



# *Pacific Auction Exchange of San Diego*

Pacific Auction Exchange

*Professional Real Estate Auction Services & Accelerated Marketing*

## *COMMERCIAL REAL ESTATE AUCTION*

**\*\*\*OWNER RELOCATION FORCES SALE\*\*\***



### **Bidder's Package**

**421 National City Blvd  
National City, CA 91950**

**APN#556-210-26**

**Located in Development Zone #3  
Downtown Specific Plan  
Approx 5,894 sf building**

Open Outcry Auction Date: Thursday, November 16 at 3:07pm

Auction Location: 421 National City Blvd, National City, CA 91950

Previews: Thursday, November 2 from 3-5pm; Thursday, November 9 from 3-5pm;

Tuesday, November 14 from 3-4pm and 1 hour prior to auction

### ***Pacific Auction Exchange of San Diego***

13278 Lockett Ct  
San Diego, CA 92130

***www.SDRealEstateAuction.com***

Auction Manager: Ron Blake

Phone: 858.755.1916

Fax: 858.630.3806

Email: ron@paxsd.com



***Pacific Auction Exchange of San Diego***

# BID PACKAGE RECEIPT

**SUBJECT PROPERTY LOCATION:** 421 National City Blvd, National City, CA 91950

**AUCTION DATE:** Thursday, November 16 at 3:07pm

I, \_\_\_\_\_, as a bidder, have received and reviewed the  
**(PRINT BIDDER'S NAME)**

Bid Package for the above referenced property. I understand that any bid I make at the auction is without contingency and that the property is being offered on an "as is, where is" basis, "with all faults, if any." I have performed all of the diligence I deem necessary to bid on the property. I understand that a 10% non-refundable deposit is required immediately should I be declared the winner of the auction. I also understand that a 10% buyer's premium will be added to the final bid and included in the total contract price.

The Bid Package I received and reviewed contains the following:

- 1) This Bid Package Receipt
- 2) Auction Brochure/Terms of Auction & Agency Disclosure
- 3) Physical Description of the Property
- 4) Preliminary Title Report (Chicago Title) with Plat Map
- 5) Excerpts from "Land Use Regulations & Development Standards" (National City)
- 6) Natural Hazard Disclosure Report (Geologix)
- 7) Leases
- 8) Property Tax Bill
- 9) Auction Purchase Agreement

_____ <b>Bidder Signature</b>	_____ <b>Bidder Signature</b>
_____ <b>Print Name</b>	_____ <b>Print Name</b>
_____ <b>date</b>	_____ <b>date</b>
<b>Bidder's Tel:</b> _____	<b>Secondary Tel:</b> _____
<b>Email:</b> _____	<b>Street Address:</b> _____

All information in this package was derived from sources believed to be correct, but is not guaranteed. ALL PROPERTY MEASUREMENTS ARE APPROXIMATE. It is the buyer's responsibility to verify all property specifications prior to auction. PAX IS AN AGENT OF THE SELLER. THE INFORMATION CONTAINED HEREIN IS BELIEVED TO BE RELIABLE BUT BIDDER IS RESPONSIBLE FOR VERIFYING ALL FACTS. NEITHER SELLER NOR BROKER ASSUMES LIABILITY FOR ANY INACCURACIES. Property is being sold on an "AS IS, WHERE IS" basis, "WITH ALL FAULTS, IF ANY," without warranty by the owner or owner's agent. Property subject to prior sale.



421 National City Blvd

# COMMERCIAL REAL ESTATE AUCTION

## OWNER RELOCATION FORCES SALE!



INSIDE

### THURSDAY, NOVEMBER 16 at 3:07pm

**421 National City Blvd, National City, CA (APN #556-210-26)**  
Approx 5,894 sf building in Development Zone #3 (FAR of 4:1/max height 75')  
*Located within the Downtown Specific Plan!*

*Pacific Auction Exchange of San Diego*  
**1(888)712-DONE**  
**www.SDRealEstateAuction.com**



*Call or Email:*  
**Ron Blake**  
**ron@paxsd.com**

#### TERMS of AUCTION

**BIDDER REGISTRATION:** All prospective buyers must register to bid. A \$40,000 cashier's check or certified check payable to **Pacific Auction Exchange of San Diego – Trust Account** will be required to bid at the auction. The successful bidder will be required to deposit a 10% non-refundable payment in Broker's Trust Account at the auction until time of closing. A 10% Buyer's Premium will be added to the final bid and included in the total contract price.

**CLOSING:** Closing will take place within thirty (30) days of the auction. A Grant Deed will be supplied by the seller at the seller's expense, giving marketable title subject to restrictions of record. Taxes are prorated. Title insurance will be at the buyer's expense.

**BIDDER'S INFORMATION PACKAGE:** A package of information has been assembled for the property and includes a Preliminary Title Report, Natural Hazard Disclosure Report and other information. Bidder's are required to obtain and review Bidder's Packages prior to the auction.

**PROPERTY INSPECTION:** Preview of the property is essential. Property is being sold in "as-is, where-is" condition. Property will be sold subject to easements, restrictions, zoning and other matters of record. Announcements made from the podium at the time of auction take precedence over all printed material.

**CONDUCT OF AUCTION:** Conduct of auction and increments of bidding are at the discretion of PACIFIC AUCTION EXCHANGE OF SAN DIEGO. PAX of SAN DIEGO reserves the right to deny any person admittance to the auction. **Open Outcry auction will be conducted at 421 National City Blvd, National City, CA 91950.** Broker ID #01499312 Bond #FS7011648.

**BROKER PARTICIPATION INVITED:** Subject to established PAX of SAN DIEGO guidelines. Properly registered brokers are eligible for a fee of two percent (2%) of the winning bid price payable upon closing to the broker whose prospect pays and closes on the property. Brokers must register no later than Wednesday, November 15.

**AUCTION PURCHASE AGREEMENT:** The winning bidder of the auction will be required to immediately complete and sign the Pacific Auction Exchange Auction Purchase Agreement, a copy of which is included in the bidder's package.

**NO CONTINGENCIES:** Purchase of the property is NOT SUBJECT TO ANY CONTINGENCIES.

**AGENCY DISCLOSURE:** It is understood that PAX of SAN DIEGO is acting in the capacity of real estate broker on behalf of the seller. The seller and PAX of SAN DIEGO have executed a listing agreement which provides for the payment of a commission to PAX of SAN DIEGO upon the sale of the real property.

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## PROPERTY PREVIEWS:

*Thursday, November 2 from 3-5pm*  
*Thursday, November 9 from 3-5pm*  
*Tuesday, November 14 from 3-4pm*  
*and 1 hour prior to auction*



PAX of San Diego  
13278 Lockett Ct.  
San Diego, CA 92130

## LIVE AUCTION TO BE HELD ON SITE!

## TERMS of AUCTION

**BIDDER REGISTRATION:** All prospective buyers must register to bid. A **\$40,000** cashier's check or certified check payable to **Pacific Auction Exchange of San Diego – Trust Account** will be required to bid at the auction. The successful bidder will be required to deposit a 10% non-refundable payment in Broker's Trust Account at the auction until time of closing. A 10% Buyer's Premium will be added to the final bid and included in the total contract price.

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CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS

(As required by the Civil Code) (C.A.R. Form AD, Revised 4/08)

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

SELLER'S AGENT

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

To the Seller:

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

To the Buyer and the Seller:

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

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

BUYER'S AGENT

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

To the Buyer:

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

To the Buyer and the Seller:

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

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

AGENT REPRESENTING BOTH SELLER AND BUYER

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

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

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

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

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

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Form with checkboxes for BUYER and SELLER, signature lines, and date/time fields. Includes handwritten signatures and dates like '10/20/06' and '10/24/06'.

THIS FORM SHALL BE PROVIDED AND ACKNOWLEDGED AS FOLLOWS (Civil Code §2079.14):
• When the listing brokerage company also represents Buyer, the Listing Agent shall have one AD form signed by Seller and one signed by Buyer.
• When Buyer and Seller are represented by different brokerage companies, the Listing Agent shall have one AD form signed by Seller and the Buyer's Agent shall have one AD form signed by Buyer and one AD form signed by Seller.

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2006, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



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



**Property Description: 421 National City Blvd, National City, CA 91950**

**This rectangular mid-block lot is located south of 4<sup>th</sup> St and north of 5<sup>th</sup> St and is improved with an approximately 5,894 sf building with frontage (the west side of the building) on the east side of National City Blvd. The rear (east side of the building) abuts Lantana Dr. Lies within Development Zone #3 in the Downtown Specific Plan of National City, CA 91950. APN #556-210-26.**



CHICAGO TITLE COMPANY

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## PRELIMINARY REPORT

Dated as of: October 10, 2006 at 7:30 AM

Order No.: 608026679 - P05

Regarding: 421 National City Boulevard  
National City, CALIFORNIA 91950

**CHICAGO TITLE COMPANY** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception in Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in the attached list. Copies of the Policy forms are available upon request.

Please read the exceptions shown or referred to in Schedule B and the exceptions and exclusions set forth in the attached list of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

THIS REPORT (AND ANY SUPPLEMENTS OR AMENDMENTS HERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED

The form of policy of title insurance contemplated by this report is:

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY**

*Visit Us On The Web: [chicagotitle.com](http://chicagotitle.com)*

Title Department:



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**CHICAGO TITLE COMPANY**

2365 NORTHSIDE DR. #600

SAN DIEGO, CA 92108

(619)521-3448 fax: (619)521-3629

Sheila Hollander  
TITLE OFFICER  
HollanderS@CTT.com

# SCHEDULE A

Order No: 608026679 P05

Your Ref:

1. The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

2. Title to said estate or interest at the date hereof is vested in:

TROY FULKS AND ELISA FULKS, HUSBAND AND WIFE, AS JOINT TENANTS

3. The land referred to in this report is situated in the State of California, County of SAN DIEGO and is described as follows:

SEE ATTACHED DESCRIPTION

DESCRIPTION

PARCEL 1:

LOTS 4 AND 5, TOGETHER WITH THAT PORTION OF THE ALLEY ADJACENT ON THE EAST AS VACATED AND CLOSED TO PUBLIC USE OF R. R. MORRISON'S SUBDIVISION OF THE NORTHWEST END OF LOT 5 IN QUARTER SECTION 155 OF THE RANCHO DE LA NACION, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 8, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 16, 1873.

