



## *Pacific Auction Exchange of San Diego*

Pacific Auction Exchange

*Professional Real Estate Auction Services & Accelerated Marketing*

# REAL ESTATE AUCTION

**FOR SALE TO THE HIGHEST BIDDER AFTER THE BID HITS \$299k!**



### **Bidder's Package**

**519-521 Highland Ave  
National City, CA**

**APN #556-311-03**

***Commercial Front/  
Residential Unit in Back***

Open Outcry Auction Date: Monday, December 18 at 4:07pm

Auction Location: 815 6th St, National City, CA (to be held on site)

Previews: Thursday, December 7 from 11-12:30. Tuesday, December 12 from 11-12:30.

Sunday, December 17 from 11am-1pm and 1 hour prior to auction.

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### ***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: 519-521 Highland Ave, National City, CA 91950**

**AUCTION DATE: Monday, December 18 at 4:07pm**

**AUCTION LOCATION: 815 6<sup>th</sup> St, National City**

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) Preliminary Title Report (Chicago Title) with Plat Map
- 4) Natural Hazard Disclosure/Property Tax Report (Geologix)
- 5) Transfer Disclosure Statement
- 6) Supplemental Statutory Disclosures
- 7) Lead-Based Paint Hazards Disclosure
- 8) Smoke Detector Statement of Compliance
- 9) Water Heater Statement of Compliance
- 10) Residential Earthquake Report Form
- 11) Owner's Statement: Terms of tenancy for 519, 521, and 521 ½ Highland Ave
- 12) 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.**

519-521 Highland Ave & 815 6th St, National City, CA 91950



815 6th St, National City, CA



519-521 Highland Ave  
National City, CA

# AUCTIONS

*For Sale to the highest bidder when the bid hits \$299k!!*

**Monday, December 18 at 4:07 pm**

*TO BE HELD ON SITE AT 815 6th St*

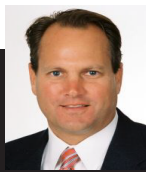
**519-521 Highland Ave has commercial front/home on back - APN #556-311-03**

**815 6th St could be used as home or office/4 bds! - APN #556-311-06**

**BOTH PROPERTIES ZONED COMMERCIAL!!**

*Pacific Auction Exchange  
of San Diego*

**Ron Blake - ron@paxsd.com**



**"DONE!"**



**1(888)712-DONE**

**www.SDRealEstateAuction.com**

## **BROKER PARTICIPATION INVITED!**

### **TERMS of AUCTION**

**BIDDER REGISTRATION:** All prospective buyers must register to bid. A cashier's check or certified check payable to **Pacific Auction Exchange of San Diego - Trust Account** in the following amounts will be required to bid on each property: **1) 815 6<sup>th</sup> St - \$15,000 2) 519-521 Highland Ave - \$20,000.** 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 each 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 "with all faults, if any." 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 815 6th St, National City, CA 91950.** Broker ID #01499312 Bond #FS7011648.

**BROKER PARTICIPATION INVITED:** Subject to established PAX of SAN DIEGO guidelines. Property 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 Sunday, December 17, 2006.

**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.

All information in this brochure 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 the auction date. **PAX of SAN DIEGO IS AN AGENT OF THE SELLER. THE INFORMATION CONTAINED HEREIN IS FROM SOURCES BELIEVED TO BE RELIABLE BUT BIDDER IS RESPONSIBLE FOR VERIFYING ALL FACTS. NEITHER SELLER NOR BROKER ASSUMES LIABILITY FOR ANY INACCURACIES.** The seller reserves the right to cancel or withdraw properties from the auction without prior notice. Property subject to prior sale.

## **PROPERTY PREVIEWS:**

**(TO BE CONDUCTED FROM 815 6th St)**

**Thursday, December 7, from 11am-12:30pm**

**Tuesday, December 12, from 11am-12:30pm**

**Sunday, December 17, from 11am-1pm**

**and 1 hour prior to auction**

**Live Auction to be held  
at 815 6th St  
National City, CA 91950**

**For Sale to the high bidder  
after the bid hits \$299k!**

## TERMS of AUCTION

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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 4/06)

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).

