



CITY OF GRAND TERRACE

Grand Terrace Housing Authority

AGENDA • September 9, 2025

Council Chambers

Special Meeting

5:30 PM

Grand Terrace Civic Center • 22795 Barton Road

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office, (909) 954-5207 at least 48 hours prior to the advertised starting time of the meeting. This will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible [28 CFR 34.102.104 ADA Title II].

If you desire to address the Grand Terrace Housing Authority Board during the meeting, please complete a Request to Speak Form available at the entrance and present it to the City Clerk. Speakers will be called upon by the Mayor at the appropriate time. Any documents provided to a majority of the Grand Terrace Housing Authority Board regarding any item on this agenda will be made available for public inspection in the City Clerk's office at City Hall located at 22795 Barton Road during normal business hours. In addition, such documents will be posted on the City's website at www.grandterrace-ca.gov.

Call to Order

Convene the Board of the Grand Terrace Housing Authority

Pledge of Allegiance

Roll Call

A. PUBLIC COMMENT

This is the opportunity for members of the public to comment on items on the agenda only. At a special meeting of the Board of the Grand Terrace Housing Authority, pursuant to California law, the Board of the Grand Terrace Housing Authority will only be taking public comments on items listed on the agenda.

B. NEW BUSINESS

- 1) Subordination of Deed of Trust recorded on July 2, 2003, regarding the property located at 22565 Franklin Street, Grand Terrace

RECOMMENDATION: ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAND TERRACE HOUSING AUTHORITY APPROVING MODIFICATION TO AN EXISTING PROMISSORY NOTE AND DEED OF TRUST AGAINST THE RESIDENTIAL PROPERTY LOCATED AT 22565 FRANKLIN STREET, GRAND TERRACE, TO ALLOW (I) A MODIFIED PAYOFF UNDER THE NOTE; AND (II) THE EQUITY SHARE PAYMENT TO CONTINUE UNDER THE NOTE SECURED BY A DEED OF TRUST IN SECOND LIEN POSITION AND (III) THAT THE MODIFIED TRUST DEED MAY BE SUBORDINATED TO A REFINANCE LOAN IN THE AMOUNT OF \$265,000 ISSUED BY AMERICAN NETWORK SERVICES; AND AUTHORIZING THE CHAIRMAN AND HOUSING AUTHORITY LEGAL COUNSEL TO PREPARE THE REVISED RDA LOAN

**DOCUMENTS AND TO EXECUTE SUCH ADDITIONAL DOCUMENTS AS
REASONABLY NECESSARY TO COMPLETE THE REFINANCE LOAN**

DEPARTMENT: General Counsel

C. ADJOURN



AGENDA REPORT

MEETING DATE: September 9, 2025

TITLE: Subordination of Deed of Trust recorded on July 2, 2003, regarding the property located at 22565 Franklin Street, Grand Terrace

PRESENTED BY: Adrian Guerra, City Attorney

RECOMMENDATION: **ADOPT A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAND TERRACE HOUSING AUTHORITY APPROVING MODIFICATION TO AN EXISTING PROMISSORY NOTE AND DEED OF TRUST AGAINST THE RESIDENTIAL PROPERTY LOCATED AT 22565 FRANKLIN STREET, GRAND TERRACE, TO ALLOW (I) A MODIFIED PAYOFF UNDER THE NOTE; AND (II) THE EQUITY SHARE PAYMENT TO CONTINUE UNDER THE NOTE SECURED BY A DEED OF TRUST IN SECOND LIEN POSITION AND (III) THAT THE MODIFIED TRUST DEED MAY BE SUBORDINATED TO A REFINANCE LOAN IN THE AMOUNT OF \$265,000 ISSUED BY AMERICAN NETWORK SERVICES; AND AUTHORIZING THE CHAIRMAN AND HOUSING AUTHORITY LEGAL COUNSEL TO PREPARE THE REVISED RDA LOAN DOCUMENTS AND TO EXECUTE SUCH ADDITIONAL DOCUMENTS AS REASONABLY NECESSARY TO COMPLETE THE REFINANCE LOAN**

2030 VISION STATEMENT:

This staff report supports **Goal #4: Develop and Implement Successful Partnerships** by facilitating a collaborative solution that balances fiscal responsibility with community support.

BACKGROUND:

On July 2, 2003, the Community Redevelopment Agency of the City of Grand Terrace (“**RDA**”) made a non-interest bearing loan (“**RDA Loan**”), in the original principal amount of \$44,000 (“**Principal Amount**”), secured by a Deed of Trust (“**DOT**”). The proceeds were used by Michelle Boustedt (“**Original Owner**”) to make a downpayment to purchase a single family home located at 22565 Franklin Street, Grand Terrace (“**Property**”). The RDA Loan did not bear interest and did not require any monthly payments but did provide that the entire principal balance would be due upon sale or encumbrancing (refinancing) of the Property **PLUS** a share of the equity equal to 22.336% of the appreciation in value of the Property above the initial purchase price (“**Equity Share Payment**”).

On or around 2012, the Community Redevelopment Agency of the City of Grand Terrace was dissolved. Ownership of the RDA Loan was transferred to the City of Grand Terrace as Successor Agency, and subsequently delegated to the City of Grand Terrace Housing Authority (“**Housing Authority**”) pursuant to Housing Authority Resolution No. 2012-01.

In March of 2019, the Original Owner transferred title of the Property into an intervivos family trust, with her spouse, Robert Boustedt who became the sole trustee upon her passing (“**Current Owner**”) and who is now seeking to refinance the Property with a loan from American Financial Network (“**Refi**

Lender") in the amount of Two Hundred Sixty-Five Thousand Dollars (\$265,000) ("**Refinance Loan**").

Due to debt resulting from ailing health and limited borrowing power, the Current Borrower cannot qualify for an amount which fully satisfies both the Principal Balance of \$44,000 plus the Equity Share Payment due under the RDA Loan. Besides paying off existing loans, the Refi Lender is requiring that some of the Current Borrower's unsecured debt be paid off as a condition to the Refinance Loan.

The Current Borrower is requesting that the Housing Authority modify the RDA Loan to (i) allow the Principal Amount (\$44,000) to be paid now, (ii) the RDA Loan be modified to have the Equity Share Payment continue as a lien against the Property ("**Modified RDA Loan**") **AND** (iii) that the Modified RDA Loan be subordinated to the Refinance Loan so that the Refinance Loan will be paid first in the event of a sale or foreclosure.

DISCUSSION:

The Property was originally purchased in 2003 for \$197,000 and is currently worth approximately \$570,000. Accordingly, the Equity Share Payment currently due to the Housing Authority is approximately \$83,313. Therefore, the total amount currently due to the Housing Authority under the RDA Loan is \$44,000 + \$83,313 = \$127,313.

The \$265,000 loan proceeds from the Refinance Loan are to be allocated as follows:

- \$68,000 to pay off existing 1st trust deed
- \$52,000 to pay off existing 2nd trust deed
- \$44,000 to Housing Authority (RDA Loan) (3rd lien position)
- \$35,000 mandatory debt to be paid through escrow per the loan underwriter
- \$15,500 loan fees and costs
- **\$50,500 to be paid to Current Owner to payoff other unsecured debt and obtain a new HVAC (\$10,500).**

The Board has three options:

1. The Board may require immediate repayment of the Equity Share Payment (\$83,313). However, doing so will prevent the Current Owner from securing the Refinance Loan, resulting in the RDA Loan remaining in place as a third-priority lien against the Property;
2. The Board may consider amending the RDA Loan to (i) accept immediate repayment of the Principal Amount of \$44,000, and (ii) modify the RDA Loan to allow payment of only a **portion** of the Equity Share Payment; and
3. The Board may (i) accept immediate repayment of the Principal Amount of \$44,000, and (ii) modify the RDA Loan to allow the entire Equity Share Payment to continue to be secured by the DOT against the Property in second lien position.

With options 2 or 3 the modified RDA loan will need to be subordinated to the Refinance Loan placing the modified RDA Loan in second lien position. Of course, subordination carries risk. In the event of a foreclosure of the Refinance Loan in the future, the RDA Loan could be partially or fully extinguished if foreclosure sale proceeds are insufficient to cover all outstanding senior obligations and the modified RDA Loan. However, the current RDA Loan is already subordinate to 2 senior loans.

RECOMMENDATION:

Staff recommends the Board:

- Consent to modify the RDA Loan to provide for the current payoff of the Principal Amount (\$44,000) and to permit the Equity Share Payment to continue to be secured by the RDA deed of trust against the Property in second lien position. The revised RDA Loan should be insured by an ALTA loan title insurance policy insuring it is in second lien position with the costs of the title policy paid by the Current Owner as part of the closing of the Refinance Loan.
- Require that the remaining \$50,500 be allocated as follows: (i) \$40,000 be used to pay-off the Current Owner's unsecured debt through the escrow; and (ii) \$15,500 be paid to the Current Owner for the new HVAC.
- Authorize the Chairman of the Housing Authority and the Housing Authority's legal counsel to prepare the revised RDA Loan documents and to execute such additional documents as reasonably necessary to complete the Refinance Loan.

ATTACHMENTS:

- 1) Proposed Resolution
- 2) Current Appraisal
- 3) RDA Original Loan Documents
- 4) Housing Authority Resolution No. 2012-01

ENVIRONMENTAL IMPACT:

None.

FISCAL IMPACT:

The Housing Authority will receive the \$44,000 loan principal immediately, but the Equity Share Payment will continue to be secured by the modified RDA trust deed against the Property which shall be due and payable upon the future sale or refinancing of the Property. The Equity Share Payment will continue to increase as the Property increases in value.

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAND TERRACE HOUSING AUTHORITY, APPROVING MODIFICATION TO AN EXISTING PROMISSORY NOTE AND DEED OF TRUST AGAINST THE RESIDENTIAL PROPERTY LOCATED AT 22565 FRANKLIN STREET, GRAND TERRACE, TO ALLOW (i) A MODIFIED PAYOFF UNDER THE NOTE; AND (ii) THE EQUITY SHARE PAYMENT TO CONTINUE UNDER THE NOTE SECURED BY A DEED OF TRUST IN SECOND LIEN POSITION; AND (iii) THAT THE MODIFIED TRUST DEED MAY BE SUBORDINATED TO A REFINANCE LOAN IN THE AMOUNT OF \$265,000 ISSUED BY AMERICAN NETWORK SERVICES; AND AUTHORIZING THE CHAIRMAN AND HOUSING AUTHORITY LEGAL COUNSEL TO PREPARE THE REVISED RDA LOAN DOCUMENTS AND TO EXECUTE SUCH ADDITIONAL DOCUMENTS AS REASONABLY NECESSARY TO COMPLETE THE REFINANCE LOAN.

WHEREAS, on July 2, 2003, the Community Redevelopment Agency of the City of Grand Terrace ("**RDA**") made a non-interest bearing loan ("**RDA Loan**"), in the original principal amount of \$44,000 ("**Principal Amount**") secured by a Deed of Trust ("**DOT**"), with the proceeds used by Michelle Boustedt ("**Original Owner**") to make a downpayment to purchase a single family home located at 22565 Franklin Street, Grand Terrace ("**Property**"); and

WHEREAS, the RDA Loan did not bear interest and did not require any monthly payments but did provide that the entire principal balance would be due upon sale or encumbering (refinancing) of the Property **PLUS** a share of the equity equal to 22.336% of the appreciation in value of the Property above the initial purchase price ("**Equity Share Payment**"); and

WHEREAS, on or around 2012, the Community Redevelopment Agency of the City of Grand Terrace was dissolved, and ownership of the RDA Loan was transferred to the City of Grand Terrace as Successor Agency, then subsequently delegated to the City of Grand Terrace Housing Authority ("**Housing Authority**").