PARCEL 2:

THE NORTHERLY ONE INCH OF THE WESTERLY 62.15 FEET OF LOT 6, TOGETHER WITH THAT PORTION OF THE ALLEY ADJACENT ON THE EAST AS VACATED AND CLOSED TO PUBLIC USE IN BLOCK 1 OF KIMBALL'S SUBDIVISION OF 10-ACRE LOT 5 IN QUARTER SECTION NO. 155 OF RANCHO DE LA NACION, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 106, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON APRIL 11, 1871.

ALSO THAT PORTION OF SAID LOT 6 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 6; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 6, A DISTANCE OF 53.15 FEET; THENCE SOUTHERLY PARALLEL WITH THE EASTERLY LINE OF SAID LOT 6, A DISTANCE OF 17-1/8 INCHES; THENCE EASTERLY TO A POINT ON THE EASTERLY LINE OF SAID LOT 6, LYING 13-1/2 INCHES SOUTHERLY FROM THE NORTHEASTERLY CORNER OF SAID LOT 6; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID LOT 6, 13-1/2 INCHES TO THE POINT OF BEGINNING.

# SCHEDULE B

Page 1

Order No: 608026679 P05

Your Ref:

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in the policy form designated on the face page of this Report would be as follows:

- A 1. PROPERTY TAXES, INCLUDING ANY PERSONAL PROPERTY TAXES AND ANY ASSESSMENTS COLLECTED WITH TAXES, FOR THE FISCAL YEAR 2006-2007.

1ST INSTALLMENT: \$3,176.96, OPEN  
PENALTY: \$317.69 (DUE AFTER DECEMBER 10)  
2ND INSTALLMENT: \$3,176.96, OPEN  
PENALTY AND COST: \$327.69 (DUE AFTER APRIL 10)  
HOMEOWNERS  
EXEMPTION: \$NONE  
CODE AREA: 06045  
ASSESSMENT NO: 556-210-26

- B 2. THE LIEN OF SUPPLEMENTAL OR ESCAPED ASSESSMENTS OF PROPERTY TAXES, IF ANY, MADE PURSUANT TO THE PROVISIONS OF PART 0.5, CHAPTER 3.5 OR PART 2, CHAPTER 3, ARTICLES 3 AND 4 RESPECTIVELY (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA AS A RESULT OF THE TRANSFER OF TITLE TO THE VESTEE NAMED IN SCHEDULE A; OR AS A RESULT OF CHANGES IN OWNERSHIP OR NEW CONSTRUCTION OCCURRING PRIOR TO DATE OF POLICY.

- C 3. ANY EASEMENTS OR OTHER RIGHTS AS RESERVED OVER, UNDER, ALONG AND ACROSS THAT PORTION OF THE ALLEY ADJOINING ON THE EAST, AS VACATED.

- D 4. NOTICE OF RESTRICTIONS ON REAL PROPERTY AND A CONDITIONAL USE PERMIT, BY THE CITY OF NATIONAL CITY, RECORDED NOVEMBER 17, 2003 AS FILE NO. 2003-1380433, OFFICIAL RECORDS.

E END OF SCHEDULE B

- F NOTE NO. 1: WE WILL REQUIRE A STATEMENT OF INFORMATION FROM THE PARTIES NAMED BELOW IN ORDER TO COMPLETE THIS REPORT, BASED ON THE EFFECT OF DOCUMENTS, PROCEEDINGS, LIENS, DECREES, OR OTHER MATTERS WHICH DO NOT SPECIFICALLY DESCRIBE SAID LAND, BUT WHICH, IF ANY DO EXIST, MAY AFFECT THE TITLE OR IMPOSE LIENS OR ENCUMBRANCES THEREON.

PARTIES: OWNERS AND BUYERS

(NOTE: THE STATEMENT OF INFORMATION IS NECESSARY TO COMPLETE THE SEARCH AND EXAMINATION OF TITLE UNDER THIS ORDER. ANY TITLE SEARCH INCLUDES MATTERS THAT ARE INDEXED BY NAME ONLY, AND HAVING A COMPLETED STATEMENT OF INFORMATION ASSISTS THE COMPANY IN THE ELIMINATION OF CERTAIN MATTERS WHICH APPEAR TO INVOLVE THE PARTIES BUT IN FACT AFFECT ANOTHER PARTY WITH THE SAME OR SIMILAR NAME. BE ASSURED THAT THE STATEMENT OF INFORMATION IS ESSENTIAL AND WILL BE KEPT STRICTLY CONFIDENTIAL TO THIS FILE.)

**SCHEDULE B  
(continued)**

Order No: 608026679 P05

Your Ref:

G NOTE NO. 2 : THE LAND REFERRED TO IN THIS PRELIMINARY REPORT WAS IDENTIFIED IN THE ORDER APPLICATION ONLY BY STREET ADDRESS OR ASSESSOR'S PARCEL NUMBER. THIS LAND HAS BEEN LOCATED ON THE ATTACHED MAP. THE USE OF A STREET ADDRESS OR ASSESSOR'S PARCEL NUMBER CREATES AN UNCERTAINTY AS TO THE CORRECT LEGAL DESCRIPTION FOR THE LAND INVOLVED IN YOUR TRANSACTION. PLEASE REVIEW THE MAP. IS THE CORRECT LAND LOCATED ON THE MAP? IF YOUR TRANSACTION INVOLVES OTHER LAND OR MORE LAND OR LESS LAND THAN THAT LOCATED ON THE MAP YOU SHOULD IMMEDIATELY ADVISE YOUR TITLE OFFICER OR ESCROW OFFICER.

H NOTE NO. 3: THE POLICY OF TITLE INSURANCE WILL INCLUDE AN ARBITRATION PROVISION. THE COMPANY OR THE INSURED MAY DEMAND ARBITRATION. ARBITRABLE MATTERS MAY INCLUDE, BUT ARE NOT LIMITED TO, ANY CONTROVERSY OR CLAIM BETWEEN THE COMPANY AND THE INSURED ARISING OUT OF OR RELATING TO THIS POLICY, ANY SERVICE OF THE COMPANY IN CONNECTION WITH ITS ISSUANCE OR THE BREACH OF A POLICY PROVISION OR OTHER OBLIGATION. PLEASE ASK YOUR ESCROW OR TITLE OFFICER FOR A SAMPLE COPY OF THE POLICY TO BE ISSUED IF YOU WISH TO REVIEW THE ARBITRATION PROVISIONS AND ANY OTHER PROVISIONS PERTAINING TO YOUR TITLE INSURANCE COVERAGE.

I NOTE NO. 4: THE CURRENT OWNER DOES NOT QUALIFY FOR THE \$20.00 DISCOUNT PURSUANT TO THE COORDINATED STIPULATED JUDGMENTS ENTERED IN ACTIONS FILED BY BOTH THE ATTORNEY GENERAL AND PRIVATE CLASS ACTION PLAINTIFFS FOR THE HEREIN DESCRIBED PROPERTY.

J **NOTE:** IF THIS COMPANY IS REQUESTED TO DISBURSE FUNDS IN CONNECTION WITH THIS TRANSACTION, CHAPTER 598, STATUTES OF 1989 MANDATES HOLD PERIODS FOR CHECKS DEPOSITED TO ESCROW OR SUB-ESCROW ACCOUNTS. THE MANDATORY HOLD PERIOD FOR CASHIER'S CHECKS, CERTIFIED CHECKS AND TELLER'S CHECKS IS ONE BUSINESS DAY AFTER THE DAY DEPOSITED. OTHER CHECKS REQUIRE A HOLD PERIOD FROM THREE TO SEVEN BUSINESS DAYS AFTER THE DAY DEPOSITED.

**NOTE:** ANY FUNDING WIRES TO CHICAGO TITLE COMPANY ARE TO BE DIRECTED AS FOLLOWS:

BANK OF AMERICA  
1850 GATEWAY BOULEVARD  
CONCORD, CALIFORNIA

ABA 0260-0959-3

CREDIT TO CHICAGO TITLE DEPOSITORY ACCOUNT  
NO. 12351-50751  
FURTHER CREDIT TO ORDER NO: 608026679

ATTN: SHEILA HOLLANDER

\_\_\_\_\_  
TITLE OFFICER

**SCHEDULE B**  
**(continued)**

Order No: 608026679 P05

Your Ref:

CAT

## Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

**CHICAGO TITLE INSURANCE COMPANY**  
Fidelity National Financial Group of Companies' Privacy Statement  
July 1, 2001

We recognize and respect the privacy expectation of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

**In the course of our business, we may collect Personal Information about you from the following sources:**

- \* From applications or other forms we receive from you or your authorized representative;
- \* From your transactions with, or from the services being performed by, us, our affiliates, or others;
- \* From our internet web sites;
- \* From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- \* From consumer or other reporting agencies.

**Our Policies Regarding The Protection Of The Confidentiality And Security Of Your Personal Information**

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

**Our Policies and Practices Regarding the Sharing of Your Personal Information**

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We may also disclose your Personal Information:

- \* to agents, brokers or representatives to provide you with services you have requested;
- \* to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- \* to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

**Right To Access Your Personal Information And Ability To Correct Errors Or Request Change Or Deletion**

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer  
Fidelity National Financial, Inc.  
601 Riverside Drive  
Jacksonville, FL 32204

**Multiple Products or Services:**

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

## CLTA PRELIMINARY REPORT FORM

Exhibit A (Revised 01/04/02)

## CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY -1990

## EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (ii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement there of or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.

Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

5. Any claim which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY -1990**

(Continued)

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART 1**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land which or which may be asserted by persons in thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (6/2/96)  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10/17/98)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning
  - a. building
  - b. zoning
  - c. Land use
  - d. improvements on the Land
  - e. Land division
  - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless
  - a. notice of exercising the right appears in the public records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7,8.d, 22, 23, 24 or 25.

5. Failure to pay value for YOUR Title.

6. Lack of a right:

- a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
- b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

**AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)**

**EXCLUSIONS**

In addition to the Exceptions in Schedule 8, you are not insured against loss, costs attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or governmental regulation.

This includes building and zoning ordinances and also laws and regulations concerning:

land use  
improvements on the land  
land division  
environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 d Covered Title Risks.