Signature lines for Buyer and Seller, Agent name (Ron Blake), and Agent signature (Associate-Licensee or Broker Signature) with dates.

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.

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



AD REVISED 4/06 (PAGE 1 OF 2)

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS (AD PAGE 1 OF 2)

Agent: Ronald Blake Phone: (858) 755 - 1916 Fax: (858) 630 - 3806 Prepared using WINForms® software Broker: Pacific Auction Exchange of San Diego 13278 Lockett Ct San Diego, CA 92130



CHICAGO TITLE COMPANY

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## PRELIMINARY REPORT

Dated as of: November 6, 2006 at 7:30 AM

Order No.: 608027271 - P05

Regarding: 519-521 Highland Ave.  
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  
AMERICAN LAND TITLE ASSOCIATION LOAN EXTENDED COVERAGE POLICY

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

Title Department:



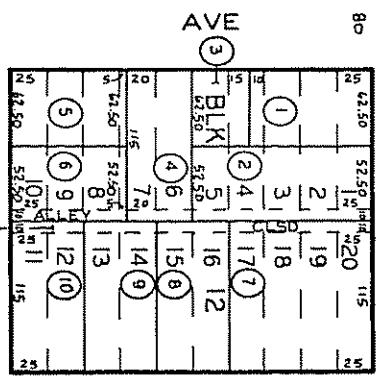
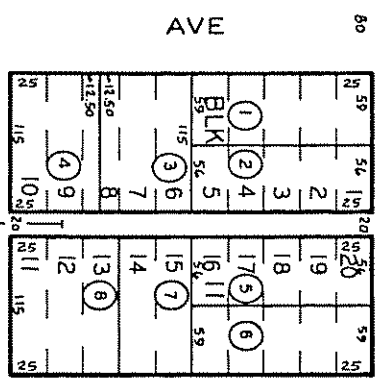
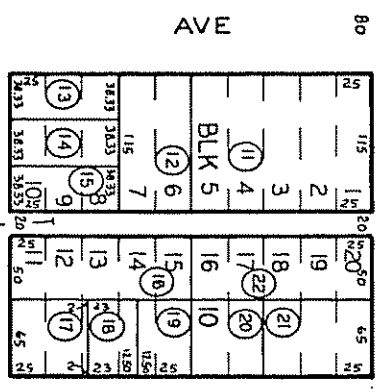
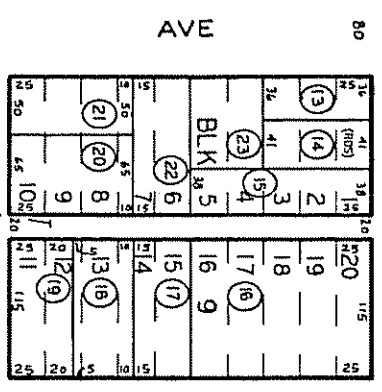
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**CHICAGO TITLE COMPANY**  
2365 NORTHSIDE DR. #600  
SAN DIEGO, CA 92108  
(619)521-3448 fax: (619)521-3629

Sheila Hollander  
TITLE OFFICER  
HollanderS@CTT.com

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"This plat is for your aid in locating your land with reference to streets and other parcels. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon."

1"=100'