WHEREAS, in March of 2019, the Original Owner transferred title of the Property into an intervivos family trust, with her spouse, Robert Boustedt who became the sole trustee upon her passing ("**Current Owner**") and who is now seeking to refinance the Property with a loan from American Financial Network ("**Refi Lender**") in the amount of Two Hundred Sixty-Five Thousand Dollars (\$265,000) ("**Refinance Loan**"); and

WHEREAS, due to debt resulting from ailing health and limited borrowing power, the Current Borrower cannot qualify for an amount which fully satisfies both the Principal Balance of \$44,000 plus the Equity Share Payment due under the RDA Loan; and

WHEREAS, the Current Borrower is requesting that the Housing Authority modify the RDA Loan to (i) allow the Principal Amount (\$44,000) to be paid now, and (ii) the RDA Loan be modified to have the Equity Share Payment continue as a lien against the Property ("**Modified RDA Loan**") **AND** that (iii) the Modified RDA Loan be subordinated to the Refinance Loan.

NOW, THEREFORE, THE GRAND TERRACE HOUSING AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Housing Authority hereby approves and consents to modify the RDA Loan to provide for the current payoff of the Principal Amount (\$44,000) and to permit the Equity Share Payment to continue to be secured by the RDA deed of trust against the Property in second lien position.

2. The Housing Authority's aforementioned approval is contingent on the satisfaction of the following: (a) The revised RDA Loan should be insured by an ALTA loan title insurance policy insuring it is in second lien position with the costs of the title policy paid by the Current Owner as part of the closing of the Refinance Loan, and (b) that \$50,500 of the Refinance Loan be allocated as follows: (i) \$40,000 be used to pay-off the Current Owner's unsecured debt through the escrow; and (ii) \$15,500 be paid to the Current Owner for the new HVAC.

3. The Housing Authority authorizes the Chairman and the Housing Authority's attorney to prepare the revised RDA Loan documents and to execute such additional documents as reasonably necessary to complete the Refinance Loan.

4. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. The Board of Directors of the Grand Terrace Housing Authority hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

5. The Secretary shall certify to the adoption of this Resolution.

6. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED and ADOPTED by the Board of Directors of the Grand Terrace Housing Authority at a regular meeting held on the ___ day of September 2025.

Bill Hussey
Chairman

ATTEST:

Daysi Alcocer
Secretary

APPROVED AS TO FORM:

Adrian R. Guerra
General Counsel

Borrower	Boustedt, Robert Lynn & Julie Ann	File No.	3429-25
Property Address	22565 Franklin St		
City	Grand Terrace	County	San Bernardino
		State	CA
		Zip Code	92313
Lender/Client	American Financial Network, Inc		

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UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (that is, newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.

Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

APPRAISAL OF REAL PROPERTY



LOCATED AT

22565 Franklin St
Grand Terrace, CA 92313
Tract# 8018 Lot# 13 M.B.# 112 Pages: 24 - 25

FOR

American Financial Network, Inc
10 Pointe Drive, Suite 330
Brea, CA 92821

OPINION OF VALUE

570,000

AS OF

08/10/2025

BY

Dennis Galassi
High Speed Appraisals
10121 Palo Alto Street
Rancho Cucamonga, CA 91730
626-550-9630
hispeedapp@yahoo.com

Dennis Galassi
High Speed Appraisals
10121 Palo Alto Street
Rancho Cucamonga, CA 91730

American Financial Network, Inc
10 Pointe Drive, Suite 330
Brea, CA 92821

Re: Property: 22565 Franklin St
Grand Terrace, CA 92313
Borrower: Boustedt, Robert Lynn & Julie Ann
File No.: 3429-25

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

Dennis Galassi

Dennis Galassi

Dennis Galassi

Serial# 6E2160D8
esign.alamode.com/verify

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	22565 Franklin St
	Legal Description	Tract# 8018 Lot# 13 M.B.# 112 Pages: 24 - 25
	City	Grand Terrace
	County	San Bernardino
	State	CA
	Zip Code	92313
	Census Tract	0071.04
	Map Reference	40140
SALES PRICE	Sale Price	\$
	Date of Sale	
CLIENT	Borrower	Boustedt, Robert Lynn & Julie Ann
	Lender/Client	American Financial Network, Inc
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,505
	Price per Square Foot	\$
	Location	N;Res;
	Age	53
	Condition	C4
	Total Rooms	6
	Bedrooms	3
	Baths	2.0
APPRAISER	Appraiser	Dennis Galassi
	Date of Appraised Value	08/10/2025
VALUE	Final Estimate of Value	\$ 570,000

PRIVACY NOTICE

Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties to Whom We Disclose Information

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us an any time if you have any questions about the confidentiality of the information that you provide to us.

Uniform Residential Appraisal Report

3429-25
File # 3429-25

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address 22565 Franklin St City Grand Terrace State CA Zip Code 92313
 Borrower Boustedt, Robert Lynn & Julie Ann Owner of Public Record Boustedt Family Trust County San Bernardino
 Legal Description Tract# 8018 Lot# 13 M.B.# 112 Pages: 24 - 25
 Assessor's Parcel # 1178-171-25-0000 Tax Year 2024 R.E. Taxes \$ 3,413
 Neighborhood Name Grand Terrace Map Reference 40140 Census Tract 0071.04
 Occupant Owner Tenant Vacant Special Assessments \$ 0 PUD HOA \$ 0 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client American Financial Network, Inc Address 10 Pointe Drive, Suite 330, Brea, CA 92821
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). CRMLS, Owner

CONTRACT

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
 Contract Price \$ Date of Contract Is the property seller the owner of public record? Yes No Data Source(s)
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid.

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %			
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	75 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	400	Low 7	Multi-Family	%
Neighborhood Boundaries Northern - Brentwood Street / Southern - Main Street / Western - 215						810	High 124	Commercial		15 %	
Freeway / Eastern - Honey Hill Drive (north of Palm Ave) & Blue Mountain (south of Palm Ave.)						605	Pred. 49	Other		10 %	

Neighborhood Description The subject is located in the city of Grand Terrace. The neighborhood is comprised primarily of one and two-story single family residences of average to good quality, condition, appeal, and marketability. No adverse influences affecting the marketability of the subject or surrounding properties in the neighborhood were noted.
 Market Conditions (including support for the above conclusions) Market trends indicate property values have remained stable within the prior 12 months of the effective date of appraisal. Demand/Supply levels appear to be in balance. The average marketing times of homes listed for sale in the prior 12 months to the effective date of appraisal is under 3 months.

SITE

Dimensions 67.5' x 107' (See Plat Map) Area 7222 sf Shape Rectangular View N;Res;
 Specific Zoning Classification R-1 7.2 / Residential Zoning Description Single Family Residential (minimum lot size 7200 Sq.Ft.)
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements - Type Public Private
 Electricity Water Street Paved Asphalt
 Gas Sanitary Sewer Alley None
 FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 06071C8693H FEMA Map Date 08/28/2008
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe Only typical utility easements noted.
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
 The site is an interior lot of average size and graded at street level. No adverse easements or encroachments were noted. The title report was not reviewed.

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete / Average	Floors	Tile,WdLmnt / Avg.
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Stucco / Average	Walls	Drywall / Average
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface	CompShingle / Avg.	Trim/Finish	Wood-Paint / Avg.
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	1Ft Eve / Average	Bath Floor	Tile,WdLmnt / Avg.
Design (Style) Ranch	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Vinyl / Average	Bath Wainscot	Tile-Drywall / Avg.
Year Built 1972	Evidence of <input type="checkbox"/> Infestation None Noted	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 20	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Screens / Average	<input checked="" type="checkbox"/> Driveway	# of Cars 2
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # 0	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	<input type="checkbox"/> Fireplace(s) # 0	<input checked="" type="checkbox"/> Fence Vinyl,Blk	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Cvr'd	<input checked="" type="checkbox"/> Porch Cvr'd Entry	<input type="checkbox"/> Carport	# of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool None	<input type="checkbox"/> Other None	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: 6 Rooms 3 Bedrooms 2.0 Bath(s) 1,505 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). Dual pane vinyl windows throughtout
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C4;Kitchen-not updated;Bathrooms-updated-six to ten years ago;Primary bathroom updated with wood laminate flooring within prior 10 years. The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe
 No physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property noted.
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe
 The subject property generally conforms to the neighborhood in terms of functional utility, style, condition, use, and construction.

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There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 515,000 to \$ 680,000		There are 28 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 540,000 to \$ 700,000			
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	22565 Franklin St Grand Terrace, CA 92313	22564 Pico St Grand Terrace, CA 92313	22565 Robin Way Grand Terrace, CA 92313	12794 Reed Ave Grand Terrace, CA 92313	
Proximity to Subject		0.02 miles S	0.26 miles S	0.37 miles SW	
Sale Price	\$	\$ 580,000	\$ 565,000	\$ 570,000	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 431.55 sq.ft.	\$ 497.36 sq.ft.	\$ 413.64 sq.ft.	
Data Source(s)		MLS# IV25082187;DOM 20	MLS# IG25062264;DOM 20	MLS# IG25055863;DOM 6	
Verification Source(s)		ParcelQuest / DOC# 132341	ParcelQuest / Listing Agent	ParcelQuest / DOC# 94022	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing		ArmLth		ArmLth	
Concessions		Conv;24500	-10,000	Conv;15622	-2,910
Date of Sale/Time		s06/25;c05/25		s08/25;c05/25	
Location	N;Res;	A;FrntsNeighTr;	+7,500	N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	7222 sf	7276 sf	0	7605 sf	0
View	N;Res;	N;Res;		N;Res;	
Design (Style)	DT1;Ranch	DT1;Ranch		DT1;Ranch	
Quality of Construction	Q4	Q4		Q4	
Actual Age	53	53		49	0
Condition	C4	C3	-25,000	C3	-25,000
Above Grade					
Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
	6 3 2.0	6 4 2.0	0	5 3 2.0	0
Gross Living Area	1,505 sq.ft.	1,344 sq.ft.	+12,075	1,136 sq.ft.	+27,675
Basement & Finished Rooms Below Grade	0sf	0sf		0sf	
Functional Utility	Average	Average		Average	
Heating/Cooling	FAU / CA	FAU / CA		FAU / CA	
Energy Efficient Items	Standard	Standard		Standard	
Garage/Carport	2ga2dw	2ga2dw		2ga2dw	
Porch/Patio/Deck	Patio / Porch	Patio / Porch		Patio / Porch	
Fireplace(s)	None	None		None	
Pool/Spa	None	None		None	
GuestHouse/Bonus RoomEtc.	None	None		None	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -15,425		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -235	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 9,525
Adjusted Sale Price of Comparables		Net Adj. 2.7 % Gross Adj. 9.4 % \$ 564,575		Net Adj. 0.0 % Gross Adj. 9.8 % \$ 564,765	Net Adj. 1.7 % Gross Adj. 1.7 % \$ 579,525

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain Appraiser researched the sale and/or transfer history of the subject property and the comparable sales through ParcelQuest, Realist and the local MLS.

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) ParcelQuest; Realist ; MLS

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) ParcelQuest; Realist ; MLS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	per ParcelQuest/Realist	per ParcelQuest/Realist	per ParcelQuest/Realist	per ParcelQuest/Realist
Effective Date of Data Source(s)	08/10/2025	08/10/2025	08/10/2025	08/10/2025

Analysis of prior sale or transfer history of the subject property and comparable sales The subject property does not appear to have sold or transferred within the prior 36 months to the effective date of appraisal.

In addition, none of the sales comparables appear to have sold/transferred within the prior 12 months to recent date of sale.

Summary of Sales Comparison Approach Comparables 1 - 4 are verified closed sales. The most weight given to sales comparables #1, #2 and #3 due to recent dates of sale, close proximity and overall similarity to the subject.

SEE SUPPLEMENTAL ADDENDUM FOR ADDITIONAL COMMENT

Indicated Value by Sales Comparison Approach \$ 570,000

Indicated Value by: Sales Comparison Approach \$ 570,000 Cost Approach (if developed) \$ 577,000 Income Approach (if developed) \$

The most weight was given to the Sales Comparison Approach as it best reflects the present action of buyers and sellers in the marketplace, little consideration was given to the Cost Approach, and no consideration was given to the Income Approach.

