. Form RCSD-B) for additional terms.

Date 11/30/2017 BUYER *Dallas R. Kashuba*  
 (Print name) Dallas R. Kashuba, Co-Trustee  
 Date 11/30/2017 BUYER *Vida Kashuba*  
 (Print name) Vida Kashuba, Co-Trustee

Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials ( *GHM* ) ( \_\_\_\_\_ )



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Date: November 30, 2017

32. 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, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED: \_\_\_\_\_

One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date: 11/1/2017 | 18:38 PST  
Signature: Greg Hoffman, MM

(Print name) Preferred Vintage, LLC 39613FF9C8094FE...

Date \_\_\_\_\_ SELLER

(Print name) \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) (Do not Initial If making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  
 AM/  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 3A(2), 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, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) Sotheby's International Realty CalBRE Lic. # 00899496  
 By Donald Van de Mark Donald Van de Mark CalBRE Lic. # 01357054 Date \_\_\_\_\_  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) Sotheby's International Realty CalBRE Lic. # 00899496  
 By Holly Bennett Holly Bennett CalBRE Lic. # \_\_\_\_\_ Date 12/1/2017 | 18:15 PST  
 By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_  Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any 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 \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Business Oversight,  Department of Insurance,  Bureau of Real Estate.

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 \_\_\_\_\_

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 525 South Virgil Avenue, Los Angeles, California 90020

Buyer Acknowledges that page 10 is part of this Agreement (\_\_\_\_\_) (\_\_\_\_\_) Buyer's Initials \_\_\_\_\_

Reviewed by \_\_\_\_\_ Broker or Designee







# BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216 ("Property").

1. **IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. 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. 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.

2. **BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

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

A. **GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.

B. **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 barriers or markers do not necessarily identify true Property boundaries.

C. **WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.

D. **SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.

E. **WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.

F. **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).

G. **EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.

H. **FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance 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 as this information may affect other decisions, including the removal of loan and inspection contingencies.

I. **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.

J. **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.

K. **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.

L. **NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, 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.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory.

Buyers are encouraged to read it carefully.

Buyer [Signature]  
Dallas B. Kashuba, Co-Trustee

DocuSigned by:  
Buyer [Signature]  
Vida Kashuba, Co-Trustee

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BIA REVISED 11/14 (PAGE 1 OF 1)

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



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



CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [ ] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [ ] Other

dated November 30, 2017, on property known as 16490 Arnold Dr, Sonoma CA Sonoma, CA 95476-3216

in which Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee is referred to as ("Buyer/Tenant") and Preferred Vintage, LLC is referred to as ("Seller/Landlord").

- 1. Close of Escrow is subject to bankruptcy court approval but shall be no sooner than 12/15/17 and no later than 1/30/18.
2. New 3 bedroom septic design shall be Plan Checked Approved by SCPRMD, prior to close of escrow. If said approval is not completed prior to close of escrow, buyer and seller hereby agree to a two week extension to closing escrow.
3. Buyers have 17 days from acceptance to approve or disapprove the Preliminary Title Report and available title insurance, if buyers disapprove the current Preliminary Title Report and available title insurance within 17 days, buyers shall have the option to cancel this contract with all deposit monies returned to buyer.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date November 30, 2017
Buyer/Tenant [Signature] Dallas R. Kashuba, Co-Trustee
Buyer/Tenant [Signature] Vida Kashuba, Co-Trustee

Date 12/1/2017 18:38 PST
Seller/Landlord [Signature] Greg Hoffman, MM Preferred Vintage, LLC
Seller/Landlord

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)





CALIFORNIA ASSOCIATION OF REALTORS®

SELLER LICENSE TO REMAIN IN POSSESSION ADDENDUM

(C.A.R. Form SIP, Revised 12/16)

This is an addendum to the Purchase Agreement, OR [ ] Counter Offer No. \_\_\_\_\_, OR [ ] Other \_\_\_\_\_

on property known as 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216 ("Property"), between Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee ("Buyer"), and Preferred Vintage, LLC ("Seller").