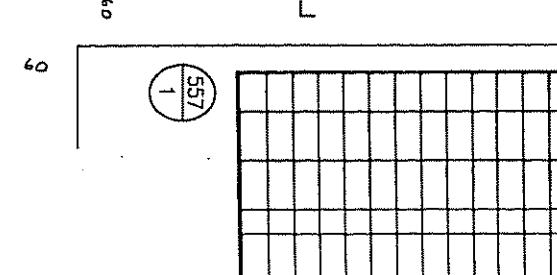
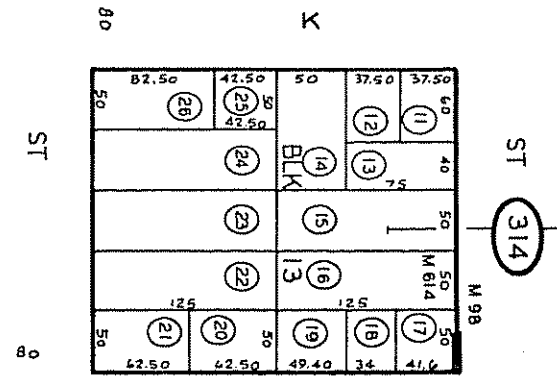
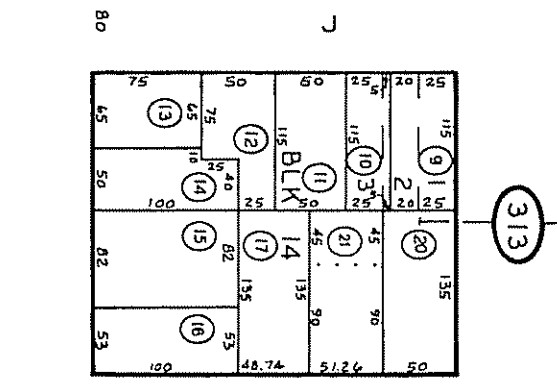
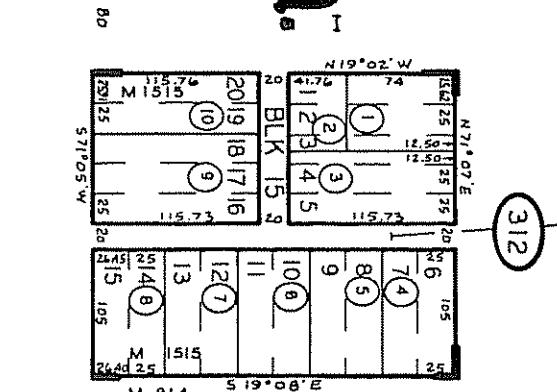
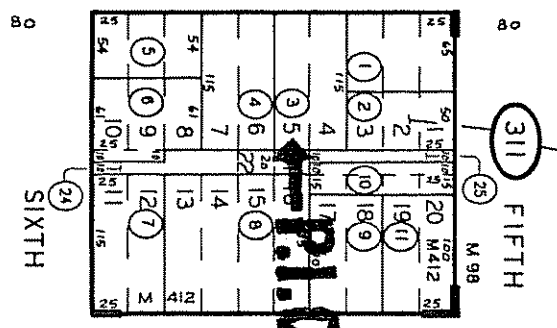
9/30/2008 JCD

**CHANGES**

BLK OLD	NEW	CUT
311	150	13-23
312	250	11-22
313	350	1-20
314	450	1-26
315	550	1-20
311	12	24&25 07 1028

557	1
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HIGHLAND AVE



311 FIFTH

312

313

314

SIXTH

ST

ST



608027271  
5-31788  
SAN DIEGO COUNTY  
ASSESSOR'S MAP  
BOOK 356 PAGE 31

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

- MAP 1515 - PEPPER PLAT
- MAP 614 - COPELAND SUB
- MAP 412 - PADRICKS SUB OF POR 1/4 SEC 131 RHO DE LA NACION
- MAP 98 - FRANK A KIMBALLS SUB
- ROS 13498, 18534

# SCHEDULE A

Order No: 608027271 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:

RANDALL WINCHELL AND TAMI WINCHELL, HUSBAND AND WIFE, AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP, AS TO AN UNDIVIDED 25.0000% INTEREST; STEPHEN N. SMITH, AN UNMARRIED MAN, AS TO AN UNDIVIDED 25.0000% INTEREST AND AGNES KENWORTHY, A WIDOW AS TO AN UNDIVIDED 25.0000% INTEREST AND STANMORE G. LANGFORD, III, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 25.0000% INTEREST

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

LOTS 4 AND 5 OF W. W. PADRICK'S SUBDIVISION OF THE WEST QUARTER OF THE SOUTH HALF OF 20 ACRE LOT 3 IN QUARTER SECTION 131, RANCHO DE LA NACION, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 412, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 15, 1887.