2. The right to take the land by condemning it, unless:

a notice of exercising the right appears in the public records on the Policy Date  
the taking happens prior to the Policy Date and is binding on you if you bought the land without  
knowing of the taking

3. Title Risks:

that are created, allowed, or agreed to by you  
that are known to you, but not to us, on the Policy Date - unless they appear in the public  
records  
that result in no loss to you  
that first affect your title after the Policy Date - this does not limit the labor and material lien  
coverage in item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

to any land outside the area specifically described and referred to in Item 3 of Schedule A

OR

in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)  
WITH ALTA ENDORSEMENT-FORM 1 COVERAGE**

and

**AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)  
WITH ALTA ENDORSEMENT-FORM 1 COVERAGE**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness to comply with applicable doing business laws of the state in which the land is situated
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)  
WITH ALTA ENDORSEMENT-FORM 1 COVERAGE**

and

**AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92)  
WITH ALTA ENDORSEMENT-FORM 1 COVERAGE**

(CONTINUED)

6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
- (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the subordination of the interest of the insured mortgagee as a result of the doctrine of equitable subordination; or
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices, of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens, or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)****EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land ; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (ii) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (this paragraph does limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22 ,23, 24, 25 and 26); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)**

**(Continued)**

6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
  - (a) The time of the advance; or
  - (b) the time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)**

**and**

**AMERICAN LAND TITLE ASSOCIATION LEASEHOLD OWNER'S POLICY (10-17-92)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged affecting the land has been recorded in the public records at Date of Policy.
2. (b) Any governmental police power not excluded by (a) above, except to the extent notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be bidding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)**

**and**

**AMERICAN LAND TITLE ASSOCIATION LEASEHOLD OWNER'S POLICY (10-17-92)**

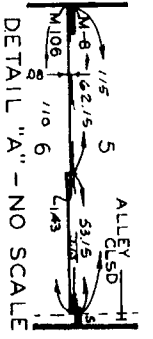
**(Continued)**

The above policy forms may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Instructions:

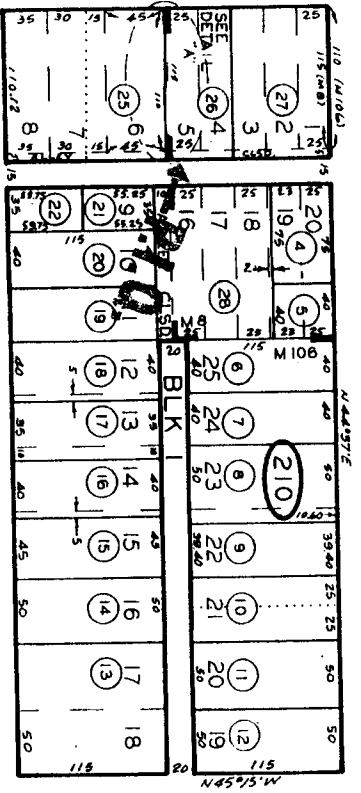
**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

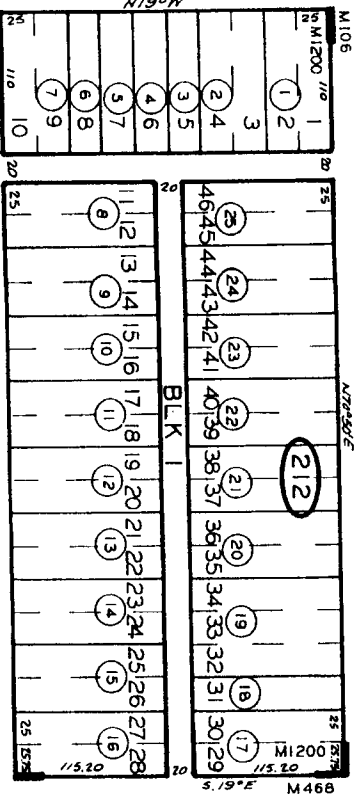
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.



FOURTH



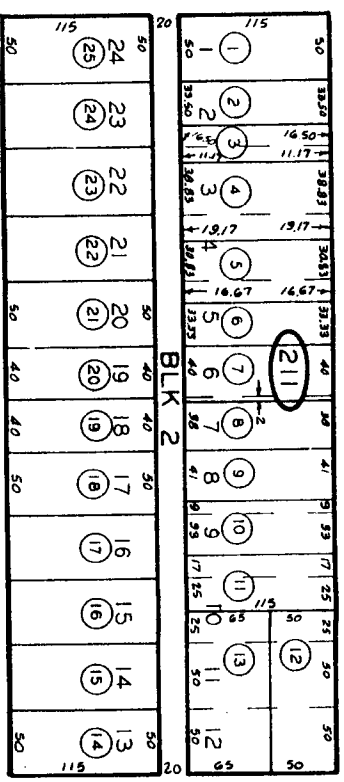
FIFTH



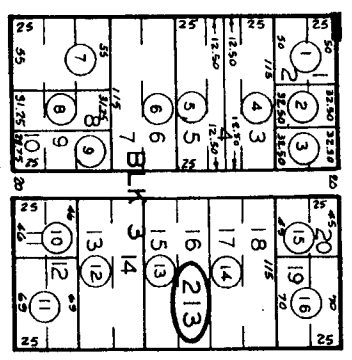
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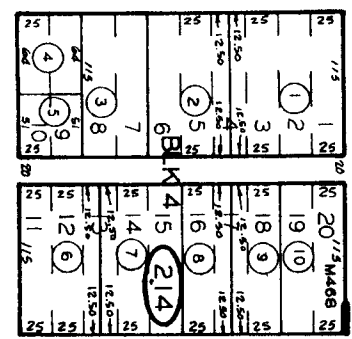
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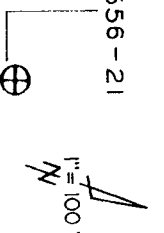


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CHANGES	
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212 (270-NW) - 25	
213 (201-NW) - 1-16	
214 (201-NW) - 1-10	85/10006

556-21



0-22-84  
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MAP 1200-FLEMINGS SUB  
MAP 468-O'CONNELL'S SUB  
MAP 106-KIMBALLS PLAT  
MAP 8-MORRISONS SUB. OF POR OF NATIONAL RANCH

MAP 1200-FLEMINGS SUB  
MAP 468-O'CONNELL'S SUB  
MAP 106-KIMBALLS PLAT  
MAP 8-MORRISONS SUB. OF POR OF NATIONAL RANCH



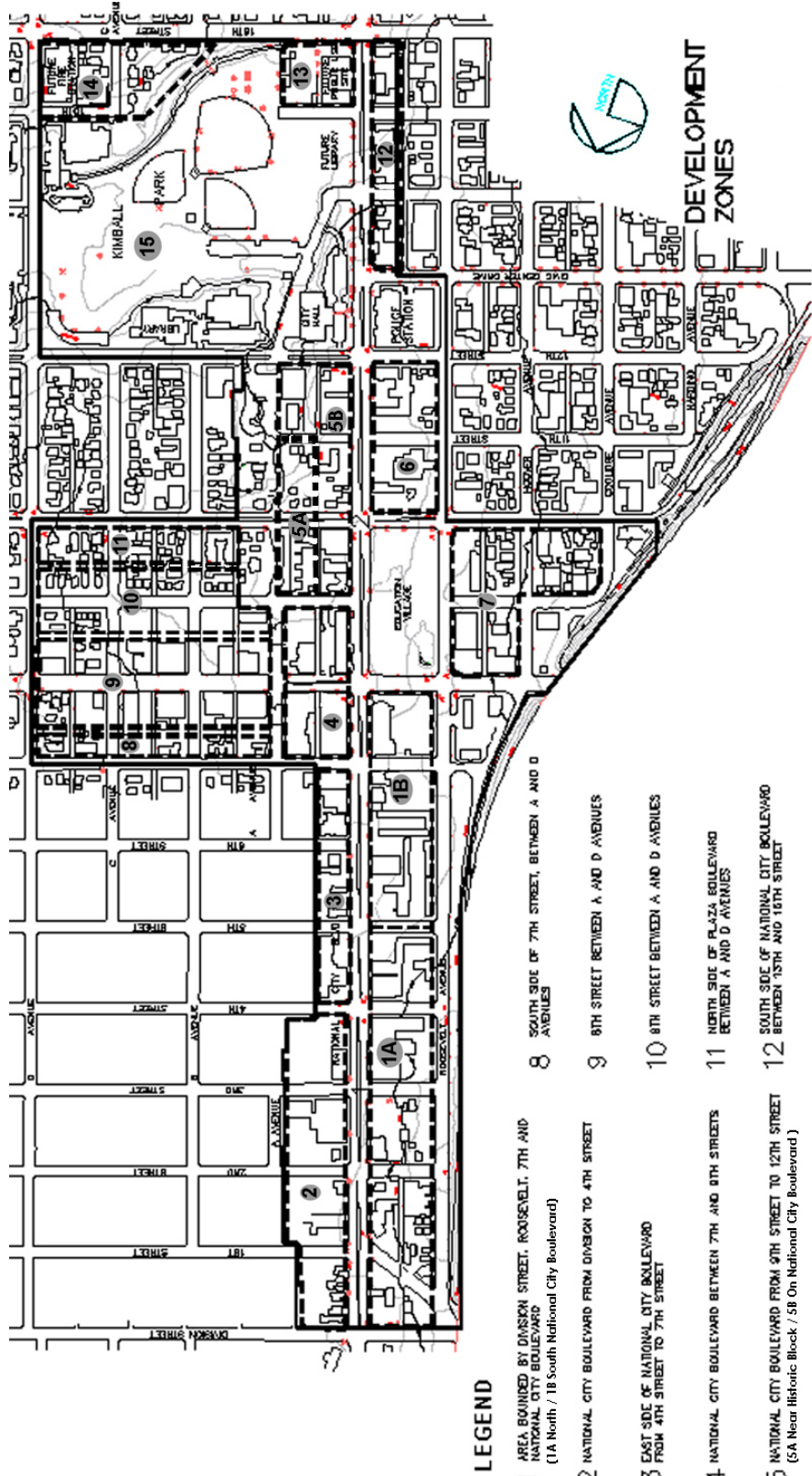
*Excerpts from:*

**IV**

**LAND USE  
REGULATIONS  
&  
DEVELOPMENT  
STANDARDS**

**(FEBRUARY 2005)**

*The following three pages were excerpted from a document on the City of National City's website titled "Downtown Specific Plan," the contents of the entire document can be found at: <http://www.ci.national-city.ca.us/specific%20plan/specific%20plan.htm>*

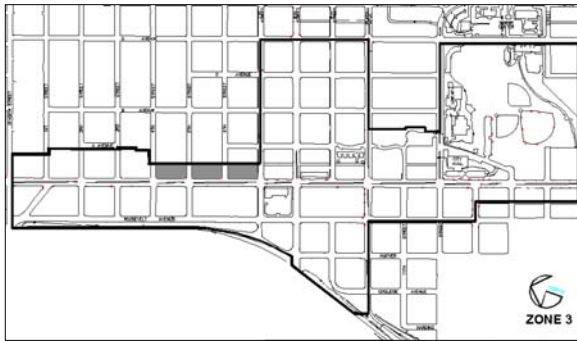


**NATIONAL CITY  
DOWNTOWN  
SPECIFIC PLAN**

**DEVELOPMENT  
ZONES**

### DEVELOPMENT ZONE #3

EAST SIDE OF NATIONAL CITY BOULEVARD FROM 4TH STREET TO 7TH STREET



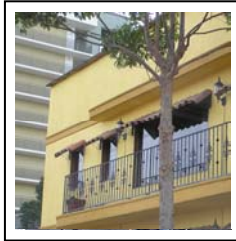
#### **Development Intensity**

Floor Area Ratio: 4:1  
Maximum Height: 75'

#### **General Guidelines:**

This is the National City Boulevard frontage from 4th Street to 7th Street, extending eastward to the existing alley.