This Addendum is intended to grant Seller a license to remain in possession of, and use, the Property after the Close Of Escrow. It is intended for short-term occupancy (i.e. less than 30 Days). If occupancy is intended to be for 30 Days or longer, use Residential Lease After Sale (C.A.R. Form RLAS). Note: Local rent control or other Law regarding tenant's rights may impact Buyer's and Seller's rights and obligations.

1. TERM: Seller is granted a license to remain in possession of Property for 29 calendar days After Close Of Escrow (or [ ] to \_\_\_\_\_ (date)) until [ ] AM / [ ] PM. Seller has no right to remain in possession beyond this term and may be responsible for court awarded damages if Seller does remain.

2. CONSIDERATION:

A. In consideration for Seller remaining in possession After Close of Escrow, Seller agrees to pay Buyer (i) a non-refundable License Fee for the term specified in 1 of \$ 1.00 per Day (or [ ] \_\_\_\_\_). Seller shall deposit such funds with escrow holder prior to Close Of Escrow or such funds shall be withheld from Seller's proceeds. At Close Of Escrow, all consideration will be released to Buyer (or [ ] held in escrow).

B. LATE CHARGE/NSF CHECKS: If any payment from Seller to Buyer is required outside of escrow, and any such payment is not received by Buyer within 5 (or [ ] \_\_\_\_\_) Days After date due, Seller shall pay to Buyer an additional sum of \$ \_\_\_\_\_ as a Late Charge. If a check is returned for non-sufficient funds ("NSF"), Seller shall pay to Buyer \$25.00 as an NSF charge. Seller and Buyer agree that these charges represent a fair and reasonable estimate of the costs Buyer may incur by reason of Seller's late or NSF payment. Buyer's acceptance of any Late Charge or NSF fee shall not constitute a waiver as to any default by Seller.

3. SELLER'S OBLIGATIONS FOR CONDITION OF PROPERTY:

A. MAINTENANCE: Seller shall maintain the Property, including pool, spa, landscaping and grounds, and all personal property included in the sale in substantially the same condition as on the date of Acceptance of the Agreement or as modified by the Agreement. Except as provided in the Agreement, Seller shall not make alterations to the Property without Buyer's written consent.

B. DELIVERY OF POSSESSION: Seller shall deliver the Property in the condition and on the terms provided in the Agreement.

C. DELIVERY OF POSSESSION FEE: In addition to the license fee specified in paragraph 2, Seller agrees to deposit with escrow holder, or such funds shall be withheld from Seller's proceeds, a Delivery of Possession fee in the amount of \$5,000.00. At Close Of Escrow, this fee will be released to Buyer (or [X] held in escrow). Buyer shall return the Delivery of Possession fee to Seller if the Property is delivered to Buyer (i) in the condition specified in paragraphs 3A and B and (ii) on the date specified in paragraph 1.

4. UTILITIES: Seller agrees to pay for all utilities and services, and the following charges: \_\_\_\_\_ except \_\_\_\_\_, which shall be paid for by Buyer.

5. ENTRY: Seller shall make Property available to Buyer for the purpose of entering to make necessary or agreed repairs, or to supply necessary or agreed services, or to show Property to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers or contractors. Buyer and Seller agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Buyer may enter Property at any time without prior notice.

6. ASSIGNMENT; SUBLETTING: Seller shall not assign or sublet all or any part of the Property, or assign or transfer this license to remain in possession of the Property. Any assignment, subletting or transfer of the Property by voluntary act of Seller, by operation of Law or otherwise, without Buyer's prior written consent shall give Buyer the right to terminate Seller's license to possession.

7. INSURANCE: Seller's personal property (including vehicles) is not insured by Buyer, and, if applicable, not by the owner's association, against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Seller is to carry Seller's own insurance to protect Seller from such loss.

8. WAIVER: The waiver of any breach shall not be construed as a continuing waiver of the same or any subsequent breach.

9. OTHER TERMS AND CONDITIONS/SUPPLEMENTS: \_\_\_\_\_

By signing below Buyer and Seller acknowledge that each has read, understands, has received a copy of and agrees to the terms of this Seller In Possession Addendum.