BEING ALSO KNOWN AS LOTS 4 AND 5 IN BLOCK 16 OF SUBDIVISION OF THE SOUTH HALF OF 20 ACRE LOT 3 IN QUARTER SECTION 131 OF RANCHO DE LA NACION ACCORDING TO MAP THEREOF NO. 614, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 7, 1889.

# SCHEDULE B

Page 1

Order No: 608027271 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: \$1,950.36 UNPAID  
PENALTY: \$195.03 (DUE AFTER DECEMBER 10)  
2ND INSTALLMENT: \$1,950.36 UNPAID  
PENALTY AND COST: \$205.03 (DUE AFTER APRIL 10)  
HOMEOWNERS  
EXEMPTION: \$NOT SHOWN  
CODE AREA: 06045  
ASSESSMENT NO: 556-311-03

- 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. RESOLUTION NO. 96-136 OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ESTABLISHING UNDERGROUND UTILITY DISTRICT NO. 21 (HIGHLAND AVENUE FROM DIVISION STREET TO EIGHTH STREET) RECORDED SEPTEMBER 30, 1996, AS FILE NO. 1996-0493805 OFFICIAL RECORDS.

D END OF SCHEDULE B

E NOTE NO. 1: 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.

F 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

# SCHEDULE B (continued)

Order No: 608027271 P05

Your Ref:

OFFICER OR ESCROW OFFICER.

G NOTE NO. 3: 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: STEPHEN N. SMITH AND BUYER

(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.)

H 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.

I NOTE NO. 5: RIGHTS OF PARTIES IN POSSESSION.

J NOTE NO. 6: MATTERS WHICH MAY BE DISCLOSED BY AN INSPECTION OR SURVEY OF SAID LAND OR BY INQUIRY OF THE PARTIES IN POSSESSION THEREOF.

K NOTE NO. 7: THE ONLY CONVEYANCES AFFECTING SAID LAND, WHICH RECORDED WITHIN TWENTYFOUR (24) MONTHS OF THE DATE OF THIS REPORT, ARE AS FOLLOWS:

GRANTOR: MELVIN L. STANTON, AS ASSISTANT TREASURER OF THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, SUCCESSOR TRUSTEE U.D.T. SEPTEMBER 7, 1994  
GRANTEE: RANDALL WINCHELL AND TAMI WINCHELL, HUSBAND AND WIFE, AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP, AS TO AN UNDIVIDED 25.0000% INTEREST; STEPHEN N. SMITH, AN UNMARRIED MAN, AS TO AN UNDIVIDED 25.0000% INTEREST AND AGNES KENWORTHY, A WIDOW AS TO AN UNDIVIDED 25.0000% INTEREST AND STANMORE G. LANGFORD, III, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, AS TO AN UNDIVIDED 25.0000% INTEREST  
RECORDED: FEBRUARY 9, 2006, AS FILE NO. 2006-0097444, OFFICIAL RECORDS

L NOTE NO. 8: THE ONLY CONVEYANCES AFFECTING SAID LAND, WHICH RECORDED WITHIN TWENTYFOUR (24) MONTHS OF THE DATE OF THIS REPORT, ARE AS FOLLOWS:

# SCHEDULE B (continued)

Order No: 608027271 P05

Your Ref:

GRANTOR: LYNN D. LANGFORD  
 GRANTEE: STANMORE G. LANGFORD, III, A MARRIED MAN AS HIS SOLE  
 AND SEPARATE PROPERTY  
 RECORDED: FEBRUARY 9, 2006, AS FILE NO. 2006-0097446, OFFICIAL  
 RECORDS

# NOTE NO. 9: THERE IS LOCATED ON SAID LAND COMMERCIAL PROPERTY KNOWN AS  
 519-521 Highland Ave., National City, CALIFORNIA 91950.