RECONCILIATION

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 570,000 , as of 08/10/2025 , which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

ADDITIONAL COMMENTS (SPECIFIC CLIENT REQUIREMENTS):

The subject's water heater was properly double strapped as of the effective date of appraisal.

The subject was properly equipped with a carbon monoxide detectors as of the effective date of appraisal, a minimum of one carbon monoxide detector is required on each level per state laws. Carbon monoxide detectors are to be installed in any hallways/rooms adjacent to sleeping areas. The appraiser noted a dual carbon monoxide / smoke detector was installed in hallway adjacent to bedrooms.

The subject was properly equipped with smoke detectors as of the effective date of appraisal. The number and location of smoke alarms is specified in section 310.9.1.4 of the California Building Code. One smoke alarm should be placed on each floor in non-sleeping areas. In addition, one smoke alarm must be installed in each room where sleeping occurs and one smoke alarm should be located in each hallway that leads directly to sleeping rooms. The subject was equipped with a dual carbon monoxide / smoke detector in hallway adjacent to bedrooms, additional smoke detectors noted in each of the three bedrooms.

ADDITIONAL COMMENTS: (PUBLIC RECORDS DISCEPANCY - BEDROOM COUNT):

Per ParcelQuest and public records the subjects is noted as featuring a total of 4-bedrooms. However, upon inspection the appraiser noted the subjects features a total of 3-bedrooms plus office (no closet). It appears interior has been re-configured after purchase in March 2024 with 2 additional bedrooms created from original family room area. It appears ParcelQuest and public records is incorrect and/or not yet updated, for the purposes of completing this report the subject has been noted as featuring a total of 3 bedrooms.

ADDITIONAL COMMENTS (CONCESSIONS):

Concession adjustments were made for closing cost and repair credits. No adjustments utilized for concessions labeled or described as "buyer broker fee" as these types of concessions or seller fees can be typical for the subject market area.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)			
Provide adequate information for the lender/client to replicate the below cost figures and calculations.			
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)		Land to value ratio in western areas of Southern California's San Bernardino County areas is typically 40 to 80 percent.	
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	335,000
Source of cost data Marshall & Swift	DWELLING 1,505 Sq.Ft. @ \$ 175.00	= \$	263,375
Quality rating from cost service Average Effective date of cost data July 2025	0 Sq.Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Patio / Porch	= \$	15,000
The factors for "Replacement Cost New" were obtained from "Marshall & Swift Residential Cost Handbook" Land value abstracted from area home sales due to the lack of available vacant land market sales. Land to value ratio typical for the area.	Garage/Carport 492 Sq.Ft. @ \$ 50.00	= \$	24,600
	Total Estimate of Cost-New	= \$	302,975
	Less Physical Functional External		
	Depreciation 75,975	= \$(75,975)
	Depreciated Cost of Improvements	= \$	227,000
	"As-is" Value of Site Improvements	= \$	15,000
Estimated Remaining Economic Life (HUD and VA only) 60 Years	INDICATED VALUE BY COST APPROACH	= \$	577,000

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)			
Estimated Monthly Market Rent \$	X Gross Rent Multiplier	= \$	Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM)		N/A	

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project _____

Total number of phases _____	Total number of units _____	Total number of units sold _____
Total number of units rented _____	Total number of units for sale _____	Data source(s) _____

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion. _____

Does the project contain any multi-dwelling units? Yes No Data Source _____

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion. _____

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____

Describe common elements and recreational facilities. _____

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER Dennis Galassi

Signature *Dennis Galassi*

Name Dennis Galassi

Company Name High Speed Appraisals

Company Address 10121 Palo Alto Street
Rancho Cucamonga, CA 91730

Telephone Number 626-550-9630

Email Address hispeedapp@yahoo.com

Date of Signature and Report 08/11/2025

Effective Date of Appraisal 08/10/2025

State Certification # AR037515

or State License # _____

or Other (describe) _____ State # _____

State CA

Expiration Date of Certification or License 07/22/2027

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

Telephone Number _____

Email Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

22565 Franklin St
Grand Terrace, CA 92313

APPRAISED VALUE OF SUBJECT PROPERTY \$ 570,000

LENDER/CLIENT

Name Amerimac Appraisal Management

Company Name American Financial Network, Inc

Company Address 10 Pointe Drive, Suite 330, Brea, CA 92821

Email Address _____

SUBJECT PROPERTY

Did not inspect subject property

Did inspect exterior of subject property from street
Date of Inspection _____

Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street

Did inspect exterior of comparable sales from street
Date of Inspection _____

Market Conditions Addendum to the Appraisal Report

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The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **22565 Franklin St** City **Grand Terrace** State **CA** ZIP Code **92313**

Borrower **Boustedt, Robert Lynn & Julie Ann**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	13	7	8	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	2.17	2.33	2.67	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings			12	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)			4.5	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	\$580,000	\$575,000	\$582,500	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	13	9	20	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price			\$584,500	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market			25	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	0	0	99.5%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?				<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. **ParcelQuest, Realist ,MLS**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Market trends indicate property values have remained stable in the subject's neighborhood in the prior 12 months to the effective date of appraisal and demand/supply levels appear to be in balance. The average marketing times of homes listed for sale in the prior 12 months to the effective date of appraisal is under 3 months. Appraiser's "Inventory Analysis," "Median Sale & List Price, DOM" and other observations in this addendum are based on the data source identified above, which appraiser generally believes to be an acceptable source of market data. However, the appraiser cannot verify all of the information in that data source and cannot guarantee the accuracy of such data or conclusions based thereon. The appraiser also cannot guarantee future market conditions affecting the subject property. Due to configuration of Multiple Listing Service, the appraiser is unable to accurately analyze active listing inventory for time periods of 7-12 months and 4-6 months. The appraiser is also unable to accurately determine median comparable list price and median comparable listings days on market for time periods of 7-12 months and 4-6 months. Therefore the shaded areas for listing inventory time periods of 7-12 months and 4-6 months have been left blank per Fannie Mae guidelines.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature *Dennis Galassi*

Signature

Appraiser Name **Dennis Galassi**

Supervisory Appraiser Name

Company Name **High Speed Appraisals**

Company Name

Company Address **10121 Palo Alto Street, Rancho Cucamonga, CA 91**

Company Address

State License/Certification # **AR037515** State **CA**

State License/Certification # State

Email Address **hispeedapp@yahoo.com**

Email Address

Supplemental Addendum

File No. 3429-25

Borrower	Boustedt, Robert Lynn & Julie Ann				
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Lender/Client	American Financial Network, Inc				

Sales Comparison Comments Continued:

Search parameters for the data entered on the 1004MC form and the top of page 2 of this report were expanded to to gross living area ranging from 1,100 - 1,700 Sq.Ft., lot sizes ranging from 7,000 - 12,000 Sq.Ft., properties built between 1954 - 1989 with search confined within the subject's market boundaries as noted on page 1 of this report. Market boundaries are based on the appraisers familiarity and expertise in this market and have not been expanded just to encompass the comparables selected.

The subject's market has remained stable over the past 12 months. Median comparable sale prices have shown minimal variation, moving from \$580,000 in the 7-12 month period to \$575,000 in the 4-6 month period, and increasing slightly to \$582,500 in the most recent 0-3 month period. This reflects an overall stable trend in property values.

The absorption rate has increased from 2.17 to 2.67 during the same period, indicating slightly faster sales activity. However, active listings have risen to 12 in the most recent quarter, increasing the months of housing supply from 0 in prior periods to 4.5 months, suggesting inventory growth.

Median days on market for settled sales have increased from 13 days to 20 days, pointing to a modest slowdown in buyer activity. The median sale price to list price ratio is 99.5%, consistent with market stability. No seller-paid financial assistance was reported as prevalent.

Based on this analysis, market conditions are considered stable, with supply and demand in balance and no significant upward or downward pressure on prices as of the effective date of this appraisal.

Comparable #1 - (22564 Pico Street) Per MLS listing the property was listed for sale on 04/18/2025 for \$589,900 and was sold for \$580,000 after 20 DOM. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to have been in C3 overall condition at the time of sale (superior to the subject), and has been adjusted accordingly in the sales comparison approach.

- Sales comparable #1 fronts directly to Pico Street (moderately travelled 2-lane traffic street) location adjustment due to external obsolescence was utilized in listing comparable grid.

Comparable #2 - (22565 Robin Way) Per MLS listing the property was listed for sale on 04/21/2025 for \$565,000 and was sold for \$565,000 after 20 DOM. Per MLS listing property features a newly renovated kitchen. Recently updated bathrooms. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to have been in C3 overall condition at the time of sale (superior to the subject), and has been adjusted accordingly in the sales comparison approach.

- Sales comparables #2 is a recent sale. Sales comparable #1 per MLS listing was sold for \$565,000 (COE Date of 08/01/2025), sales price confirmed with listing agent. Public records has not been updated to reflect sales price of sales comparable #1. Report has been completed utilizing extraordinary assumption that all information provided to the appraiser by listing agent and MLS listings of sales comparable #1 is accurate, if any items are found to be incorrect the appraiser reserves the right to change the opinion of value in this report..

Comparable #3 - (12794 Reed St) Per MLS listing the property was listed for sale on 03/18/2025 for \$569,000 and was sold for \$570,000 after 6 DOM. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to have been in C4 overall condition at the time of sale (similar to the subject).

Comparable #4 - (12784 Dutch) Per MLS listing the property was listed for sale on 04/13/2025 for \$585,000 and was sold for \$585,000 after 8 DOM. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to have been in C4 overall condition at the time of sale (similar to the subject). Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to have been in C4 overall condition at the time of sale (similar to the subject).

Listing #1 - (22554 Pico St) Per MLS listing the property was listed for sale on with original listing price of \$595,900, the listing price has been reduced to current listing price of \$575,900, currently noted as under contract for sale after 65 DOM. Per MLS listing property features new roof, remodeled kitchen and bathrooms. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to be in C3 overall condition at the time of sale (superior to the subject), and has been adjusted accordingly in the sales comparison approach.

Listing #2 - (12807 Reed Ave) Per MLS listing the property was listed for sale on 07/25/2025 for current listing price of \$589,000, currently noted as a pending sale after 4 DOM. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to be in C3 overall condition at the time of sale (superior to the subject), and has been adjusted accordingly in the sales comparison approach.

Listing #3 - (22361 Raven Way) Per MLS listing the property was listed for sale on 07/12/2025 for current listing price of \$615,000, currently noted as under contract for sale after 29 DOM. Per MLS listing, conversations with listing agent, and exterior inspection by the appraiser the property appears to be in C3 overall condition at the time of sale (superior to the subject), and has been adjusted accordingly in the sales comparison approach.

Differences in living area over 100 square feet were adjusted at \$75.00 per square foot.

Differences in site area over 1,000 square feet were adjusted at \$5.00 per square foot.

Pools adjusted at \$25,000 and spas adjusted at \$5,000.

Brenna Galassi

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No adjustment has been made for total bedroom count as the livable area adjustment is considered to be inclusive of the differences in size and the utility of different numbers of bedrooms.

Adjustments utilized are based on market analysis including match paired sales analysis within the subject's market within the prior 5 years. Not all adjustments in the Sales Comparison Approach can be directly extracted or supported by the available market data with a high degree of accuracy. Some adjustments have an element of subjectivity and professional judgment which the appraiser has applied based on prior observations of the reactions of typical/knowledgeable buyers' and sellers' in the marketplace.