Date 11/30/2017 Signed by: Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee

Date 12/1/2017 18:38 PST Signed by: Greg Hoffman, Preferred Vintage, LLC

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SIP REVISED 12/16 (PAGE 1 OF 1)

SELLER IN POSSESSION ADDENDUM (SIP PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

CONTINGENCY REMOVAL No. 1 (C.A.R. Form CR, Revised, 6/16)

In accordance with the terms and conditions of the: [X] Residential Purchase Agreement (C.A.R. Form RPA-CA), [ ] Request For Repair (C.A.R. Form RR), [ ] Response And Reply To Request For Repair (C.A.R. Form RRRR) or [ ] Other

dated 11/30/2017, on property known as 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216 ("Property"), between Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee ("Buyer") and Preferred Vintage, LLC ("Seller").

I. BUYER REMOVAL OF BUYER CONTINGENCIES:

1. With respect to any contingency and cancellation right that Buyer removes, 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; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing. Waiver of statutory disclosures is prohibited by law.

2. Buyer removes those contingencies specified below.

A. ONLY the following individually checked Buyer contingencies are removed:

- 1. [ ] Loan (Paragraph 3J)
2. [ ] Appraisal (Paragraph 3I)
3. [ ] Buyer's Physical Inspection (Paragraph 12)
4. [ ] All Buyer Investigations other than a physical inspection (Paragraph 12)
5. [ ] Condominium/Planned Development (HOA or OA) Disclosures (Paragraph 10F)
6. [ ] Reports/Disclosures (Paragraphs 7 and 10)
7. [ ] Title: Preliminary Report (Paragraph 13)
8. [ ] Sale of Buyer's Property (Paragraph 4B)
9. [ ] Review of documentation for leased or liened items (Paragraph 8B(5))
10. [ ] Other:
11. [ ] Other:

OR B. [X] ALL Buyer contingencies are removed, EXCEPT: [ ] Loan Contingency (Paragraph 3J); [ ] Appraisal Contingency (Paragraph 3I); [ ] Contingency for the Sale of Buyer's Property (Paragraph 4B); [ ] Condominium/Planned Development (HOA) Disclosures (Paragraph 10F); [X] Other Approval of Preliminary Title Reports.

OR C. [ ] BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.

3. Once all contingencies are removed, whether or not Buyer has satisfied him/herself regarding all contingencies or received any information relating to those contingencies, Buyer may not be entitled to a return of Buyer's deposit if Buyer does not close escrow. This could happen even if, for example, Buyer does not approve of some aspect of the Property or lender does not approve Buyer's loan.

NOTE: Paragraph numbers refer to the California Residential Purchase Agreement (C.A.R. Form RPA-CA). Applicable paragraph numbers for each contingency or contractual action in other C.A.R. contracts are found in Contract Paragraph Matrix (C.A.R. Form CPM).

DocuSigned by: Dallas R. Kashuba, Co-Trustee Date 12/19/2017
Dallas R. Kashuba, Co-Trustee
Vida Kashuba, Co-Trustee Date 12/19/2017
Vida Kashuba, Co-Trustee

II. SELLER REMOVAL OF SELLER CONTINGENCIES: Seller hereby removes the following Seller contingencies:

- [ ] Finding of replacement property (C.A.R. Form SPRP); [ ] Closing on replacement property (C.A.R. Form SPRP)
[ ] Other

Seller Preferred Vintage, LLC Date

Seller Date

(Initials) CONFIRMATION OF RECEIPT: A copy of this signed Contingency Removal was personally received by [ ] Buyer [ ] Seller or authorized agent on 12/19/2017 at 10:23 PST at AM / PM.

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Reviewed by Date



CR REVISED 6/16 (PAGE 1 OF 1)

CONTINGENCY REMOVAL (CR PAGE 1 OF 1)





CALIFORNIA ASSOCIATION OF REALTORS®

CONTINGENCY REMOVAL No. 2

(C.A.R. Form CR, Revised, 6/16)

In accordance with the terms and conditions of the: [X] Residential Purchase Agreement (C.A.R. Form RPA-CA), [ ] Request For Repair (C.A.R. Form RR), [ ] Response And Reply To Request For Repair (C.A.R. Form RRRR) or [ ] Other

dated 11/30/2017, on property known as 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216 ("Property"), between Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee ("Buyer") and Preferred Vintage, LLC ("Seller").