This zone is proposed for medium-density residential development, with street-oriented retail at grade. In contrast to Development Zone #2, further north on National City Boulevard, this zone is composed of smaller parcels that lend themselves to smaller-scaled projects, composed of apartments and row homes. Since this area is quite close to the proposed main shopping street, Eighth Street, street-level pedestrian-oriented retail, service and restaurant facilities are encouraged. A "build-to" line should be maintained on National City Boulevard in order to define the street edge and reinforce the pedestrian character and vitality of the streetscape leading to the



Downtown core.

**Preferred Land Uses:** Medium density multifamily residential, with street-level retail.

**Restricted or Prohibited Land Uses:**  
As per underlying Zoning Regulations.

#### **Design Guidelines:**

- All structures shall observe the "build-to" line.
- All developments shall be at least 50% residential in use.
- All vehicular access shall be from the alley, 4th, 5th, 6th or 7th streets. Driveways are not permitted on National City Boulevard. Access to surface or subterranean parking should be from these secondary streets, or alleys.
- Front porch stoops, entry courtyards or enclosed gardens should be included at grade to enhance the relationship between ground-level residential units and the streetscape, while preserving the privacy and security of residential units.
- Street-level outdoor cafes and similar amenities related to retail or restaurant uses are encouraged. Building arcades at the street frontage may also be used to create inviting indoor and outdoor spaces. Pedestrian building entries at grade

should occur at least every 50'-0".

- Per the General Planning Guidelines above, large developments that occupy an entire block width, or a substantial portion thereof, should be subdivided in massing and articulation of individual dwelling units to blend with the scale of the adjacent residential neighborhood and the goal to create a pedestrian-friendly scale at the street.

- Placement of parking areas, blank walls, and service yards along the street and sidewalk frontages within this development zone is prohibited. Also prohibited are parking areas between the front elevation of a building on National City Boulevard and at the corner of public streets. This reinforces the build-to-line and, in turn,



preserves the quality of the streetscape by prohibiting large expanses of parking in front of buildings.

- Alleys or rear service drives should be utilized to minimize the visual impact of parking, loading areas, and garages. Driveway cuts opening to the public streets are limited to one per parcel.

- Primary ground floor residential building entrances should orient to the sidewalk and street. When a courtyard or other outdoor space is used as an entrance to dwellings, such spaces should open directly to the street and sidewalk. Building entries and windows are to be visible to pedestrians.



### Natural Hazard Disclosure Statement

This statement applies to the following property: \_\_\_\_\_

APN: \_\_\_\_\_ County: \_\_\_\_\_ Escrow #: \_\_\_\_\_

The Transferor and his or her agent(s) or a third-party consultant disclose the following information with the knowledge that even though this is not a warranty, prospective Transferees may rely on this information in deciding whether and on what terms to purchase the subject property. Transferor hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property. The following are representations made by the Transferor and his or her agent(s) based on their knowledge and maps drawn by the state and federal governments. This information is a disclosure and is not intended to be part of any contract between the Transferee and the Transferor.

**THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):**

Yes	No	Hazard Description:
		<b>SPECIAL FLOOD HAZARD AREA</b> Any type Zone "A" or "V" designated by the Federal Emergency Management Agency. Do not know and information not available from local jurisdiction ____
		<b>AN AREA OF POTENTIAL FLOODING</b> shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code. Do not know and information not available from local jurisdiction ____
		<b>A VERY HIGH FIRE HAZARD SEVERITY ZONE</b> pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code.
		<b>A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS</b> pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.
		<b>AN EARTHQUAKE FAULT ZONE</b> pursuant to Section 2622 of the Public Resources Code.
		<b>A SEISMIC HAZARD ZONE</b> pursuant to Section 2696 of the Public Resources Code. Yes (Landslide Zone) ____ Yes (Liquefaction Zone) ____ Map not yet release by State ____

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER. THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. TRANSFEREE(S) AND TRANSFEROR(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Certificate # \_\_\_\_\_ Date \_\_\_\_\_

Signature of Transferor \_\_\_\_\_ Date \_\_\_\_\_

Signature of Transferor \_\_\_\_\_ Date \_\_\_\_\_

Signature of Agent \_\_\_\_\_ Date \_\_\_\_\_

Signature of Agent \_\_\_\_\_ Date \_\_\_\_\_

Check only one of the following:

- Transferor(s) and their Agent(s) represent that the information herein is true and correct to the best of their knowledge as of the date signed by the Transferor(s) and Agent(s).
- Transferor(s) and their Agents(s) acknowledge that they have exercised good faith in the selection of a third-party report provider as required in Civil Code Section 1103.7, and that the representations made in this Natural Hazard Disclosure Statement are based upon information provided by the independent third-party disclosure provider as a substituted disclosure pursuant to Civil Code Section 1103.4. Neither Transferor(s) nor their Agent(s) (1) has independently verified the information contained in this statement and report or (2) is personally aware of any errors or inaccuracies in the information contained on the statement.

This statement was prepared by the provider below:

Third-Party Disclosure Provider(s) **GeoLogix Disclosures, LLC** Date \_\_\_\_\_

Transferee represents that he or she has read and understands this document. Pursuant to Civil Code Section 1103.8, the representations made in this Natural Hazard Disclosure Statement do not constitute all of the Transferor's or Agent's disclosure obligations in this transaction.

Signature of Transferee \_\_\_\_\_ Date \_\_\_\_\_

Signature of Transferee \_\_\_\_\_ Date \_\_\_\_\_

Transferee represents that he or she has also read and understands the added Airport Disclosure.

Signature of Transferee \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Transferee \_\_\_\_\_ Date: \_\_\_\_\_

# Natural Hazard Disclosure Report

## Terms and Conditions for this Natural Hazard Disclosure Statement

### **Transfer of Liability and the Law:**

By its own terms the NHD Law speaks of "representations made by the transferor and his or her agent(s) based on their knowledge and maps drawn and/or approved by state and federal governments" per California Civil Code §1103.2(a). Your Natural Hazard Disclosure report has been carefully prepared by the staff of GeoLogix Disclosures, LLC (hereafter referenced as "GeoLogix"), which has combined experience and skill in cartography, geography, geology, and forestry. Preparation of your report by GeoLogix relieves the transferor and the listing and selling real estate agent(s) from liability regarding the report, as provided for by California Civil Code §1103.4.

The disclosures contained in this report are valid as of the date of certification shown on the Statement, or statutory form (Page 1 of this report). Furthermore, in accordance with California Civil Code §1103.5, the disclosure duties of the transferor and his or her agent shall have been met upon delivery of this Natural Hazard Disclosure Statement; neither shall be required to provide notice to the transferee if the information provided subsequently becomes inaccurate as a result of any governmental action, map revisions, changed information or other act or occurrence, unless the transferor or agent has actual knowledge that the information has become inaccurate. Likewise, GeoLogix shall have no duty to notify transferor or his or her agent of subsequent changes to the information contained within this report.

### **Indemnification and Limitation of Liability:**

GeoLogix provides an indemnification for this disclosure, subject to other terms and conditions stated in this report, for any liabilities that may arise relative to the requirements of NHD Law and for no other purpose. GeoLogix maintains a minimum \$10,000,000 errors and omissions insurance policy to insure for negligent acts. This disclosure is not a substitute for a property damage insurance policy, and GeoLogix assumes no liability or responsibility for any costs or consequences arising due to the need, or lack of need, for a homeowners fire, flood or earthquake insurance policy. The report is to be used only by parties ordering the statutory Natural Hazard Disclosure Statement form required by NHD Law. There are no third-party beneficiaries. GeoLogix will not appear in court to defend or explain this report without being paid reasonable consulting fees and expenses unless such appearance is due to an error in this report.

IN NO EVENT SHALL GEOLOGIX BE LIABLE FOR DAMAGES IN EXCESS OF ACTUAL PROPERTY DAMAGE CAUSED BY A NATURAL DISASTER, OR \$2,000,000 WHICHEVER IS LESS, OR FOR AMOUNTS COVERED ELSEWHERE BY AN INSURANCE POLICY OR FEDERAL DISASTER ASSISTANCE.

GeoLogix offers indemnification with the following exceptions:

- If the ordering party submits incorrect or incomplete property information including but not limited to: 1) an incorrect address or assessor parcel number; 2) commercial properties not so identified, 3) common areas in condominiums and mobile home parks not so identified; or 4) subdivision maps that are incorrect or incomplete;
- If payment is not made within 60 days of escrow closing, or in the case of a builder within 60 days of invoice;
- For future sales transactions relating to this property;
- If errors, inaccuracies or omissions in this report were known to exist by recipient(s) and not disclosed to GeoLogix;
- For uses beyond the scope and intent of NHD Law.

### **Federal and State "Approved" Natural Hazard Maps:**

GeoLogix relies on the official sources of approved maps prescribed by NHD Law, and only those maps, in determining natural hazard zones. No on-site or visual examination of the subject property site has been performed. Rather, GeoLogix has made this disclosure using diligence to interpret the official sources of approved maps relative to the location of the property as shown on tax maps, street maps and other sources. GeoLogix accepts no liability for errors in federal and/or state maps relative to NHD Law nor for errors or lack of maintenance in the county assessor parcel maps as available through resellers of this material.