Please note the appraiser has relied either upon paired sales analysis, market extraction, local builders, realtors, building cost databases, appraiser contributory databases and local MLS to develop adjustments. Regression analysis (RA) tools are available within this marketing area, however they tend to utilize public record data with only a limited number of data points within the analysis. The appraiser would concede that RA can be a powerful tool, however it requires that a high percentage of the potential variables (i.e. GLA, basement, external factors, etc..) must be included within the data sample to have a high degree of confidence. Given the high number of various factors that can affect the marketability of a home, the RA tools available are not currently proficient enough to provide reliable adjustment factors. Historically appraisers have relied upon "market knowledge" and paired sales analysis to determine the contributory value of any given feature of a home. As per recent changes in GSE and lender guidelines, the appraiser must provide transparency to the adjustment process. It is the opinion of the appraiser that field experience is still the primary component in the adjustment factor equation. In an ideal scenario an appraisal assignment features comparable sales that are very similar and that have very few differences. This allows the appraiser to isolate the differences in the price and features, and to assign "market driven" adjustment factors to each comparable to return an adjusted range of sale prices that supports the final reconciliation of estimated value. Unfortunately appraisal assignments rarely feature comparables without substantial differences and the need to adjust for multiple factors. In cases such as this, the appraiser must rely on best practices such as the use of research tools (i.e. MLS, Marshal and Swift) and interviews with realtors and builders. In addition, the completion of other appraisal assignments that allowed for an easier identification of adjustment amounts is also a contributing factor to the "experience" necessary to formulate adjustments. All remaining adjustments are deemed necessary and have been applied accordingly.

The condition rating for the comparables is based upon a driveby inspection of the sales and information obtained through sources such as the local MLS board, personal inspection, and/or conversations with listing agents, where applicable, as to the amenities and condition of the interior of the sales comparables.

All of the sales comparables and the subject, though varying in physical ages, were considered to have similar effective ages due to similar levels of regular maintenance and upgrading, and/or the differences in effective ages are accounted for in the condition adjustments. Therefore, no age adjustments were considered to be necessary or appropriate.

Several of the comparables were found to have different property characteristics in two or more data sources. The local MLS information were used, where applicable, in place of NDCData county assessor's records as they are considered to reflect more up-to-date information.

Verification: The primary verification that the comparables have closed and recorded are public records and/or title companies. A monthly update of these public records is provided by various online services and customer service departments of title companies are utilized. These sources provide (from the public records) the transaction price and current encumbrances. The MLS reports were used as part of the basis for the reporting and adjustment of the comparable sales/listings for determining the condition and amenities for the comparable sales and if there were any indications of a non-arms length transaction, financing concessions, or a distressed sale or other factors that might affect the value and marketability of the comps.

Environmental Addendum: Unless otherwise stated in this report, the existence of hazardous material, which or may not be present on the property was not observed by the appraiser. The appraiser has no knowledge of the existence of such material on the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, ureaformaldehyde foam insulation, or other potentially hazardous materials may effect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

Appraiser Competency: The undersigned appraiser(s) hereby acknowledges that he/she is full qualified and competent by his/her training, knowledge and experienced to perform this appraisal. If after acceptance of the appraisal assignment and during the course of conducting the appraisal, the appraiser discovers that he/she is not fully competent to perform the appraisal, the appraiser must comply with the Competency Provision of USPAP.

Effective Date, Report Date: The effective date of the appraisal and the date of the report are the same, as shown on the report. Unless otherwise stated, this would be the date of the inspection. The date signed may be after the effective date of the appraisal but is valid for the effective date of the inspection and for that date only.

Purpose and Function of this Report:

1. The PURPOSE of this report is to estimate the "Market Value" as defined in the attached "Statement of Limiting

Bennis Stalassi

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Conditions" and in accordance with the FHLBB.

2. The FUNCTION of this report is to assist an underwriter/investor in his/her lending decision. Therefore, this report may not be reproduced or transmitted for any use other than mortgage lending uses.

Property Rights Appraisal:

The property rights appraised are in FEE SIMPLE TITLE unless otherwise noted in the "SUBJECT PROPERTY" section of the appraisal report.

FEE SIMPLE TITLE, which is defined as follows: "AN ABSOLUTE FEE; A FEE WITHOUT LIMITATIONS TO A PARTICULAR CLASS OF HEIRS OR RESTRICTIONS, BUT SUBJECT TO THE LIMITATIONS OF EMINENT DOMAIN, ESCHEAT, POLICE POWER, AND TAXATION AN INHERITABLE ESTATE." This definition is not intended to exclude the possibility of financing and the interest of tenants rights of occupancy; Therefore it can be thought of as an "ENCUMBERED FEE SIMPLE TITLE."

1 BOYCE, BYRL N., ED. REAL ESTATE APPRAISAL TERMINOLOGY, (CAMBRIDGE; BALLINGER PUBLISHED CO., 1984)

Flood Zone: Flood data reported in this appraisal was obtained from FEMA source maps; and the "NO" designation in the "FEMA FLOOD HAZARD" section of the report does not mean that the property cannot damage from flooding.

STANDARD SCOPE OF WORK DEFINED - Clarification of Assumptions, Limiting Conditions, Certifications and Scope of Work

The URAR appraisal form attached was used to report the results of my (our) appraisal. The scope of work discussed here and within the body of the report, further clarifies what the appraiser(s) did and or did not do in order to develop the appraisal and report the value opinion. The following is noted in order to comply with USPAP requirements and also to define terms as they are used in the appraisal report. This is not intended to be a modification of the certification, but a clarification, which is required to be in compliance with USPAP.

This addenda defines and clarifies the Scope of Work, terms used in the assumptions, limiting conditions, and certifications found on pages 4, 5, and 6 of the URAR and expands the scope of work to document any specific steps taken or not taken by the appraiser(s) based on the complexity of this appraisal assignment and or as a result of a supplementary Scope of Work Agreement and or Engagement Letter as accepted by the appraiser(s) and client identified within the appraisal report.

If no written specific and or supplemental Scope of Work was agreed upon with the client (prior to accepting the assignment and by formal engagement letter) the Scope of Work outlined within the report and here is considered to be representative of what typical users of appraisal services would require and in general, what appraisers would provide as reasonable, acceptable and sufficient for the stated intended user's needs.

COMPLETE VISUAL INSPECTION (Pg 5, Cert. 2, URAR): Within the report under Scope of Work, item (1), where it states "perform a complete visual inspection of the interior and exterior areas of the subject property" it should be noted that the Appraiser(s) conducted a visual inspection of only the accessible areas of the property. The appraiser(s) did not test the subject's mechanical, plumbing and electrical systems as such tests were not a part of the clients stated requirements or within the standard guidelines of FNMA or FHLMC. The appraiser's observations were limited to viewing those portions and components of the property, which were clearly visible from the ground or floor level.

Any statement in the report regarding the observed condition of the foundation, roof, exterior, interior, floors, mechanical, plumbing, electrical, insulation and all other matters relating to the construction of the subject property is based on a casual observation only and may have been limited further by the placement of personal property, furnishings, etc. so as to preclude observation of the items blocked by same. It did not include an observation of the attic, crawl space or other areas that would not be visible by the typical visitor to the home and or components that are hidden within walls.

Although the report may cite information regarding the adequacy and or condition, it should be clearly understood that these observations are a general guide for property valuation and are not a complete, detailed report on the physical and or operational condition of these items. The appraiser(s) is not an expert in these matters and any opinion stated is advisory based only upon observation. **This report is not a home inspection.** While others may choose to rely on the report, they should not rely on it to disclose condition and defects. Such knowledge goes beyond the scope of this appraisal and as such, comments on observed conditions given in this report should not be taken as a guarantee that a problem does not exist. The following chart is to assist the intended user in understanding the scope of a complete visual inspection:

Complete Visual Inspection Includes:	Complete Visual Inspection Does NOT Include:
List the amenities	Testing or activating mechanical systems
View readily observable exterior areas	Activating appliances
View readily observable interior areas	Observation of crawl spaces and attics
Note quality of materials and workmanship	Observation of areas not readily accessible

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Measure the exterior of the improvements	Building Code compliance issues
Observe the floor plan and room layout	Moving furniture or personal property
Assess the functional utility of the property	Mold Assessment
Note the subject's conformity to the market area.	Removing (or moving) floor coverings
Note style / design.	Testing or inspection of the well and septic.
Observe the general condition of the improvements	Reporting personal property.
Observe a representative sampling of closets, windows, electrical switches, and doors.	Roof Condition report beyond an observation from ground level.
Photograph exterior and view site around the improvements	Radon Assessment

REPAIRS/DETERIORATION (Pg. 4, Condition 5, URAR) (Pg. 5, Cert. 2, URAR): The terms deficiency and livability have not been defined in the appraisal report. Effort has been made to report ONLY those repair items that, in the appraiser's opinion, will affect safety, adequacy, and marketability of the property. Deterioration consistent with the age of the home has not been itemized.

COST APPROACH (Pg. 5, Cert. 4, URAR): The cost approach is typically utilized when improvements are new, near new or are of an unusual construction method. Additionally, the cost approach is only considered appropriate when sufficient land; building sites, etc. are available to a potential purchaser so as to make construction of improvements similar to the subject, a viable alternative to purchasing the subject.

In areas where vacant sites (similar to the subject property) are not available to a potential purchaser, use of the cost approach and reliability on the same as a value indicator could be misleading. In cases where the Cost Approach is not required (per USPAP) or deemed necessary to the development of a reliable value opinion, the cost approach has been excluded and such exclusion has been so stated with the body of the report.

If the cost approach was used it represents the "replacement cost estimates," and is for "valuation purposes only." As such, it should not be relied upon for insurance purposes. The definition of "market value" on page 4 of this report is not consistent with "insurable value." If the cost approach was presented, a cost service such as "Marshall & Swift" (or other similar source) was used to develop the estimate. The site value opinion is based on one of several methods: extraction, allocation, the developmental method or from a review and analysis of sales of similar sites within the market area.

INCOME APPROACH (Pg. 5, Cert. 4, URAR): The income approach is typically utilized when sufficient investor owned properties exist with the subject's immediate area or neighborhood and when investors regularly acquire such properties that are similarly desirable to the subject for the express purpose of the investment income they provide. While rental properties may exist within any area, their existence alone should not be considered as evidence of a viable rental and investor marketplace. As such, in areas dominated by "owner occupied" units, it may not be appropriate to present or employ the income approach, unless the approach clearly represents the motivations and actions of investors in the marketplace as it relates to the subject property and immediate area.

If the approach is included within the report, it was because sufficient data was found to support conclusions by the appraiser(s) that it was appropriate and meaningful to the analysis and value opinion. If the approach was not included, it was the appraiser's conclusion that the data was insufficient to conclude that the approach would provide a useful and meaningful conclusion.

EXTENT OF DATA RESEARCH – SALES/LISTINGS (Pg. 5, Cert. 5 and 6, URAR): Sales and listings of the subject property and comparables have been researched, verified, analyzed, and reported in compliance with Certifications 5 and 6 of this URAR. Sales data (including listed, closed, pending and expired listings) of properties that are geographically, physically, functionally and economically similar to the subject property and that are sufficiently recent to reflect current buyer and seller actions were researched and considered. If necessary and applicable, the appraiser(s) also researched data on comparable land and improved sales, income and expense information and construction costs; confirmed comparable sales information (as noted under #7 below); and analyzed the information in applying the approach(es) used.

Depending upon the availability and reliability of various data sources with respect to the subject property, the appraiser(s) used any combination of reasonably available information from city/county records, real estate agents, owner's comments, buyer's description, assessor's records, multiple listing service (MLS) data, brochures, web site listings and visual observation by the appraiser(s) to identify the relevant characteristics of the subject property. Comparable information was selected based on physical, functional, economic and location characteristics and the data cited in the report was considered to be most similar and relevant to the analysis of subject property. The analysis may include, but is not limited to, the nature of the sale (arm's-length); impact of reported concessions on the sales; time on the market; original and final list prices.