N NOTE NO. 10: NONE OF THE ITEMS SHOWN IN THIS REPORT WILL CAUSE THE COMPANY  
 TO DECLINE TO ATTACH CLTA ENDORSEMENT FORM 100 TO AN ALTA LOAN POLICY, WHEN  
 ISSUED.

O 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: 608027271

ATTN: SHEILA HOLLANDER  
 \_\_\_\_\_  
 TITLE OFFICER

P NM

## 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.

**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.

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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; (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 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 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; 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.



### 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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## 2005/06 Commercial and Multi-Family Residential Property Tax Disclosure Report

Parcel Number:  
**556-311-03-00**

Property Address:  
**519-21 Highland Ave | National City Ca 91950-2428**

County:  
**San Diego**

Report Date:  
**11/17/2006**

The information contained in this report is intended for the exclusive benefit and use of the recipient(s). No person other than the recipient(s) should rely upon, refer to, or use this report, or any information contained within this report, for any purpose. The recipient(s) should carefully read the explanation of services, and the conditions and stipulations contained in this report. No recipient may rely on this report unless full payment for it is made.

*This report satisfies the Seller's obligation to disclose Mello-Roos taxes and 1915 Act assessments affecting this property, and is compliant with all provisions of Senate Bill 1122.*

### CONTENTS

*The following report contents meet or exceed the legal disclosure standards defined in California Civil Code Section 1102.6b:*

- Buyer's Acknowledgement Summary (Signature Required)
- Seller's Secured Tax Bill Summary
- Statutory Notice of Special Tax/Assessment (Signature Required)
- Other Special Assessments
- Accelerated Foreclosure Summary
- General Information about California Secured Property Tax Bills



# Buyer's Acknowledgement Summary

This is a notification to you prior to your purchasing this property.

Parcel Number: 556-311-03-00  
Property Address: 519-21 Highland Ave | National City Ca 91950-2428  
County: San Diego  
Report Date: 11/17/2006

The above referenced property is affected by general property taxes (called ad valorem taxes), which are based on the net assessed value of your property. The ad valorem tax is charged to every taxable property in the state and is set at 1% of the net value of property each year. This basic tax rate may be increased slightly over 1% by voter approved bond issues for your school district, city or other regional project.

In addition, the above referenced property lies within the following special tax and/or special assessment districts. These assessments and taxes will be taxed in addition to ad valorem taxes each year:

STATUS	DESCRIPTION OF TAX CATEGORY
NO	One or more Mello-Roos Community Facilities Districts (Additional signatures required on following pages)
NO	One or more 1915 Bond Act Assessment Districts (Additional signatures required on following pages)
NO	Other special financing districts
YES	Other direct assessments

The following disclosure is made by the Transferor pursuant to Government Code §53341.5 and Civil Code §1102.6b. The representations made in this disclosure report are based on information provided by an independent third party report provided as a substituted disclosure pursuant to California Civil Code §1103.4. Neither the Transferor nor the Transferor's agent(s) has 1) independently verified the information contained in this report, or 2) is personally aware of any errors or inaccuracies in the information contained in this form.

## Report Terms and Conditions

The information provided in this report was prepared by Alliant Tax Research Inc. ("Alliant"). The purpose of this report is to provide a determination of whether the current secured property tax bill for this parcel contains a Mello-Roos special tax or a 1915 Act Bond Assessment District charge, and to assist the Seller in fulfilling his or her duty to disclose the presence of Mello-Roos taxes and 1915 Act Bond Assessment District charges and to comply with California Civil Code §1102.6b if applicable. This report is not a substitute for a title report or title insurance and may not be relied upon as such. Items not yet levied on the tax bill, items not appearing on the current tax bill, items direct billed, and items removed from the current tax bill for any reason may not be reflected on this report. Estimates of future charges, if provided, are only estimates and may not be inclusive. This report is for the exclusive benefit of the specific Buyer and specific Seller for which this report was prepared and there shall be no third party beneficiaries. This report may not be used in any subsequent transaction affecting the subject property. This report is valid for commercial or industrial property transactions.