I. BUYER REMOVAL OF BUYER CONTINGENCIES:

1. With respect to any contingency and cancellation right that Buyer removes, 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; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing. Waiver of statutory disclosures is prohibited by law.

2. Buyer removes those contingencies specified below.

A. ONLY the following individually checked Buyer contingencies are removed:

- 1. [ ] Loan (Paragraph 3J)
2. [ ] Appraisal (Paragraph 3I)
3. [ ] Buyer's Physical Inspection (Paragraph 12)
4. [ ] All Buyer Investigations other than a physical inspection (Paragraph 12)
5. [ ] Condominium/Planned Development (HOA or OA) Disclosures (Paragraph 10F)
6. [ ] Reports/Disclosures (Paragraphs 7 and 10)
7. [ ] Title: Preliminary Report (Paragraph 13)
8. [ ] Sale of Buyer's Property (Paragraph 4B)
9. [ ] Review of documentation for leased or lienied items (Paragraph 8B(5))
10. [ ] Other:
11. [ ] Other:

OR B. [X] ALL Buyer contingencies are removed, EXCEPT: [ ] Loan Contingency (Paragraph 3J); [ ] Appraisal Contingency (Paragraph 3I); [ ] Contingency for the Sale of Buyer's Property (Paragraph 4B); [ ] Condominium/Planned Development (HOA) Disclosures (Paragraph 10F); [X] Other See attached Addendum No.2

OR C. [ ] BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.

3. Once all contingencies are removed, whether or not Buyer has satisfied him/herself regarding all contingencies or received any information relating to those contingencies, Buyer may not be entitled to a return of Buyer's deposit if Buyer does not close escrow. This could happen even if, for example, Buyer does not approve of some aspect of the Property or lender does not approve Buyer's loan.

NOTE: Paragraph numbers refer to the California Residential Purchase Agreement (C.A.R. Form RPA-CA). Applicable paragraph numbers for each contingency or contractual action in other C.A.R. contracts are found in Contract Paragraph Matrix (C.A.R. Form

CPM). Buyer [Signature] 12/21/2017 | 10:21 AM PST Date 12/21/2017
Dallas R. Kashuba, Co-Trustee
Vida Kashuba, Co-Trustee 12/21/2017 | 10:23 AM PST Date 12/21/2017
Vida Kashuba, Co-Trustee

II. SELLER REMOVAL OF SELLER CONTINGENCIES: Seller hereby removes the following Seller contingencies:

- [ ] Finding of replacement property (C.A.R. Form SPRP); [ ] Closing on replacement property (C.A.R. Form SPRP)
[ ] Other

Seller Preferred Vintage, LLC Date

Seller Date

(Initials) CONFIRMATION OF RECEIPT: A copy of this signed Contingency Removal was personally received by [ ] Buyer [ ] Seller or authorized agent on 12/21/2017 | 11:04 AM PST [ ] AM / [ ] PM.

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Reviewed by [Signature] Date 12/21/2017 | 11:04 AM PST







CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 2

The following terms and conditions are hereby incorporated in and made a part of the:  Purchase Agreement,  Residential Lease or Month-to-Month Rental Agreement,  Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind),  Other Contingency Removal No.2

dated \_\_\_\_\_, on property known as 16490 Arnold Dr, Sonoma CA  
Sonoma, CA 95476-3216

in which Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee is referred to as ("Buyer/Tenant")  
and Preferred Vintage, LLC is referred to as ("Seller/Landlord").