ACCEPTANCE: USE OF THIS REPORT BY RECIPIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE CONDITIONS AND LIMITATIONS DESCRIBED ABOVE.

## Explanation of Hazard Areas

This California residential property disclosure report provides determinations in compliance with California Civil Code §1103 for the subject property. The following explanations define and provide additional information regarding the six natural hazard areas defined by law.

### Special Flood Hazard Area (SFHA)

An "A" or "V" zone Special Flood Hazard Area is defined as the 100-year flood plain, meaning that there is a 1-percent chance in any given year of a flood reaching the outer boundaries of the SFHA. Flooding may occur more frequently in the interiors of these zones as the property can be deeper in the flood plain than those on the edges. Flooding can and often does occur outside SFHAs and therefore this determination is made only with reference to FEMA's current maps and is not an opinion as to the subject property's susceptibility to flooding.

If you want to know more about flood plain management and flood conditions in your area, you should contact your local community official and/or you can order a "Flood Certification" from GeoLogix at 1-800-98-4-MAPS. A Flood Certification is prepared for the "structure" and provides more information, including whether or not your community participates in the National Flood Insurance program, thereby making insurance available. Your community official might be someone either in your city or your county government, depending on your area. Additional flood insurance information can be found at the FEMA web site at <http://www.fema.gov/nfip/>.

### Area of Potential Flooding (Dam Inundation)

Any governmental agency, utility or other owner who operates a dam in the state of California must produce "dam inundation maps" showing any area(s) which might suffer flooding as a direct result of that dam's failure. The Water Code of the State of California defines a "dam" as any artificial barrier which is, or will be, 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier or has, or will have, an impounding capacity of 50 acre-feet or more. Inundation zones are predicted assuming the reservoir or lake is at maximum capacity at the time of dam failure. In order to comply with Natural Hazard Disclosure AB 248, the dam operator must prepare and submit Dam Inundation Maps to the California State Office of Emergency Services for review and official approval. A Dam Inundation Zone refers to an area predicted to be inundated by water downward of a dam or levee in the event that an immediate and complete failure or breach of the dam occurs.

This disclosure is not an opinion as to whether or not a property will be subject to flooding due to a dam failure. Rather, it is solely a determination as to whether or not a property is within one or more dam inundation zones on maps "approved" by the California State Office of Emergency Services.

For more information about dam inundation zones, call the State Division of Dam Safety or your State or your local County Office of Emergency Services. More information can be found on the Internet at <http://www.oes.ca.gov/dim.nsf>.

### Very High Fire Hazard Severity Zone

Very High Fire Hazard Severity Zones are generally incorporated areas that are not defined as State Responsibility Areas where a heavy accumulation of tree and/or brush fuels, and possibly steep slopes, may make it difficult to retard the rate of spread and intensity of fire. Runaway wildfire in these areas can threaten both property and life.

This disclosure is not an opinion as to the susceptibility of the subject property to wildfire. Rather this determination is made with reference to maps produced by the California State Department of Forestry, as to whether or not the subject property falls within a Very High Fire Hazard Severity Zone.

Conditions within High Fire Hazard Severity Zones can be highly variable. You might consider requesting an on-site inspection of your property from a professional to get an opinion as to the degree of danger as well as mitigation measures. For more information on this zone description and steps to be taken to reduce fire risk, contact your local fire department, and/or visit <http://www.oes.ca.gov/dim.nsf>

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## **Wildland Area That May Contain Substantial Forest Fire Risks and Hazards**

A State Responsibility Area is an unincorporated region where, in the event of fire, the California Department of Forestry (CDF) has primary responsibility for fire suppression. Additionally, property owners in these areas "may" be protected by a local fire suppression agency. To inquire if such an arrangement has been made with a local agency, contact your local CDF office. The CDF fire suppression objective is to fight wildfires. They are not obligated by law to fight structural fires, although they often do.

This disclosure is not an opinion as to the susceptibility of the subject property to wildfire. Rather, it is simply a determination with reference to maps produced by the California Department of Forestry as to whether or not the subject property falls within a State Responsibility Area.

Wildfire fuel conditions within State Responsibility zones are highly variable. You might want to consider requesting a professional on-site inspection for an opinion as to the degree of wildfire danger and mitigation options. You may also get more information at <http://www.oes.ca.gov/dim.nsf>.

## **Earthquake Fault Zone**

An Earthquake Fault Zone is a special studies (Alquist-Priolo) zone as determined by the California State Geologist and as determined with reference to maps published by the California State Department of Mines and Geology pursuant to AB 248. This zone delineates the area where an active fault trace exists, and where the possibility of surface rupture might occur in the event of an earthquake.

This disclosure is not an opinion as to the susceptibility of the subject property to earthquakes. Rather, it is simply a determination with reference to maps produced by the California State Department of Mines and Geology pursuant to AB 248 as to whether or not the subject property falls within a special studies (Alquist-Priolo) zone approved by the State Geologist. Many earthquake hazards exist outside the special studies zones.

For more information on the probability of an earthquake along this fault and how it may affect your property, contact the U.S. Geological Survey, Seismology Department, Menlo Park, Calif., under the Interior Department. The California State Department of Mines and Geology, as of Nov. 3, 1998, has more information available on the Internet at [www.consrv.ca.gov/dmg/rghm/](http://www.consrv.ca.gov/dmg/rghm/).

## **Seismic Hazard Zone**

Seismic Hazard Zones are regulatory zones that encompass areas prone to liquefaction (failure of water-saturated soil) and earthquake-induced landslides. To be located within a Seismic Hazard Zone means that the state has determined the likelihood that weak soil and/or rock may be present beneath the property. If present, these weak materials can fail during an earthquake. Unless proper precautions are taken during grading and construction, the weakened conditions of soil or rock can lead to structural damage. If a property is undeveloped, a site-specific investigation by a licensed engineering geologist and/or civil engineer may be required before the parcel can be subdivided or before most structure building can be permitted.

For more information about ground shaking, liquefaction and potential landslides, contact your city engineer or the U.S. Geological Survey, Menlo Park, Calif., under the Department of the Interior. You can also visit the web page for the California Department of Mines and Geology for more information, at <http://www.consrv.ca.gov/dmg/rghm/>.

This disclosure is not an opinion as to the susceptibility of the subject property to earthquakes. Rather, it is simply a determination with reference to approved maps produced by the California State Department of Mines as to whether or not the subject property falls within this special zone approved by the State Geologist.

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### ***Airport Proximity***

**Date: October 18, 2006**

**Address: 421 National City Blvd.  
City: National City, CA**

**APN: 556-210-26-00  
Zip: 91950**

An inspection of relevant public records and/or maps indicates that the above listed property **is not** located within an Airport Influence Area as defined by §11010 of the Business and Professions Code and §1102.6, 1103.4 and 1353 of the Civil Code.

For further information, contact the following Office of the Airport Land Use Commission:

LINDA JOHNSON  
San Diego County Regional Airport Authority  
3225 N. Harbor Dr.  
San Diego, CA 92101  
(619) 400-2463 (619) 400-2458  
Ljohnson@san.org

California Assembly Bill AB 2776, § 496 became law on January 1<sup>st</sup>, 2004, amending §11010 of the Business and Professions Code and §1102.6, 1103.4 and 1353 of the Civil Code. This law requires the seller of real property in California to advise the prospective purchaser of the presence of airport noise. The presence of airport noise is disclosed by maps provided by the Airport land use commission which has jurisdiction over the property in question. The seller of the real property is additionally required to disclose to the prospective buyer any airport noise disturbance which he/she has actual knowledge of.

#### **Limitation of Liability:**

While GEOLOGIX uses ordinary care in making this determination with reference to the sources described above, GEOLOGIX has no liability for errors in government maps or for maps or sources of information beyond those listed. This limitation applies to all causes of action in the aggregate, including without limitation, negligence, strict liability, misrepresentation, and other torts. All the limitations of liability found on page two of the Natural Hazard Disclosure statement apply to this Airport Influence Area statement. If the limitations are in conflict, the one of lesser value applies.

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CALIFORNIA ASSOCIATION OF REALTORS®

COMMERCIAL LEASE AGREEMENT (C.A.R. Form CL, Revised 10/01)

Date (For reference only): Jan 13, 2005

1. PROPERTY: Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: 421 National City Blvd, National City CA 91950 (Landlord and Tenant) agree as follows:

comprise approximately 0% of the total square footage of rentable space in the entire property. See exhibit for a further description of the Premises.

2. TERM: The term shall be for 2 MO years and 0 months, beginning on (date) Jan 15 2005 ("Commencement Date"), (Check A or B):

- A. Lease: and shall terminate on (date) at 10 AM PM. Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy that either party may terminate as specified in paragraph 2B. Rent shall be at a rate equal to the rent for the immediately preceding month, payable in advance. All other terms and conditions of this agreement shall remain in full force and effect.
B. Month-to-month: and continues as a month-to-month tenancy. Either party may terminate the tenancy by giving written notice to the other at least 30 days prior to the intended termination date, subject to any applicable local laws. Such notice may be given on any date.
C. RENEWAL OR EXTENSION TERMS: See attached addendum

3. BASE RENT:

- A. Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):
(1) \$ per month, for the term of the agreement.
(2) \$ per month, for the first 12 months of the agreement. Commencing with the 13th month, and upon expiration of each 12 months thereafter, rent shall be adjusted according to any increase in the U.S. Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for All Urban Consumers ("CPI") for (the city nearest the location of the Premises), based on the following formula: Base Rent will be multiplied by the most current CPI preceding the first calendar month during which the adjustment is to take effect, and divided by the most recent CPI preceding the Commencement Date. In no event shall any adjusted Base Rent be less than the Base Rent for the month immediately preceding the adjustment. If the CPI is no longer published, then the adjustment to Base Rent shall be based on an alternate index that most closely reflects the CPI.
(3) \$ per month for the period commencing and ending and per month for the period commencing and ending and per month for the period commencing and ending
(4) In accordance with the attached rent schedule.
(5) Other: 1500 Per month
B. Base Rent is payable in advance on the 1st (or ) day of each calendar month, and is delinquent on the next day.
C. If Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.

4. RENT:

- A. Definition: ("Rent") shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except security deposit.
B. Payment: Rent shall be paid to (Name) Troy F. Fuks, at (address) location specified by Landlord in writing to Tenant.
C. Timing: Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.