While this report contains data gathered from what Alliant believes to be reliable sources, the amount of the levy and end year may be subject to change in the future. The Maximum Tax amount provided is an estimate, calculated based on available County assessor data or third party data. Calculations may vary from those calculated by the issuer, due to several factors including differences in interpretation of the Special Tax Formula, availability of data, and change or correction of classification from year to year. Items not included on the current year tax bill but shown on this report represent an estimate and are not intended to be comprehensive. Other taxes and assessments may exist that are not yet levied on the tax bill or not levied during the tax year on the report. This report was compiled using information obtained from the County on a given date and may not reflect changes made later by the County or the local government agencies levying charges against this property. This information is subject to change and Alliant does not have a duty to update the report for any tax bill, legislative or related changes that may occur in the future. This report was prepared based upon records provided by various governmental agencies and third parties. Alliant has assumed that these agency records are accurate and complete, but Alliant has not conducted any independent verification of their accuracy or completeness. Alliant shall not be responsible for any inaccuracies or omissions in the public records of the various governmental agencies or for information provided by third parties.

The Buyer represents that he or she has read and understands the information contained in this report:

Signature of Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

# Seller's Secured Tax Bill Summary

Parcel Number: 556-311-03-00  
 Property Address: 519-21 Highland Ave | National City Ca 91950-2428  
 County: San Diego  
 Report Date: 11/17/2006

**Important Tax Year Note:** Please note that while the 2006/07 Tax Year is now in effect, secured tax bills are normally not printed and mailed by the County until later in the year. Also there is a lag time of several weeks when each county releases tax data to data providers. Consequently this report reflects only 2005/06 tax bill information at this time. The new tax bill information will not be reflected on this report until the data is made available and this report is marked 2006/07. Please contact the county and refer to your title report for more updated information until this report reflects the new information.

The following listing is a summary of the current year secured property tax bill. It is provided for informational purposes only. Ad valorem taxes are calculated annually based on the assessed value of the land and improvements. When a property is sold, the assessed values will be reset to the sale price. Ad valorem taxes can therefore change dramatically if the sales price differs from the current assessed value of the property.

**Please Note:** All information on this page is based on 2005/06 data only. Ad valorem taxes are historical and are subject to change when a home sells. No warranties are made regarding this information. The information on this page is not provided as a disclosure by seller or his/her agents.

## Ad Valorem Taxes (Note: Historical only, based on the seller's tax bill)

The following include both the basic levy authorized by Proposition 13, plus any additional voter approved general obligation debt. The amount you pay will be based on the purchase price of your home less any exemptions, times the estimated tax rate.

Agency	Levy Description	Contact Phone	2005/06 Levy
County of San Diego	Basic Ad Valorem Levy Basic 1% ad valorem levy on net value (Proposition 13) plus voter approved overrides	(619) 531-5399	\$ 962.70
<b>Total Ad Valorem Taxes:</b>			<b>\$ 962.70</b>

## Special Assessments

The following include all special assessments and special taxes included on the tax bill.

Agency	Direct Assessment Description	Contact Phone	2005/06 Levy
County of San Diego Health Services	Mosquito and Rat Control Assessment	(858) 694-2888	\$ 2.28
County of San Diego Health Services	Mosquito and Disease Control Assessment	(800) 273-5167	\$ 4.28
San Diego County Water Authority	Water Availability Charge	(619) 682-4226	\$ 10.00
Metropolitan Water District	Water Standby Charge	(800) 755-6864	\$ 11.50
City of National City	Sewer Service Charge	(619) 336-4256	\$ 471.76
<b>Total Special Assessments:</b>			<b>\$ 499.82</b>
<b>Total 2005/06 Tax Bill:</b>			<b>\$ 1,462.52</b>

# Statutory Notice of Special Tax/Assessment

To the prospective purchaser  
of the real property  
known as:

Assessor's Parcel Number: 556-311-03-00  
Address/Legal Description: 519-21 Highland Ave | National City Ca 91950-2428  
Report Date: 11/17/2006

This is a notification to you prior to your purchasing this property.