EXTENT OF INFORMATION VERIFICATION (Pg. 5, Cert. 10, URAR): Representative samples of disinterested sources for information and data verification include but are not limited to County/City online records – Recorder, Treasurer, Zoning, GIS, Online Assessor Property Databases – Sales, Property Characteristics, Personal observation – Condition, Location, Physical attributes, Real Estate Transaction Declaration documents – Sale date, Personal property. In addition, the subject's market area was examined to determine the existing and proposed inventory, as well as demand for and marketability of the property within the subject's classification.

The appraiser(s) was not supplied with a survey of the subject site and did not check the land records for recorded easements and have reported only apparent easements and encroachments. No effort was made to ascertain

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whether the subject is located within the appropriate setbacks, as dictated by zoning or building regulations.

When and where possible, the applicable information was verified with sources deemed to be reliable and from a disinterested party or corroborated with a 3rd party source and used at face value as is factually accurate. In some cases, the motivations of the parties and other factors (terms, arms-length transactions, etc.) may not have been available.

ADVERSE FACTORS (Pg 4 item 5 and Pg. 5, Cert. 14, URAR): As cited in the "Assumptions & Limiting Conditions" under item #5, is subjective and subject to broad interpretation. Many properties will have some form of physical depreciation, deficiency or livability issues, dependent upon the motivations and standards of the party observing the property. A property may also be impacted to varying degrees by a wide-range of factors internal or external to the property that could be considered "adverse" by someone.

Absent detailed written directives and specific guidelines from the lender/client, the appraiser(s) made a visual inspection of the property and its market environment (as cited elsewhere in the Scope of Work) and noted factors that may impact the marketability and livability to potential buyers based upon the appraiser's knowledge of the market and or as evidenced by sales of properties with similar or comparable conditions. Such items noted in the report were considered within the valuation approaches that were applied to the analysis.

While some in the market may consider factors such as drug labs, registered sex offenders, criminal activity, interim rehabilitation facilities halfway houses or similar uses as "adverse," unless cited within the report, the appraiser(s) has made no attempt to investigate or discover such activities as part of this assignment, unless such factors were readily apparent and obviously impacting the subject property as evidenced by market data. If the intended user has concerns in these areas, it is highly recommended that they secure this information from a reliable source.

THE VALUE OPINION: The value opinion stated in the report is based on my (our) analysis as of the effective date shown in the report. The value opinion considers the productivity, economic and physical conditions of the property only as of the date of value cited. As market conditions change, this value opinion may not be valid in another time period.

The appraiser(s) has attempted to analyze the subject property from the perspective of the hypothetical, "most probable" buyers. The value opinions here in are based upon review and analysis of the market conditions affecting real property value, including land values, cost and depreciation estimates, the attributes of competitive properties, and sales data for geographically, economically and physically similar properties.

The estimate of market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, and knowledgeably, and assuming the price is not affected by undue stimulus.

Personal property such as furnishings, equipment or other items that may be included with a sale or transfer of the property were excluded from the value unless such items are necessary for the operations of the property (garage door remotes, pool remotes, etc) and would normally be a part of the mechanical or operational equipment that is considered realty.

DISCLOSURE/DISTRIBUTION (Pg. 6, Cert. 21, URAR) (Pg. 6, Cert. 23, URAR): Regardless of who paid for this assignment, the intended user is only the lender/client or its assignees, The appraisal and report may be inappropriate for use by parties other than the intended user and could place them at risk. Despite the means of possession of the report, this appraisal should not be used or relied on by anyone other than the stated intended user and for the stated/intended purpose.

Certification 23 – Per FNMA - "The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser."

Additional Comments (Highest and Best Use):

The subjects' lot size and location within this platted subdivision would make alternative uses such as commercial, industrial or agricultural physically, legally and economically impermissible and unfeasible. Based on the analysis of the property as presently developed, which is consistent with its Highest and Best Use as a vacant site, its present Highest and Best Use is considered to be a Single Family Residence.

Standards Compliance:

This appraisal has been completed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Office of the Controller of the Currency's (OCC), Minimum Appraisal Standards, the Board of Governors of the Federal Reserve System and compliance with the laws and directives enacted under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Reasonable Exposure Time:

Exposure time is always presumed to precede the effective date of the appraisal. It is the estimated length of time the property would have been offered on the market, prior to the hypothetical sale, at the appraised value on the

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effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market. This includes not only adequate, sufficient and reasonable time, but adequate, sufficient and reasonable effort. It is often expressed as a range and is based on the following:

1. Statistical information about days on the market, most commonly obtained from the local Multiple Listing Service.
2. Information gathered through sales verification.
3. Interviews with market participants.

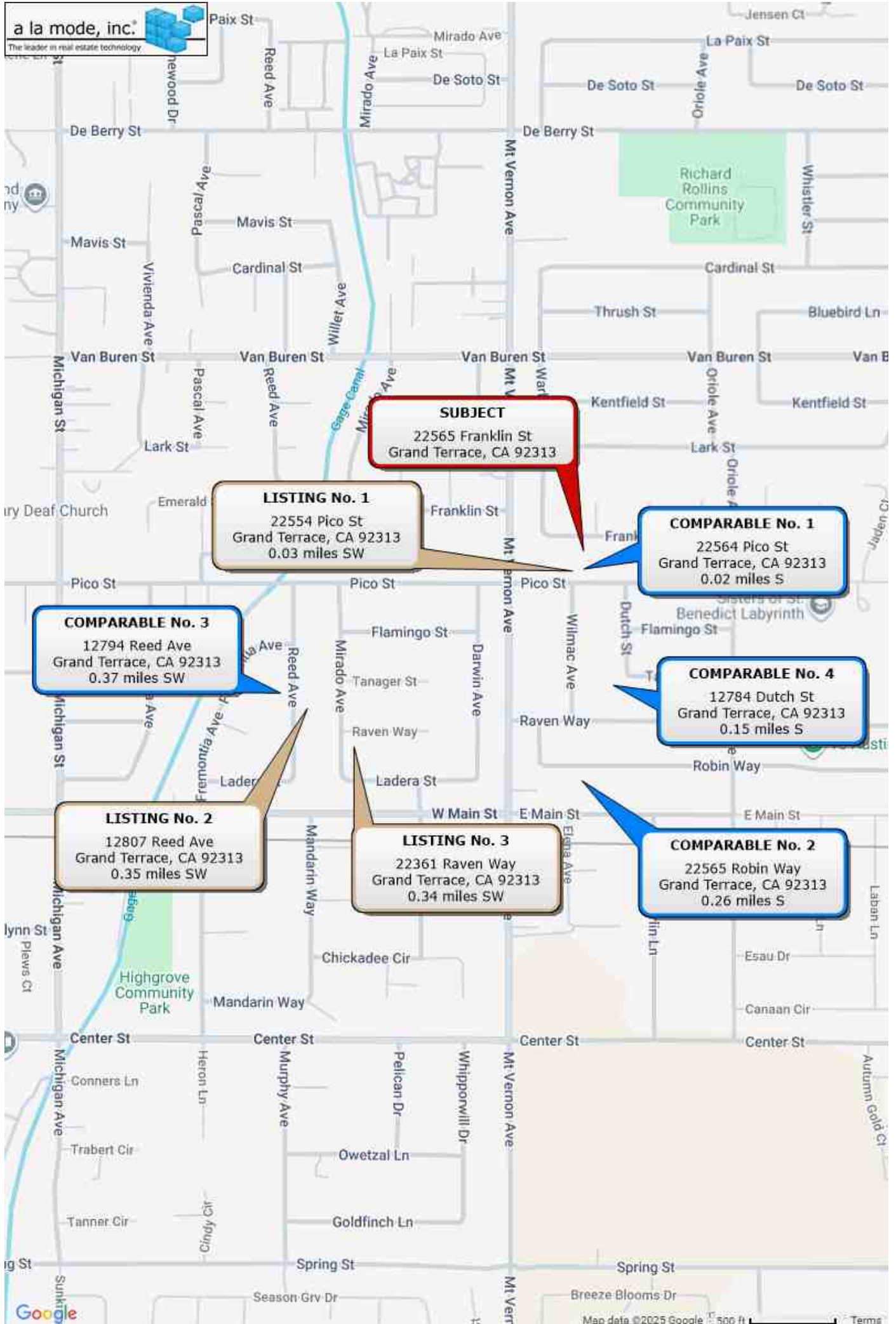
Under current market conditions the reasonable exposure time for the subject property is approximately zero to three months. This is based on the analyses of current market trends in the general area and takes into account the size, condition and price range of the subject property and surrounding area. It presupposes that the listed price would be at or near the appraised value. It also assumes aggressive professional marketing by reputable local real estate offices.

ADDITIONAL COMMENTS (Appraisal Independence): The appraiser certifies that the ordering and delivering of this appraisal report was completed in compliance with the Appraiser Independence Requirements (AIRS) as referenced in Fannie Mae Announcement SEL-2010-14, the Appraisal Independence guidance provided by HUD, including all future announcements and the USPAP standards. The appraiser(s) responsible for preparing the above referenced appraisal report hereby certify that the report was completed and the opinion of value developed in accordance with USPAP standards; and at no time did any employee, director, officer, or agent of the lender or any third party acting as joint venture partner, independent contractor, appraisal company appraisal management company or partnering on behalf of the lender, influence or attempt to influence the development, reporting, result or review of the report.

Bennis Galassi

Location Map

Borrower	Boustedt, Robert Lynn & Julie Ann			
Property Address	22565 Franklin St			
City	Grand Terrace	County	San Bernardino	State CA Zip Code 92313
Lender/Client	American Financial Network, Inc			



Bennis Salassi

Satellite Image of Subject

Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA Zip Code 92313
Lender/Client	American Financial Network, Inc				



Legal Description Map

Borrower	Boustedt, Robert Lynn & Julie Ann			
Property Address	22565 Franklin St			
City	Grand Terrace	County	San Bernardino	State CA Zip Code 92313
Lender/Client	American Financial Network, Inc			



County Last Updated: 07/18/2025

Property Location

Address: 22565 FRANKLIN ST	City: GRAND TERRACE	Zip: 92313-5703
APN#: 1178-171-25-0000	Use Code: Single Family Residence	County: San Bernardino
Tract: 8018	Census Tract: 71.04	Zone:
Map Page/Grid: 646/ F5	Legal Desc: TRACT 8018 LOT 13	
Total Assessed Value: 274,601	Tax Amount: 3,412.96	
Percent Improvement: 0.74	Tax Year / Assessor Year: 2023 / 2024	

Current Owner Information

Current Owner: BOUSTEDT FAMILY TRUST	Owner Address: 22565 FRANKLIN ST
City, State, Zip: GRAND TERRACE, CA, 92313-5703	Owner Occupied: Yes
Last Transaction: 05/24/2019	Deed Type: quitclaim/deed of trust
Amount:	Document: 0000169620

Last Sale Information

Transferred From: COMMUNITY REDEV AGY GRAND TERR	Seller Address:
Recording / Sale Date: 07/02/2003 /	Prior Recording / Sale Date: 07/02/1999 /
Most Recent Sale Price: 197,000	Prior Sale Price: 97,000
Document Number: 0000485997	Prior Document No.: 0000281491
Document Type: grant deed/deed of trust	Prior Document Type: grant deed/deed of trust

Lender Information

Lender:	Full/Partial: F
Loan Amount / 2nd Trust Deed: /	Loan Type: conventional

Physical Information

Building Area: 1,520	# of Bedrooms: 4	Lot Size Sqft / Acreage: 7,276 / 0.17
Additional: 0	# of Bathrooms: 2.00	Year Built / Effective: 1972 / 0
Garage: 400	# of Stories: 1	Heating: Central
First Floor: 1520	Total Rooms: 7	Cooling: Central Air
Second Floor: 0	# of Units: 0	Roof Type: Composition Shingle
Third Floor: 0	Garage/Carport: 2 Car Attached Garage	Construction/Quality: / 6
Basement Finished: 0	Fireplaces: 1	Building Shape: Rectangle
Basement Unfinished: 0	Pool/Spa: 0	View:

Flood Data and Map

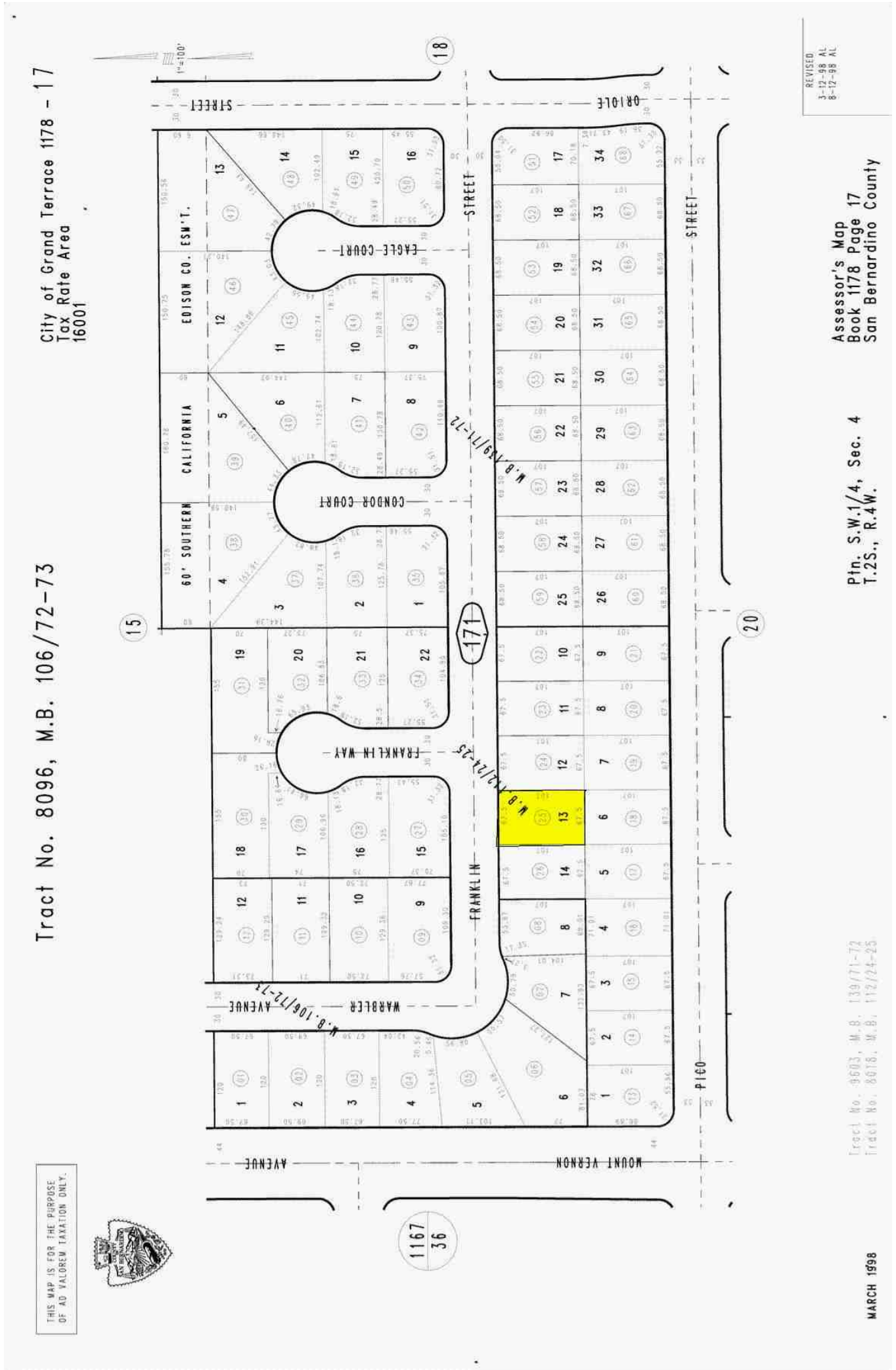
Flood Zone: X	Panel Number: 06071C8693H	Panel Date: 2008-08-28	Community Number: 060737
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Bennis Salassi

Plat Map

Borrower	Boustedt, Robert Lynn & Julie Ann		
Property Address	22565 Franklin St		
City	Grand Terrace	County	San Bernardino
		State	CA
		Zip Code	92313
Lender/Client	American Financial Network, Inc		

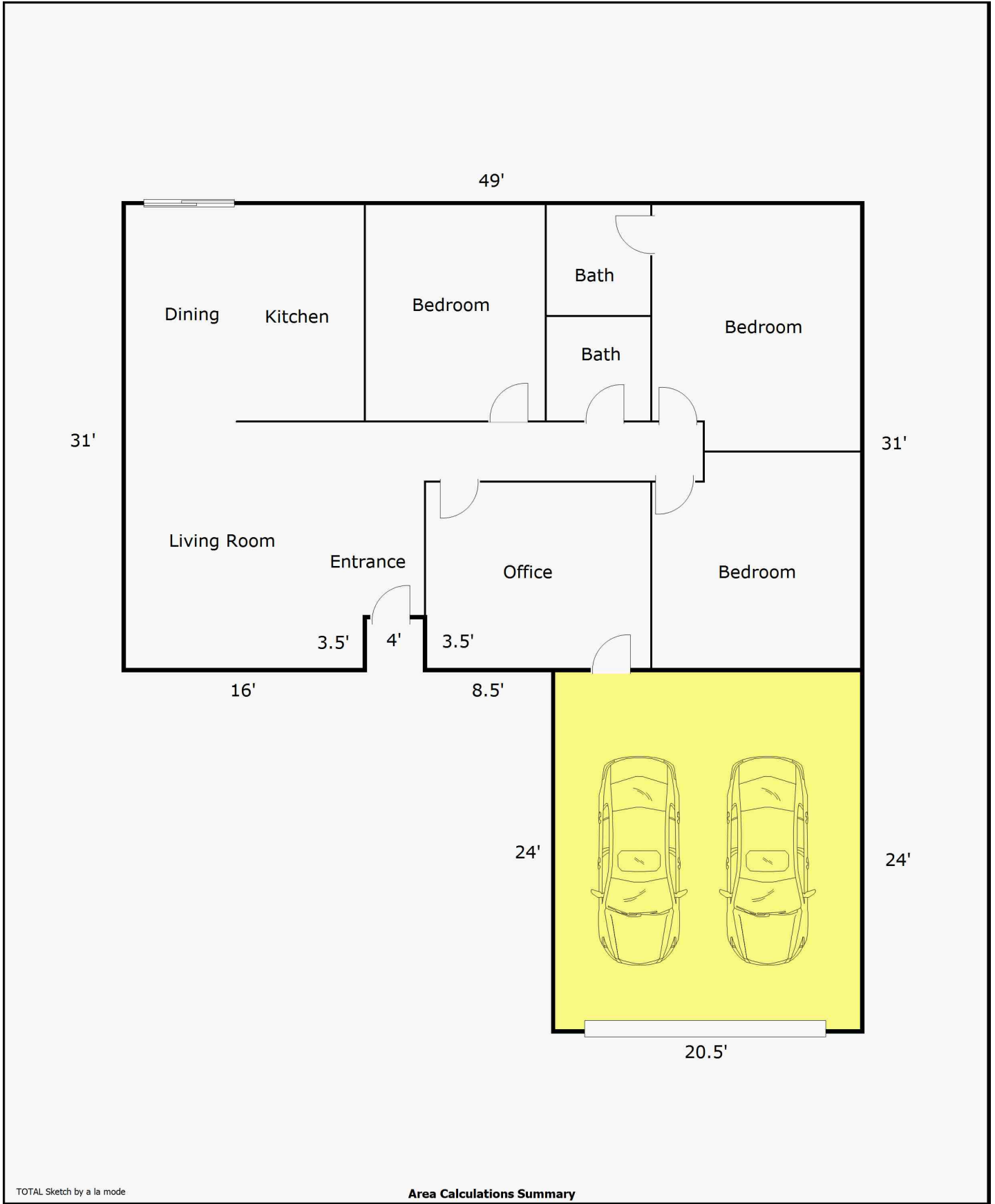
SUBJECT SITE IS HIGHLIGHTED



Building Sketch

Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA
Zip Code	92313				
Lender/Client	American Financial Network, Inc				

INTERIOR WALLS UTILIZED TO PROVIDE GENERAL OVERVIEW OF FLOORPLAN AND ARE NOT TO SCALE



TOTAL Sketch by a la mode

Area Calculations Summary

Living Area	Calculation Details	
First Floor	1505 Sq ft	49 × 27.5 = 1347.5 3.5 × 29 = 101.5 3.5 × 16 = 56
Total Living Area (Rounded):	1505 Sq ft	
Non-living Area		
2 Car Attached	492 Sq ft	24 × 20.5 = 492

Bennis Galassi

Subject Photo Page

Borrower	Boustedt, Robert Lynn & Julie Ann			
Property Address	22565 Franklin St			
City	Grand Terrace	County San Bernardino	State CA	Zip Code 92313
Lender/Client	American Financial Network, Inc			

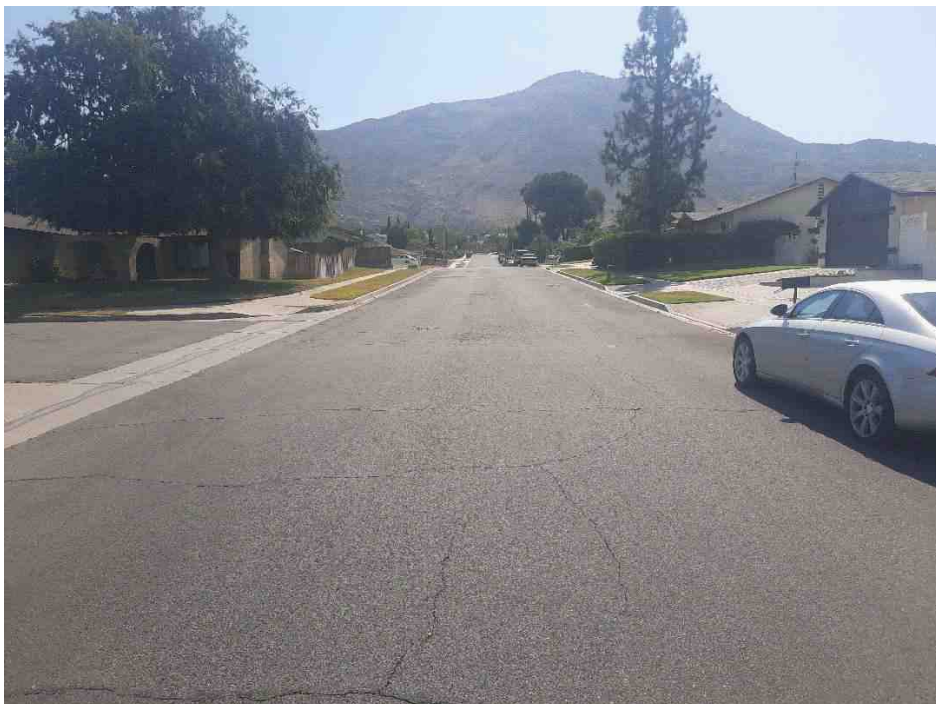


Subject Front

22565 Franklin St
 Sales Price
 Gross Living Area 1,505
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location N;Res;
 View N;Res;
 Site 7222 sf
 Quality Q4
 Age 53