5. EARLY POSSESSION: Tenant is entitled to possession of the Premises on N/A

If Tenant is in possession prior to the Commencement Date, during this time (i) Tenant is not obligated to pay Base Rent, and (ii) Tenant is not obligated to pay Rent other than Base Rent. Whether or not Tenant is obligated to pay Rent prior to Commencement Date, Tenant is obligated to comply with all other terms of this agreement.

6. SECURITY DEPOSIT:

- A. Tenant agrees to pay Landlord \$ 1,000 as a security deposit. Tenant agrees not to hold Broker responsible for its return. (IF CHECKED:) If Base Rent increases during the term of this agreement, Tenant agrees to increase security deposit by the same proportion as the increase in Base Rent.
B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent, late charges, non-sufficient funds ("NSF") fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) broom clean the Premises, if necessary, upon termination of tenancy; and (iv) cover any other unfulfilled obligation of Tenant. SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT. If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord receives possession of the Premises, Landlord shall: (i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant. However, if the Landlord's only claim upon the security deposit is for unpaid Rent, then the remaining portion of the security deposit, after deduction of unpaid Rent, shall be returned within 14 days after the Landlord receives possession.
C. No interest will be paid on security deposit, unless required by local ordinance.

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Landlord and Tenant acknowledge receipt of a copy of this page.

Landlord's Initials (TF) ( )
Tenant's Initials (MM) ( )



Reviewed by
Broker or Designee Date

CL-11 REVISED 10/01 (PAGE 1 of 6)

COMMERCIAL LEASE AGREEMENT (CL-11 PAGE 1 OF 6)

421 National City Blvd Date 1-14-05

7. PAYMENTS:

Table with columns: TOTAL DUE, PAYMENT RECEIVED, BALANCE DUE, DUE DATE. Rows include Rent, Security Deposit, and Other.

8. PARKING: Tenant is entitled to 2 unreserved and 2 reserved vehicle parking spaces. The right to parking is not included in the Base Rent charged pursuant to paragraph 3.

9. ADDITIONAL STORAGE: Storage is permitted as follows: The right to additional storage space is not included in the Base Rent charged pursuant to paragraph 3.

10. LATE CHARGE; INTEREST; NSF CHECKS: Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine.

11. CONDITION OF PREMISES: Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: Trash in trap hole

12. ZONING AND LAND USE: Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws").

13. TENANT OPERATING EXPENSES: Tenant agrees to pay for all utilities and services directly billed to Tenant. Also PRO RATA Water and Electricity

14. PROPERTY OPERATING EXPENSES: A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real estate taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. utility bills only

OR B. (If checked) Paragraph 14 does not apply. 15. USE: The Premises are for the sole use as concrete construction and casting.

16. RULES/REGULATIONS: Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant.

17. MAINTENANCE: A. Tenant OR (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition.

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Landlord and Tenant acknowledge receipt of a copy of this page. Landlord's Initials ( ) ( ) Tenant's Initials (W.W) ( ) Reviewed by Broker or Designee Date



Premises: 421 National City Blvd Date 01-14-05

- 18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's Interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
- 19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
- 20. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
- 21. **SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or  ) day period preceding the termination of the agreement.
- 22. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
- 23. **POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within 60 (or  ) calendar days after agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
- 24. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and, (vii) \_\_\_\_\_

All Improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.

- 25. **BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
- 26. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of an act of Tenant or Tenant's guests, only Landlord shall have the right of termination, and no reduction in Rent shall be made.
- 27. **HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 28. **CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 29. **INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry liability insurance in an amount of not less than \$ 500,000. Tenant's liability insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least \$ 5,000,000 plus property insurance in an amount sufficient to cover the replacement cost of the property. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

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Landlord and Tenant acknowledge receipt of a copy of this page.

Landlord's Initials ( ST ) ( \_\_\_\_\_ )  
Tenant's Initials ( M.W. ) ( \_\_\_\_\_ )

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



CL-11 REVISED 10/01 (PAGE 3 of 6)

COMMERCIAL LEASE AGREEMENT (CL-11 PAGE 3 OF 6)

Premises: 421 N.C. BLVD Date 1-14-05

- 30. **TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (I) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (II) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.
- 31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
- 32. **SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
- 33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (I) before occupancy begins, upon disapproval of the credit report(s); or (II) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.

**34. DISPUTE RESOLUTION:**

**A. MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 34B(2) below. Paragraphs 34B(2) and (3) apply whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

**B. ARBITRATION OF DISPUTES:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 34B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.

(2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.

(3) **BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

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

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

Landlord's Initials \_\_\_\_\_ / \_\_\_\_\_ Tenant's Initials \_\_\_\_\_ / \_\_\_\_\_

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Landlord and Tenant acknowledge receipt of a copy of this page.

Landlord's Initials ( ST ) ( \_\_\_\_\_ )  
Tenant's Initials ( MM ) ( \_\_\_\_\_ )



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

Premises: 421 N.C BLDG Date 1-14-05

35. **JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

36. **NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:  
Landlord: \_\_\_\_\_ Tenant: \_\_\_\_\_

Troy F. Fulek  
1315 4th. St.  
National City CA 91950  
619-254-2478

Notice is deemed effective upon the earliest of the following: (I) personal receipt by either party or their agent; (II) written acknowledgement of notice; or (III) 5 days after mailing notice to such location by first class mail, postage pre-paid.

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

38. **INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.

39. **OTHER TERMS AND CONDITIONS/SUPPLEMENTS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

The following ATTACHED supplements/exhibits are incorporated in this agreement: \_\_\_\_\_  
\_\_\_\_\_

40. **ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 34A.

41. **ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

42. **BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 42.

43. **AGENCY CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:

Listing Agent: \_\_\_\_\_ (Print Firm Name) is the agent of (check one):

the Landlord exclusively; or  both the Tenant and Landlord.

Selling Agent: \_\_\_\_\_ (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):

the Tenant exclusively; or  the Landlord exclusively; or  both the Tenant and Landlord.

Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

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Landlord's Initials (ST) (\_\_\_\_\_)  
Tenant's Initials (M.M.) (\_\_\_\_\_)



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

Premises: \_\_\_\_\_ Date \_\_\_\_\_

Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

Tenant Santiago Mendoza Santiago Mendoza Date \_\_\_\_\_  
(Print name)

Address 959 Caminito Estrella City Chula Vista State CA Zip 91910

Tenant \_\_\_\_\_ Date \_\_\_\_\_  
(Print name)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Landlord Troy F. Fulks Date \_\_\_\_\_  
(owner or agent with authority to enter into this agreement)

Address 1315 F. 4th St. City National City State CA Zip 91911

Landlord \_\_\_\_\_ Date \_\_\_\_\_  
(owner or agent with authority to enter into this agreement)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Leasing Firm) \_\_\_\_\_

By (Agent) \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) \_\_\_\_\_

By (Agent) ESTHER V. FRANKLIN TRUVINO Date \_\_\_\_\_

Address 1761 HOTEL CIRCLE SOUTH #112 City SAN DIEGO State CA Zip 92108

Telephone \_\_\_\_\_ Fax (958) 492-1132 E-mail wpw@san.fr.com

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

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525 South Virgil Avenue, Los Angeles, California 90020

CL-11 REVISED 10/01 (PAGE 6 OF 6)

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



COMMERCIAL LEASE AGREEMENT (CL-11 PAGE 6 OF 6)



CALIFORNIA ASSOCIATION OF REALTORS®

COMMERCIAL LEASE AGREEMENT

(C.A.R. Form CL, Revised 10/01)

Date (For reference only): September 14, 2006

TROY FULKS

CA Democratic Party

("Landlord") and

("Tenant") agree as follows:

1. PROPERTY: Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: 421 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950 ("Premises"), which comprise approximately 63,000 % of the total square footage of rentable space in the entire property. See exhibit for a further description of the Premises.

2. TERM: The term shall be for 166 years and 0 months, beginning on (date) September 15, 2006 ("Commencement Date"), (Check A or B):

[X] A. Lease: and shall terminate on (date) November 15, 2006 at 7pm [ ] AM [X] PM. Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy that either party may terminate as specified in paragraph 2B. Rent shall be at a rate equal to the rent for the immediately preceding month, payable in advance. All other terms and conditions of this agreement shall remain in full force and effect.

[ ] B. Month-to-month: and continues as a month-to-month tenancy. Either party may terminate the tenancy by giving written notice to the other at least 30 days prior to the intended termination date, subject to any applicable local laws. Such notice may be given on any date.

[ ] C. RENEWAL OR EXTENSION TERMS: See attached addendum

3. BASE RENT:

A. Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):

[ ] (1) \$ 2,800.00 per month, for the term of the agreement.

[ ] (2) \$ per month, for the first 12 months of the agreement. Commencing with the 13th month, and upon expiration of each 12 months thereafter, rent shall be adjusted according to any increase in the U.S. Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for All Urban Consumers ("CPI") for San Diego (the city nearest the location of the Premises), based on the following formula: Base Rent will be multiplied by the most current CPI preceding the first calendar month during which the adjustment is to take effect, and divided by the most recent CPI preceding the Commencement Date. In no event shall any adjusted Base Rent be less than the Base Rent for the month immediately preceding the adjustment. If the CPI is no longer published, then the adjustment to Base Rent shall be based on an alternate index that most closely reflects the CPI.

[ ] (3) \$ per month for the period commencing and ending and \$ per month for the period commencing and ending \$ per month for the period commencing and ending

[ ] (4) in accordance with the attached rent schedule.

[X] (5) Other: Tenant to verify use of premises is allowed by City.

B. Base Rent is payable in advance on the 1st (or [ ] 15th ) day of each calendar month, and is delinquent on the next day.

C. If the Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.

4. RENT:

A. Definition: ("Rent") shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except security deposit.

B. Payment: Rent shall be paid to (Name) WOOD PROPERTY MANAGEMENT, INC. at (address) 1761 HOTEL CIRCLE SOUTH#112, SAN DIEGO CA 92108, or at any other location specified by Landlord in writing to Tenant.

C. Timing: Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.

5. EARLY POSSESSION: Tenant is entitled to possession of the Premises on

If Tenant is in possession prior to the Commencement Date, during this time (I) Tenant is not obligated to pay Base Rent, and (II) Tenant [ ] is [ ] is not obligated to pay Rent other than Base Rent. Whether or not Tenant is obligated to pay Rent prior to Commencement Date, Tenant is obligated to comply with all other terms of this agreement.