Regarding the Easement that is the subject of Exception No. 8 in the Preliminary Report issued by First American Title Company dated September 7, 2017 and is also the subject of Tom Berry's November 20, 2017 letter to Greg Hoffman:

a. Prior to close of escrow, Seller and its attorney Michael Woods shall provide to Buyers' attorney Richard Hicks work product of Mr. Woods consisting of compilations of key record documents, research memoranda and chronologies regarding said Easement. The provision of such documents is for the information of Buyers and their attorney and does not give rise to or create any new contingency for their review or approval.

b. After close of escrow, Seller, including its principal Greg Hoffman and its attorney Michael Woods, shall cooperate with the efforts of Buyers and their legal counsel to further investigate said Easement and to pursue attempts to clear the title to the subject property of the Easement. More specifically, Mr. Woods' cooperation shall consist of up to 2 hours of his time, at Seller's expense, discussing with Buyers' legal counsel the above-referenced documents, research and work product delivered prior to close of escrow. Mr. Hoffman's cooperation shall include keeping Buyers and their legal counsel informed of his current address and other contact information, and providing truthful information to Buyers' legal counsel and, if requested, truthful testimony in the form of sworn declarations and testifying at deposition and/or trial in any quiet title or other action to clear the property's title of said Easement. If Mr. Hoffman is then a legal resident of the state of California, he shall provide testimony at deposition and/or trial in the county of California where the underlying action is pending, with costs of travel at his expense. If Mr. Hoffman is then a legal resident of a location outside the state of California, then he shall provide such testimony at deposition and/or for trial in the locale in which he is then a resident. Further, Seller shall authorize Tom Berry to discuss his research with Buyers' legal counsel and, if requested, to provide further title research and expert consultant/witness services to Buyers' legal counsel; Mr. Berry's further services in this regard shall be at the expense of Buyers and/or their legal counsel. The foregoing obligations shall survive the close of escrow but shall terminate on the earlier of (i) eight (8) years after the closing, or (ii) Buyers' subsequent transfer of the property (after such closing) to a third party.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date December 21, 2017 Date 12/21/2017 11:14:17 PST  
Buyer/Tenant Dallas R. Kashuba, Co-Trustee 12/21/2017 | 10:31 AM PST Seller/Landlord Greg Hoffman, MM  
Vida Kashuba, Co-Trustee 12/21/2017 | 10:33 AM PST Seller/Landlord Preferred Vintage, LLC  
Vida Kashuba, Co-Trustee

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Reviewed by [Signature] Date 12/21/2017 | 11:04 AM PST



ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)



CALIFORNIA ASSOCIATION OF REALTORS®

INCREASED DEPOSIT/LIQUIDATED DAMAGES ADDENDUM

(C.A.R. Form RID, Revised 11/13)

The following terms and conditions are hereby incorporated into the California Residential Purchase Agreement, or ("Agreement"), dated November 30, 2017 on property known as 16490 Arnold Dr, Sonoma CA, Sonoma, CA 95476-3216 ("Property") between Dallas R. Kashuba, Co-Trustee, Vida Kashuba, Co-Trustee Buyer and Preferred Vintage, LLC Seller.

1. By depositing on December 26, 2017 (date) the sum of Eighty-Five Thousand Dollars (\$ 85,000.00 ) by [ ] cash, [ ] cashier's check, [ ] personal check, [X] wired funds or [ ] , payable to Fidelity National Title Company Buyer hereby increases the total deposit to One Hundred Twenty-Seven Thousand, Five Hundred Dollars (\$ 127,500.00 ) on December 27, 2017 date.

2. IF BUYER AND SELLER HAVE AGREED TO LIQUIDATED DAMAGES IN THE AGREEMENT, THE FOLLOWING LIQUIDATED DAMAGES PROVISION IS ( [ ] IS NOT) HEREBY INCORPORATED IN AND MADE A PART OF THIS ADDENDUM.

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.

The undersigned have read and acknowledge receipt of a copy of this Increased Deposit/Liquidated Damages Addendum.

DocuSigned by: Greg Hoffman, MAI SELLER Preferred Vintage, LLC Date 12/22/2017 | 14:39 PST

SELLER Date

DocuSigned by: Dallas R. Kashuba, Co-Trustee BUYER X 12/22/2017 | 10:53 AM PST Date

DocuSigned by: Vida Kashuba, Co-Trustee BUYER X 12/22/2017 | 10:53 AM PST Date

[ ] Buyer has given the additional deposit to Broker who acknowledges receipt of the additional deposit.

Real Estate Broker

By Date

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Reviewed by Date



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INCREASED DEPOSIT/LIQUIDATED DAMAGES ADDENDUM (RID PAGE 1 OF 1)