Subject Rear



Subject Street

Bennis Stassi

Photograph Addendum

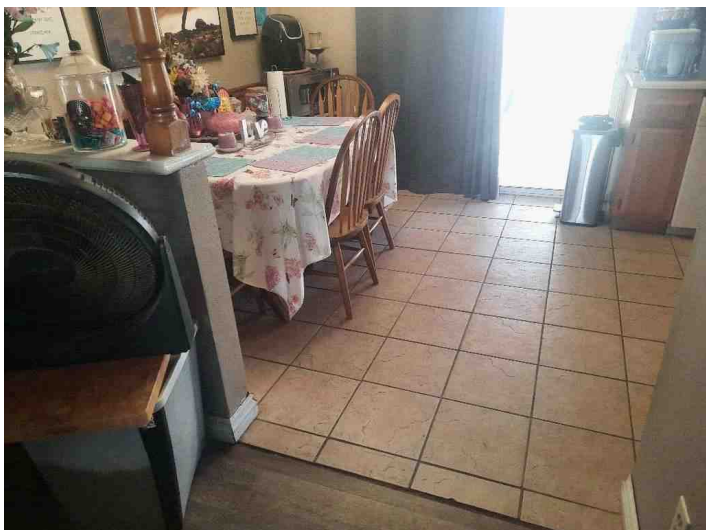
Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA Zip Code 92313
Lender/Client	American Financial Network, Inc				



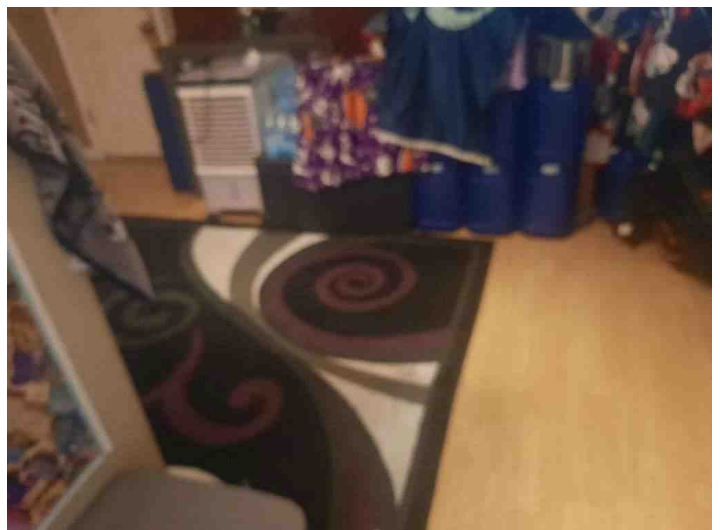
LIVING ROOM



KITCHEN



DINING AREA



OFFICE



BEDROOM



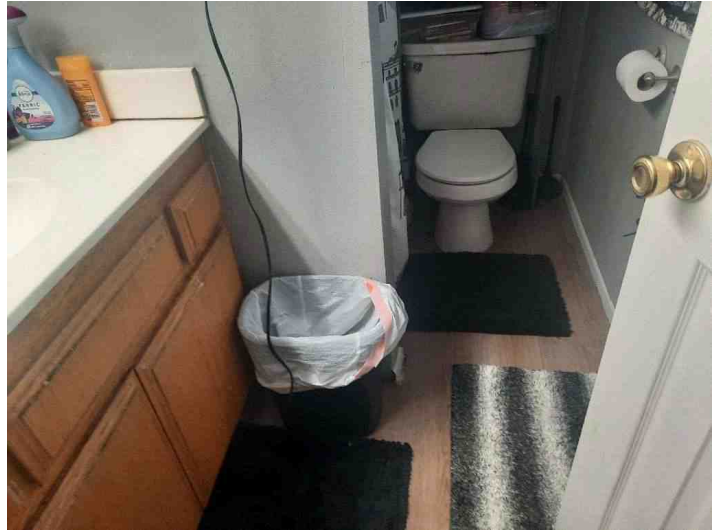
BEDROOM

Photograph Addendum

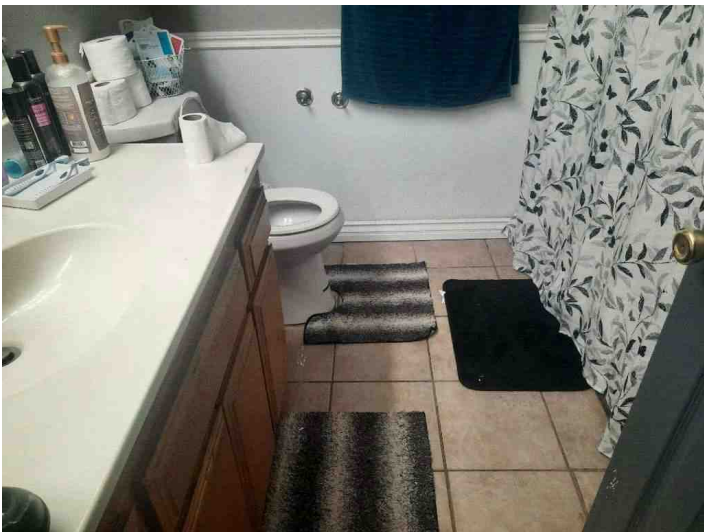
Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA Zip Code 92313
Lender/Client	American Financial Network, Inc				



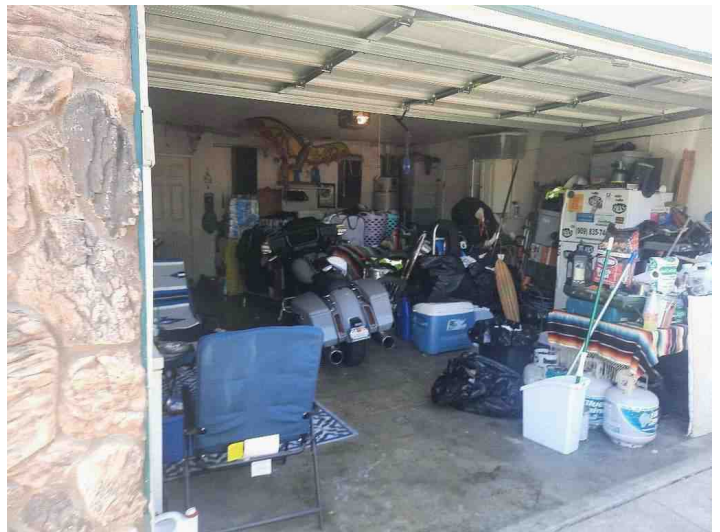
BEDROOM



BATHROOM



BATHROOM



GARAGE INTERIOR



WATER HEATER



**CARBON MONOXIDE DETECTOR
HALLWAY ADJACENT TO BEDROOMS**

Photograph Addendum

Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA Zip Code 92313
Lender/Client	American Financial Network, Inc				



**SMOKE DETECTOR
HALLWAY ADJACENT TO BEDROOMS**



SMOKE DETECTOR - BEDROOM



SMOKE DETECTOR - BEDROOM



SMOKE DETECTOR - BEDROOM

Comparable Photo Page

Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA
Lender/Client	American Financial Network, Inc				
				Zip Code	92313



Comparable 1

22564 Pico St
 Prox. to Subject 0.02 miles S
 Sale Price 580,000
 Gross Living Area 1,344
 Total Rooms 6
 Total Bedrooms 4
 Total Bathrooms 2.0
 Location A;FrntsNeighTr;
 View N;Res;
 Site 7276 sf
 Quality Q4
 Age 53



Comparable 2

22565 Robin Way
 Prox. to Subject 0.26 miles S
 Sale Price 565,000
 Gross Living Area 1,136
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location N;Res;
 View N;Res;
 Site 7605 sf
 Quality Q4
 Age 49



Comparable 3

12794 Reed Ave
 Prox. to Subject 0.37 miles SW
 Sale Price 570,000
 Gross Living Area 1,378
 Total Rooms 6
 Total Bedrooms 4
 Total Bathrooms 2.0
 Location N;Res;
 View N;Res;
 Site 7350 sf
 Quality Q4
 Age 53

Bennis Stalassi

Comparable Photo Page

Borrower	Boustedt, Robert Lynn & Julie Ann			
Property Address	22565 Franklin St			
City	Grand Terrace	County	San Bernardino	State
Lender/Client	American Financial Network, Inc			
				CA Zip Code 92313



Comparable 4

12784 Dutch St
 Prox. to Subject 0.15 miles S
 Sale Price 585,000
 Gross Living Area 1,328
 Total Rooms 6
 Total Bedrooms 4
 Total Bathrooms 2.0
 Location N;Res;
 View N;Res;
 Site 10350 sf
 Quality Q4
 Age 47

Comparable 5

Prox. to Subject
 Sale Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Comparable 6

Prox. to Subject
 Sale Price
 Gross Living Area
 Total Rooms
 Total Bedrooms
 Total Bathrooms
 Location
 View
 Site
 Quality
 Age

Listing Photo Page

Borrower	Boustedt, Robert Lynn & Julie Ann			
Property Address	22565 Franklin St			
City	Grand Terrace	County	San Bernardino	State CA Zip Code 92313
Lender/Client	American Financial Network, Inc			



Listing 1

22554 Pico St
 Proximity to Subject 0.03 miles SW
 List Price 575,900
 Days on Market 65
 Gross Living Area 1,288
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 2.0
 Age 53



Listing 2

12807 Reed Ave
 Proximity to Subject 0.35 miles SW
 List Price 589,000
 Days on Market 4
 Gross Living Area 1,490
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.0
 Age 49



Listing 3

22361 Raven Way
 Proximity to Subject 0.34 miles SW
 List Price 615,000
 Days on Market 29
 Gross Living Area 1,396
 Total Rooms 5
 Total Bedrooms 3
 Total Bathrooms 2.0
 Age 47

Bennis Stassi

Copy of Appraisers License

Borrower	Boustedt, Robert Lynn & Julie Ann			
Property Address	22565 Franklin St			
City	Grand Terrace	County	San Bernardino	State CA Zip Code 92313
Lender/Client	American Financial Network, Inc			



Copy of E & O Insurance

Borrower	Boustedt, Robert Lynn & Julie Ann				
Property Address	22565 Franklin St				
City	Grand Terrace	County	San Bernardino	State	CA Zip Code 92313
Lender/Client	American Financial Network, Inc				

Accelerant National Insurance Company
(A Stock Company)
400 Northridge Road, Suite 800
Sandy Springs, GA 30350

REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY DECLARATIONS

NOTICE: THIS IS A "CLAIMS MADE AND REPORTED" POLICY. THIS POLICY REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD.

PLEASE READ YOUR POLICY CAREFULLY.

Policy Number: NAX40PL102223-02

Renewal of: NAX40PL102223-01

1. Named Insured: Dennis Galassi

2. Address: 10708 Miloann St
Temple City, CA 91780

3. Policy Period: **From:** June 5, 2025 **To:** June 5, 2026
12:01 A.M. Standard Time at the address of the **Named Insured** as stated in item 2. Above.

4. Limit of Liability:	Each Claim	Policy Aggregate
Damages Limit of Liability	4A. \$ 1,000,000	4C. \$ 1,000,000
Claim Expenses Limit of Liability	4B. \$ 1,000,000	4D. \$ 1,000,000

5. Deductible (Inclusive of Claims Expenses):	Each Claim	Aggregate
	5A. \$500	5B. \$1,000

6. Policy Premium: \$ 680

7. Retroactive Date: June 5, 2006

8. Notice to Company: Notice of a **Claim** or Potential **Claim** should be sent to:
OREP Insurance Services: info@orep.org
6353 El Cajon Blvd, Suite 124-605
San Diego, CA 92115

9. Program Administrator: OREP Insurance Services, LLC – appraisers@orep.org

10. Forms and Endorsements Attached at Policy Inception: See Schedule of Forms

If required by state law, this policy will be countersigned by an authorized representative of the Company.