6. SECURITY DEPOSIT:

A. Tenant agrees to pay Landlord \$ 2,800.00 as a security deposit. Tenant agrees not to hold Broker responsible for its return. (IF CHECKED:) [ ] If Base Rent increases during the term of this agreement, Tenant agrees to increase security deposit by the same proportion as the increase in Base Rent.

B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent, late charges, non-sufficient funds ("NSF") fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) broom clean the Premises, if necessary, upon termination of tenancy; and (iv) cover any other unfulfilled obligation of Tenant. SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT. If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord recelves possession of the Premises, Landlord shall: (i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant. However, if the Landlord's only claim upon the security deposit is for unpaid Rent, then the remaining portion of the security deposit, after deduction of unpaid Rent, shall be returned within 14 days after the Landlord receives possession.

C. No interest will be paid on security deposit, unless required by local ordinance.

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Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )

Reviewed by Date



CL REVISED 10/01 (PAGE 1 of 6)

COMMERCIAL LEASE AGREEMENT (CL PAGE 1 OF 6)

Agent: wood property management, Inc Phone: (858)4921142 Fax: (858)492-1132 Prepared using WINForms® software
Broker: Springs Realty 8070 La Jolla Shores Dr. #407, La Jolla CA 92037

421 NATIONAL CITY BLVD.

Property Address: NATIONAL CITY, CA 91950

Date: September 14, 2006

7. PAYMENTS:

	TOTAL DUE	PAYMENT RECEIVED	BALANCE DUE	DUE DATE
A. Rent: From <u>09/15/2006</u> To <u>11/15/2006</u>	\$ <u>5,600.00</u>	\$ _____	\$ <u>5,600.00</u>	<u>September 15,</u>
Date                      Date				
B. Security Deposit	\$ <u>2,800.00</u>	\$ _____	\$ <u>2,800.00</u>	<u>September 15.</u>
C. Other: _____	\$ _____	\$ _____	\$ _____	_____
Category				
D. Other: _____	\$ _____	\$ _____	\$ _____	_____
Category				
E. Total:	\$ <u>8,400.00</u>	\$ _____	\$ <u>8,400.00</u>	

8. PARKING: Tenant is entitled to street parking unreserved and street parking reserved vehicle parking spaces. The right to parking  is  is not included in the Base Rent charged pursuant to paragraph 3. If not included in the Base Rent, the parking rental fee shall be an additional \$ \_\_\_\_\_ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.

9. ADDITIONAL STORAGE: Storage is permitted as follows: in premises as per City codes.  
 The right to additional storage space  is  is not included in the Base Rent charged pursuant to paragraph 3. If not included in Base Rent, storage space shall be an additional \$ \_\_\_\_\_ per month. Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.

10. LATE CHARGE; INTEREST; NSF CHECKS: Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within 5 calendar days after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, \$ 240.00 as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

11. CONDITION OF PREMISES: Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: digital pictures to be taken at possession, space is being delivered in its existing state. Items listed as exceptions shall be dealt with in the following manner: landlord will install handycap toilet bars around downstairs toilet. Bathrooms to be in working order.

12. ZONING AND LAND USE: Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

13. PROPERTY OPERATING EXPENSES: Tenant agrees to pay for all utilities and services directly billed to Tenant including electric, water which will remain in landlords name and be charged to security deposit, & copy of receipts to tenant.

14. PROPERTY OPERATING EXPENSES:  
 A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real estate taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property \_\_\_\_\_

OR B.  (if checked) Paragraph 14 does not apply.

15. USE: The Premises are for the sole use as Democratic campaigning.  
 No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.

16. RULES/REGULATIONS: Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.

17. MAINTENANCE:  
 A. Tenant OR  (if checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition. Unless Landlord is checked, if Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.  
 B. Landlord OR  (if checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and entry.

Landlord's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )  
 Tenant's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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



421 NATIONAL CITY BLVD.

Property Address: NATIONAL CITY, CA 91950

Date: September 14, 2006

- 18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
- 19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
- 20. **ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
- 21. **SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or  \_\_\_\_\_ ) day period preceding the termination of the agreement.
- 22. **SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
- 23. **POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within 60 (or  \_\_\_\_\_ ) calendar days after the agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
- 24. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) clean and remove all trash.

All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.

- 25. **BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by relenting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
- 26. **DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises. If damage occurs as a result of an act of Tenant or Tenant's guests, only Landlord shall have the right of termination, and no reduction in Rent shall be made.
- 27. **HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 28. **CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 29. **INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry liability insurance in an amount of not less than \$ 1,000,000.00 . Tenant's liability insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least \$ 1,000,000.00 , plus property insurance in an amount sufficient to cover the replacement cost of the property. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

Landlord's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Tenant's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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



421 NATIONAL CITY BLVD.

Property Address: NATIONAL CITY, CA 91950

Date: September 14, 2006

- 30. **TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (I) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (II) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.
- 31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
- 32. **SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
- 33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (I) before occupancy begins, upon disapproval of the credit report(s); or (II) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
- 34. **DISPUTE RESOLUTION:**
  - A. **MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 34B(2) below. Paragraphs 34B(2) and (3) apply whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
  - B. **ARBITRATION OF DISPUTES:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 34B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.
  - (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.
  - (3) **BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

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

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

Tenant's Initials \_\_\_\_\_ / \_\_\_\_\_ Landlord's Initials \_\_\_\_\_ / \_\_\_\_\_

Landlord's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )  
 Tenant's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

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



421 NATIONAL CITY BLVD.

Property Address: NATIONAL CITY, CA 91950

Date September 14, 2006

35. JOINT AND INDIVIDUAL OBLIGATIONS: If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

36. NOTICE: Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:

Landlord: TROY FULKS

Tenant: CA DEMOCRATIC PARTY

C/O WOOD PROPERTY MANAGEMENT, INC.

1761 HOTEL CIRCLE SOUTH #112

1401-21ST ST #200

SAN DIEGO, CA 92108

SACRAMENTO, CA 95814

Notice is deemed effective upon the earliest of the following: (I) personal receipt by either party or their agent; (II) written acknowledgement of notice; or (III) 5 days after mailing notice to such location by first class mail, postage pre-paid.

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

38. INDEMNIFICATION: Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.

39. OTHER TERMS AND CONDITIONS/SUPPLEMENTS: PREMISES ARE BEING LEASED IN EXISTING CONDITION. THE SPACE BEING RENTED IS THAT WHICH FRONTS NATIONAL CITY BLVD.

The following ATTACHED supplements/exhibits are incorporated in this agreement:

40. ATTORNEY FEES: In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 34A.

41. ENTIRE CONTRACT: Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

42. BROKERAGE: Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 42.

43. AGENCY CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Listing Agent: WOOD PROPERTY MANAGEMENT, INC. & SPRINGS (Print Firm Name) is the agent of (check one):

[X] the Landlord exclusively; or [ ] both the Tenant and Landlord.

Selling Agent: (Print Firm Name) (if not same as Listing Agent) is the agent of

(check one): [ ] the Tenant exclusively; or [ ] the Landlord exclusively; or [ ] both the Tenant and Landlord.

Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord's Initials ( ) ( )

Tenant's Initials ( ) ( )

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



421 NATIONAL CITY BLVD.

Property Address: NATIONAL CITY, CA 91950

Date: September 14, 2006

Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

Tenant \_\_\_\_\_ Date September 15, 2006

Print Name CADEMOCRATIC PTY CHRIS WAGAMAN

Address 1401-21ST ST#200 City SACRAMENTO State CA Zip 95814

Telephone (916)442-5707 Fax (916)442-5715 E-mail \_\_\_\_\_

Tenant \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Landlord \_\_\_\_\_ Date \_\_\_\_\_

(owner or agent with authority to enter into this agreement) TROY FULKS C/O WOOD PROPERTY

Address 1761 HOTEL CIRCLE SOUTH#112 City SAN DIEGO State CA Zip 92108

Telephone (858)492-1142 Fax (858)492-1132 E-mail WPM@SAN.RR.COM

Landlord \_\_\_\_\_ Date \_\_\_\_\_

(owner or agent with authority to enter into this agreement)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Leasing Firm) \_\_\_\_\_ DRE Lic. # \_\_\_\_\_

By (Agent) \_\_\_\_\_ DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) WOOD PROPERTY MANAGEMENT, INC. & SPRINGS DRE Lic. # 0775613

By (Agent) \_\_\_\_\_ DRE Lic. # 0775613 Date 09/15/2006

VICKI FRANKLIN

Address 1761HOTEL CIRCLE SOUTH#112 City SAN DIEGO State CA Zip 92108

Telephone (858)492-1142 Fax (858)492-1132584 E-mail WPM@SAN.RR.COM

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



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



**Dan McAllister**

San Diego County Treasurer-Tax Collector  
 P.O. BOX 128009 - San Diego, California 92112



**TOLL FREE:** (877) TAX4SDC (829-4732)  
**FAX:** (619) 531-6056  
**PAY ONLINE:** www.sdtreastax.com

For Fiscal Year Beginning July 1, 2004 and Ending June 30, 2005

**PROPERTY ADDRESS - DESCRIPTION - SUBDIVISION**

00421 NATIONAL CITY BLVD  
 POR IN ALLEY CLSD ADJ&IN LOT 6 MAP 106&IN LOT 4&IN LOT 5  
 MORRISONS SUB OF POR OF NATIONAL RANCH

CURRENT OWNER  
**FULKS TROY&ELISA**  
 790 PALOMAR ST #D  
 CHULA VISTA CA 91911

SPECIAL MESSAGES

*421 N.C. BLVD. P.D. CK.*

OWNER MESSAGES

MAP NO.	DESCRIPTION	VALUES & EXEMPTIONS
000008	LAND	\$
	IMPROVEMENTS	\$
	TOTAL L&I	\$
	PERSONAL PROPERTY EXEMPTIONS	\$
	HOMEOWNERS OTHER	\$
	NET TAXABLE VALUE	\$

**DOCUMENT NO.**  
529853

**DOCUMENT DATE**  
05/06/03

Owner of Record on January 1, 2004  
**FULKS TROY&ELISA**

291911 082230 23227 1/1 RETAIN THIS PORTION FOR YOUR RECORDS

PARCEL NO.	TAX RATE AREA	CORTAC NO.	FIRST INSTALLMENT	+	SECOND INSTALLMENT	=	TOTAL DUE
558-210-28-00	06045		2996.49		2996.49		5992.98

**YOUR TAX DISTRIBUTION**

AGENCY	BASE	RATE	TAX AMOUNT
1% TAX ON NET VALUE		1.00000	4176.54
VOTER APPROVED BONDS:			
NATIONAL CITY	NET	0.02000	89.54
HIGH SCHOOL	NET	0.01818	75.93
COMMUNITY COLLEGE	NET	0.01301	54.33
METRO WATER DISTRICT	NET	0.00580	24.22
TOTAL ON NET VALUE		1.05699	4414.56
FIXED CHARGE ASSMTS:			
PHONE #			
CO MOSQUITO/RAT CTRL	858-694-3555		2.28
SEWER SERVICE CHARGE	619-336-4580		44.22
DOWNTOWN PROP IMPRV	619-336-4580		1510.42
MWD WTR STANDBY CHRG	800-755-6864		11.50
CWA WTR AVAILABILITY	858-522-6900		10.00

**YOUR TAX DISTRIBUTION**

AGENCY	BASE	RATE	TAX AMOUNT
TOTAL AMOUNT			5992.98

# PACIFIC AUCTION EXCHANGE

PACIFIC AUCTION EXCHANGE OF SAN DIEGO - t: 858.755.1916 f: 858.630.3806  
13278 Lockett Ct, San Diego, CA 92130

## AUCTION PURCHASE AGREEMENT

1. **PURCHASE PRICE:** The undersigned Purchaser agrees to purchase the following property, known as \_\_\_\_\_, County of \_\_\_\_\_, California at the final bid price of \$ \_\_\_\_\_, plus the 10% Buyer's Premium in the amount of \$ \_\_\_\_\_, for a total purchase price of \$ \_\_\_\_\_, and that the purchase will be completed upon the following terms and conditions:

\$ \_\_\_\_\_ Earnest money deposit paid to Broker's trust account.

\$ \_\_\_\_\_ Balance of funds in cash at Closing.

\$ \_\_\_\_\_ Total Cash Purchase Price.

---

2. **PURCHASER'S PREMIUM:** The Purchaser acknowledges that this Auction Purchase Agreement is being executed as a result of Purchaser(s) being the highest bidder at an Auction conducted this date by Pacific Auction Exchange of San Diego, a PACIFIC AUCTION EXCHANGE franchisee (hereinafter "PAX") and that the total Contract Purchase Price set forth above is, by agreement and as disclosed prior to commencement of the Auction, Ten (10%) Percent higher than the amount Bid by Purchaser to reflect a "Purchaser's Premium" for the property.

3. **AGENCY:** Purchaser acknowledges PAX is the agent for the Seller, and that the payment of the "Purchaser's Premium" does not create or constitute an agency relationship between Purchaser(s) and PAX.

4. **FIXTURES AND PERSONALITY:** The Property includes the land and all appurtenant rights, privileges and easements, all buildings and fixtures, including without limitation, all of the following as are NOW on the Property: electrical, heating, cooling, plumbing and bathroom fixtures, awnings, screens, storm windows and doors, landscaping, disposals, TV antennas, rotor control units, built-in electronics wiring, smoke alarms, security systems, garage door openers and controls, attached carpeting, and any of the following items that are checked:  ranges and ovens  microwave ovens  dishwashers  gas grills  refrigerators  water softeners  window air conditioners  satellite TV reception systems  Fireplace:  tools  screens  glass doors  grates  andirons  all window treatments, and \_\_\_\_\_

NOT INCLUDED: \_\_\_\_\_

5. **TITLE:** Seller will deliver to Purchaser a Grant Deed at closing, free and clear of all material defects, except for existing utility easements and restrictions of record, city ordinances and zoning regulations, taxes and delinquent assessments and mortgages or other liens to be liquidated at closing. If title insurance is desired, it shall be at the Purchasers option and expense.

6. **PRORATION:** Escrow holder fees are to be shared equally between Seller and Purchaser. Delinquent taxes, delinquent assessments and delinquent homeowners association fees and condominium-fees and charges, if any, are to be paid by Seller and the current taxes and assessments, condominium fees, homeowners association fees and charges and rentals, if any, are to be prorated to the date of closing in accordance with the custom of the county in which the property is located. Agricultural tax recoupment, if any, shall be paid by Seller. Seller shall pay conveyance fees and all recording costs for the releases of any lien, mortgage or other encumbrance. Seller shall be responsible for maintaining fire and extended insurance coverage on the property until closing. Seller shall pay for all utilities to date of transfer of possession and shall notify Purchaser of the date of the final readings in order to avoid termination of utility service.

7. **RISK OF LOSS:** If any buildings or other improvements are materially damaged or destroyed by reason of fire or other casualty prior to delivery of the grant deed, Purchaser shall have the option (a) to complete said purchase and to receive the proceeds of any insurance payable in connection therewith; (b) terminate this agreement and recover all deposits made hereunder. Notice of either election shall be given by the Purchaser to the Seller and Broker within ten (10) days after the Purchaser has received written notice of such damage or destruction.

8. **NO CONTINGENCIES:** Purchaser and Seller acknowledge that this Agreement is **NOT SUBJECT TO ANY CONTINGENCIES.**

9. **PROPERTY CONDITION:** Purchaser acknowledges inspection of said property and knows the condition thereof and is purchasing said property from Seller in "AS IS, WHERE IS" condition, without warranty or representation, either statutory or otherwise, express or implied. Purchaser expressly acknowledges that neither PAX or its agents have made or make any warranty of any kind whatsoever, whether expressed or implied as to the physical condition or habitability of the property, except for the disclosure, as applicable, by Seller required by Section 1102 of the California Civil Code.

10. **CLOSING/DELIVERY:** Time is of an essence and closing is to be held within 30 days of the date hereof, except that Seller shall have an additional thirty (30) days, if necessary, to deliver clear and marketable title to Purchaser. Possession to be given at closing of escrow.

11. **BROKER'S COMMISSION:** Seller agrees to pay PAX the "Purchaser's Premium", as stated in the Listing Agreement, which sum shall be paid to PAX upon closing. Any commission due to PAX shall be paid before any part of the sales proceeds are disbursed to any other person or entity. The parties agree that all deposits and purchase funds shall be turned over to the escrow agent for its proper disbursement. If the Purchaser defaults in closing this agreement, PAX shall be entitled to receive fifty percent (50%) of the deposit paid by the Purchaser. If Seller seeks and obtains a judgment for specific performance of any agreement and/or damages in respect thereof, PAX shall be paid the full amount of its commission due.

12. **NO VERBAL AGREEMENTS:** It is understood between the Seller and Purchaser that no verbal agreements or understandings are binding in any manner whatsoever upon the parties hereto.

13. **Additional Terms:** \_\_\_\_\_

14. **DEFAULT:** PURCHASER SHALL HAVE THE RIGHT TO DAMAGES, INCLUDING REASONABLE ATTORNEYS FEES IN THE EVENT SELLER NEGLECTS OR REFUSES TO PERFORM SELLER'S OBLIGATIONS HEREUNDER. PURCHASER AND SELLER AGREE THAT BASED UPON CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGES BY REASON OF PURCHASER'S DEFAULT OF THIS CONTRACT. ACCORDINGLY, PURCHASER AND SELLER AGREE THAT IN THE EVENT OF A DEFAULT BY PURCHASER UNDER THIS CONTRACT, IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER "LIQUIDATED DAMAGES" EQUAL TO THE AMOUNT OF PURCHASER'S EARNEST MONEY DEPOSIT ("DEPOSIT"). SELLER SHALL HAVE THE ADDITIONAL RIGHT TO RECEIVE EQUITABLE RELIEF, INCLUDING WITHOUT LIMITATION, THE ALTERNATIVE RIGHT TO ENFORCE SPECIFIC PERFORMANCE OF THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("AGREEMENT").

Initialed by \_\_\_\_\_ Initialed by \_\_\_\_\_ Initialed by \_\_\_\_\_  
Purchaser Seller Seller

15. The term "Seller" shall be read as "Sellers" if more than one person are Sellers, in which case their obligations shall be joint and several. The term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case their obligation shall be joint and several.

16. The Seller and Purchaser agree that this Agreement may be executed in counterparts.

17. Purchaser shall look only to Seller as to all matters regarding this agreement and the property, including but not limited to (a) if Seller fails or refuses to or cannot close title hereunder or (b) if the property is affected in any way, is in need of attention or repairs or is in any other way unsatisfactory to Purchaser as Purchaser may determine before or after closing.

18. **INSPECTION:** PURCHASER REPRESENTS AND WARRANTS THAT PURCHASER AND PURCHASER'S EXPERTS HAVE THOROUGHLY AND CAREFULLY INSPECTED THE PROPERTY AND AGREE TO PURCHASE SAME "AS IS, WHERE IS", "WITH ALL FAULTS, IF ANY".

19. **ARBITRATION OF DISPUTES:** ANY CONTROVERSY OR CLAIM ARISING OUT OF THIS AGREEMENT OR A BREACH THEREOF NOT RESOLVED WITHIN THIRTY (30) DAYS, SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

**NOTICE:** BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY A NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. EACH PARTY TO THIS ARBITRATION PROVISION SHALL BEAR ITS OWN COSTS AND LEGAL FEES IN CONNECTION WITH ARBITRATION, UNLESS THE ARBITRATOR PROVIDES OTHERWISE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

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

Initialed by \_\_\_\_\_ Initialed by \_\_\_\_\_ Initialed by \_\_\_\_\_  
Purchaser Seller Seller

**THIS AUCTION PURCHASE AGREEMENT ENTERED INTO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.**

\_\_\_\_\_  
PURCHASER(S) SIGNATURE

\_\_\_\_\_  
SELLER(S) SIGNATURE

\_\_\_\_\_  
PURCHASER(S) NAME - (PRINT)

\_\_\_\_\_  
SELLER(S) NAME - (PRINT)

\_\_\_\_\_  
PURCHASER(S) SIGNATURE

\_\_\_\_\_  
SELLER(S) SIGNATURE

\_\_\_\_\_  
PURCHASER(S) NAME - (PRINT)

\_\_\_\_\_  
SELLER(S) NAME - (PRINT)

\_\_\_\_\_  
PURCHASER(S) ADDRESS

\_\_\_\_\_  
SELLER(S) ADDRESS

\_\_\_\_\_  
PURCHASER(S) PHONE NUMBER(S)

\_\_\_\_\_  
SELLER(S) PHONE NUMBER(S)