Date: June 5, 2025

By:

Isaac Peck

Authorized Representative

ORDER NO.: 990192
SCROW NO.: 16764-D
LOAN NO.:

WHEN RECORDED MAIL TO:

Community Redevelopment Agency of the City of
Grand Terrace
22795 Barton Road Suite B
Grand Terrace, Ca 92313

990192DTG

Recorded in Official Records, County San Bernardino

7/02/2003
1:00 PM
MA



LARRY WALKER
Auditor/Controller - Recorder

700 First American - DG

Doc#: 2003-0486000

Titles: 2 Pages: 6



Fees 0.00
Taxes 0.00
Other 0.00
PAID \$0.00

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS

(SHORT FORM)

This Deed of Trust, made this 23RD day of June, 2003, between
MICHELLE BOUSTEDT, a Married Woman as Her Sole and Separate Property, herein called TRUSTOR
whose address is, 22565 FRANKLIN STREET GRAND TERRACE CA 92313
(number and street) (city) (state) (zip)

First American Title Insurance Company, a California Corporation, herein called TRUSTEE, and
Community Redevelopment Agency of the City of Grand Terrace, herein called BENEFICIARY,

Witnesseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE, that property in the City of GRAND TERRACE of Riverside County, California, described as:

LOT 13 OF TRACT NO. 8018, IN THE CITY OF GRAND TERRACE, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,
AS SHOWN BY MAP ON FILE IN BOOK 112 PAGES 24 AND 25 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY,
CALIFORNIA

RIDERS TO DEED OF TRUST ATTACHED AS EXHIBITS "B", "C" & "D"

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits. **For the Purpose of Securing:** 1. Payment of the sum of \$44,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, 2. The performance of each agreement of Trustor incorporated by reference or contained herein and, 3. Payment of additional sums and interest hereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note (or notes) reciting that they are secured by this Deed of Trust.

To Protect the Security of This Deed of Trust: With respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded August 18, 1964 in the office of the county recorder of said County where said property is located, noted below, viz.:

COUNTY: Riverside BOOK: 3778 PAGE: 347

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on page 2 hereof) are by the within referenced thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

STATE OF CALIFORNIA,)
COUNTY OF RIVERSIDE

Signature of Trustor

On June 26, 2003, before me,
DEBORAH BAGLEY

MICHELLE BOUSTEDT

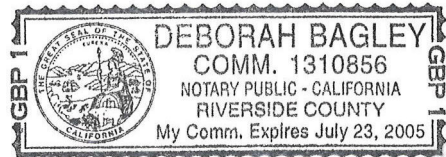
(insert name/title of the officer), personally appeared

MICHELLE BOUSTEDT

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

Signature



(This area for official notarial seal)

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as if set forth at length therein.

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

- (1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- (5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

- (1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.
(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

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

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

- (7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.
(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE

TO FIRST AMERICAN TITLE INSURANCE COMPANY, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes, and of all other Indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other Indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _____

Please mail Deed of Trust, Note and Reconveyance to: _____

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the TRUSTEE for cancellation before reconveyance will be made.

**PROMISSORY NOTE SECURED BY A DEED OF TRUST
COMMUNITY REDEVELOPMENT AGENCY
CITY OF GRAND TERRACE**

Date of Note: June 23, 2003

Grand Terrace, California

FOR THE VALUE RECEIVED, Michelle Boustedt (hereinafter "Maker"), hereby promises to pay to the order of the Community Redevelopment Agency of the City of Grand Terrace, a public body, corporate and politic ("Holder"), at Grand Terrace California, without deduction or offset, the sum of forty-four thousand dollars (\$44,000.00). All sum of principal shall be due and payable should the Trustor sell, convey, transfer title, dispose of or further encumber said property, or any part thereof, or any interest therein or agree so to do, Beneficiary shall have the right to declare all sums secured herein immediately due and payable. This note is a non-interest bearing note. No principal payments are required on this note. Maker may prepay, without penalty or premium, any amounts due under this Note prior to the due date hereof.

IF MAKER breaches or defaults on any term or provision of the Deed of Trust or even date herewith from Maker, as Trustor, for the benefit of Holder, as Beneficiary, and if the monetary default is not cured within 10 days after written notice thereof is given in the manner described below, then, at Holder's option, all sums owing hereunder shall, at once, become immediately due and payable. Thereinafter, interest shall accrue on unpaid principal at the rate of ten percent (10%) per annum.

Signature of Trustor(s)

Michelle Boustedt

6-23-03

Date

Date

EXHIBIT "B"

RIDER TO DEED OF TRUST

If the Trustor shall sell, convey, hypothecate, encumber or alienate the real property described herein, or any part thereof, or any interest therein, or shall be divested of title or any interest herein in any manner or way, whether voluntarily or involuntarily, or if Trustor shall fail to perform any other obligation under this deed of trust or note secured hereby, irrespective of the maturing date specified in any note evidencing the same, the promissory note shall be immediately due and payable.

The promissory note will likewise become due and payable immediately upon the following conditions: (i) The resale of the property (if the buyer qualifies as a low and moderate income family, they may assume the loan upon approval of the Lender), (ii) Refinancing of the property, (iii) Non-occupancy of the property by the trustor.

BY: *Muhelle Bourst*

DATE: 6-26-03

Time is of the essence with respect to each and every provision hereof. If any provision hereof is found to be invalid or unenforceable by a court of competent jurisdiction, the invalidity thereof shall not affect the enforceability of the remaining provisions of this Note.

Any notice, demand or document which any party is required of may desire to give or deliver to the other hereunder shall be in writing and may be delivered personally or given by facsimile transmission or overnight mail addressed as follows:

**To Lender: Community Redevelopment Agency
 of the City of Grand Terrace
 22795 Barton Road
 Grand Terrace, CA 92313
 Attention: Executive Director
 Facsimile No: (909) 825-7506**

Copy to:

To Borrower:

subject to the right of either party to designate a different address by notice similarly given. Any notice, demand or documents to be given, deliver or made by facsimile transmission or overnight mail shall be deemed to have been given or delivered or made as well as received two (2) days after the day on which the same is sent addressed as above provided.

Signature of Trustor(s)



EXHIBIT "C"
RIDER TO SECOND DEED OF TRUST

When this property is sold or otherwise transferred, the Community Redevelopment Agency of the City of Grand Terrace shall be entitled to recover from owners an equity share in the amount representing that portion of the sales price that is equal to the percentage loaned on the second deed of trust. Property Appreciation shall be defined as any increase in subsequent sale price or fair market value of the Property, as determined by an independent appraisal, above the initial purchase price at the time of Holder's origination of this second loan amount as indicated, less normal and reasonable costs of sale.

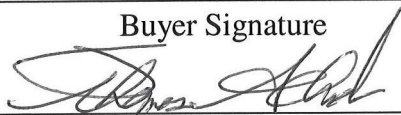
"Community Redevelopment Agency of the City of Grand Terrace Equity Share" means payment to the Community Redevelopment Agency of the City of Grand Terrace upon sale or transfer of the original C.R.A. loan, plus that portion of net equity realized from the sale of the property. Such net equity share is represented as a percentage of the principal amount that is equal to the percentage of the original second in proportion to the original sale price of the property.

All fees chargeable to the owner shall be paid by the owner.

Community Redevelopment Agency percentage share 22.336 %


Buyer Signature

6-26-03
Date

Buyer Signature

Community Redevelopment Agency

Date
6-26-03
Date

EXHIBIT "D"
RIDER TO SECOND DEED OF TRUST

Section 33413 (a) "Availability" Covenant Health and Safety Code Section 33413(a) requires that the Agency make replacement units available for the longest feasible time, but not less than the period of time that the land use controls of the Redevelopment Plan remain in effect.

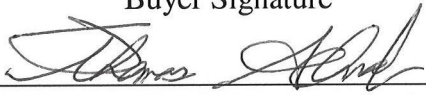
I, the Participant (Qualified Home buyer) understand and agree to abide by the above Code Section and should I elect to sell, will or hypothecate said property within the next 15 years, will do so only to a first time home buyer who has been approved by the Community Redevelopment Agency of the City of Grand Terrace.



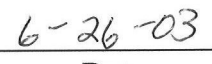
Buyer Signature



Date

Buyer Signature


Community Redevelopment Agency

Date


Date

RESOLUTION NO. 2012-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAND TERRACE HOUSING AUTHORITY, ELECTING TO HAVE THE GRAND TERRACE HOUSING AUTHORITY RETAIN THE HOUSING ASSETS AND HOUSING FUNCTIONS PREVIOUSLY PERFORMED BY THE GRAND TERRACE REDEVELOPMENT AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176

WHEREAS, the Grand Terrace Redevelopment Agency ("Agency") is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code § 33000 et seq.) ("CRL"); and

WHEREAS, the City of Grand Terrace is a municipal corporation and a general law city under the California Government Code ("City"); and

WHEREAS, the Grand Terrace Housing Authority ("Authority") is a public body, corporate and politic, organized and existing under the California Health and Safety Code sections 34200, et. seq., (art 2, Chapter 1 of the Health and Safety Code); and

WHEREAS, on December 29, 2011, in *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld ABX1 26, which dissolves all of the redevelopment agencies in California, and struck down ABX1 27, which allowed redevelopment agencies to remain in existence if City opted in to the "Voluntary Alternative Redevelopment Program" ("VARP"); and

WHEREAS, the City had opted into the VARP by adopting Ordinance No. 259, which by its own terms would be null and void if the VARP was struck down; and

WHEREAS, because the Agency was going to remain in existence, the City was not required to decide whether it wished to be a Successor Agency to the Agency or whether the City or Authority would retain the housing assets and functions previously performed by the Agency to the extent not previously assumed by the Authority; and

WHEREAS, in footnote 25 of the Supreme Court's decision, the Court extended the deadline for making the election only to January 13, 2012; and

WHEREAS, pursuant to Health & Safety Code Section 34176, the City could either opt to retain the housing assets and functions previously performed by the Grand Terrace Redevelopment Agency or, by default, allow those assets and functions to be assigned to and assumed in accordance with Section 34176; and

WHEREAS, the City has previously adopted a resolution to have the City of Grand Terrace assume all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Grand Terrace Redevelopment Agency; and

WHEREAS, the City has adopted a resolution delegating the rights, powers, assets, liabilities, duties, and obligations associated with housing activities of the Grand Terrace Redevelopment Agency to the Grand Terrace Housing Authority.

NOW THEREFORE, THE GRAND TERRACE HOUSING AUTHORITY DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are adopted as the findings of the Authority Board.

SECTION 2. The Authority Board hereby assumes all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Grand Terrace Redevelopment Agency in accordance with Health & Safety Code Section 34176.

SECTION 3. The Executive Director, or her designee, is hereby directed to file a copy of this resolution with the County Auditor-Controller.

SECTION 4. The Executive Director is hereby authorized and directed to take such additional actions, and to execute all documents necessary and appropriate, for the City to transfer the housing activities and assets of the Grand Terrace Redevelopment Agency to the Authority in accordance with the requirements of the Health and Safety Code.

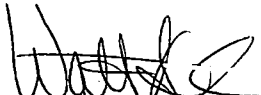
SECTION 5. The Executive Director is hereby further authorized and directed to take such other and further actions, and sign such other further documents, as is necessary and proper in order to implement this Resolution in accordance with the requirements of the Health & Safety Code on behalf of the Authority.

SECTION 6. This resolution shall become effective immediately upon its adoption.

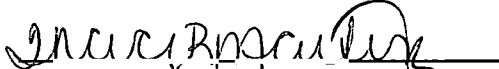
SECTION 7. The Authority Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions..

PASSED APPROVED AND ADOPTED this 30th day of January, 2012 by the following vote:

AYES:	Board Members McNaboe, Sandoval and Hays; Vice-Chairman Garcia and Chairman Stanckiewicz
NOES:	None
ABSENT:	None
ABSTAIN:	None


Walt Stanckiewtiz, Chairman

ATTEST:


Tracey R. Martinez, Secretary

APPROVED AS TO FORM:


Richard L. Adams, Housing Authority Attorney

State of California)
County of San Bernardino)ss.
State of California)

I, Tracey R. Martinez, hereby certify that I am the duly appointed City Clerk of the City of Grand Terrace and the Secretary of the Housing Authority of the City of Grand Terrace and that the foregoing resolution was duly adopted at a special meeting of the City Council and the Housing Authority of the City of Grand Terrace held on the 30th day of January, 2012.


Tracey R. Martinez, Secretary