## Mello-Roos Community Facilities Districts:

This property is subject to a special tax, which is in addition to the regular property taxes and any other charges and benefit assessments on the parcel. The special tax may not be imposed on all parcels within the city or county where the property is located. If you fail to pay this tax when due each year, the property may be foreclosed upon and sold. The tax is used to provide public facilities or services that are likely to particularly benefit the property.

There is a maximum tax that may be levied against this parcel each year to pay for public facilities. This amount may be subject to increase each year based on the special tax escalator listed below (if applicable). The annual tax charged in any given year may not exceed the maximum tax amount. However, the maximum tax may increase if the property use changes, or if the home or structure size is enlarged. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid. If additional bonds are issued, the estimated end date of the special tax may be extended.

The authorized facilities which are being paid for by the special taxes and the money received from the sale of the bonds are summarized below. These facilities may not yet have all been constructed or acquired and some may never be constructed or acquired.

**This parcel IS NOT subject to any Mello-Roos special taxes on the 2005/06 tax bill.**

**You should take this tax and the benefits from the public facilities and services for which it pays into account in deciding whether to buy this property.** You may obtain a copy of the resolution of formation which authorized creation of the community facilities district, and which specifies more precisely how the special tax is apportioned and how the proceeds of the tax will be used, by calling the contact name and number listed above. There may be a charge for this document not to exceed the estimated reasonable cost of providing the document.

## 1915 Act Bond Assessment Districts:

This property is within the assessment district(s) named below. Each assessment district has issued bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to property within that assessment district. The bonds will be repaid from annual assessment installments on property within the assessment district.

This property is subject to annual assessment installments of the assessment district that will appear on your property tax bills, but which are in addition to the regular property taxes and any other charges and levies that will be listed on the property tax bill. If you fail to pay assessment installments when due each year, the property may be foreclosed upon and sold. The annual assessment installment against this property as shown on the most recent tax bill for the 2005/06 tax year is listed in the table below. Assessment installments will be collected each year until the assessment bonds are repaid.

The public facilities that are being paid for by the money received from the sale of bonds that are being repaid by the assessments are included in the table below. These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

**This parcel IS NOT subject to any 1915 Act Bond assessments on the 2005/06 tax bill.**

**You should take this assessment and the benefits from the public facilities for which it pays into account in deciding whether to buy this property.** You may obtain a copy of the resolution confirming assessments that specifies more precisely how the assessments are apportioned among properties in the assessment district by calling the contact name and number listed above. There may be a charge for this document not to exceed the estimated reasonable cost of providing the document.

I (we) acknowledge that I (we) have received a copy of this notice. I (we) understand that if Mello-Roos and/or 1915 Bond assessments affect this property, I (we) may terminate the contract to purchase or deposit receipt after receiving this notice from the owner or agent selling the property. The contract may be terminated within three days if the notice was received in person or within five days after it was deposited in the mail by giving written notice of termination to the owner or agent selling the property.

Buyer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# Other Special Assessments

This section provides detail on other assessments (aside from the Mello-Roos and 1915 Act charges identified on the prior pages) that will affect the property.

## Other Special Assessment Liens/Financing:

In some instances, local government agencies may use alternate means of financing projects, including state loans, agency loans, 1911 Act assessment district bonds, other types of improvement bonds, and other methods to pay the cost of a capital project. Also, there may be other fixed schedule items on the tax bill that must be paid over a number of years. In some cases, these amounts may be prepaid. Also, for internally financed projects, the loan may need to be paid off prior to transfer of property.

**This parcel has no Other Special Assessment District charges on the 2005/06 tax bill.**

## Other Direct Assessments:

In addition to the items listed in the previous sections, as of the 2005/06 tax year, your property is subject to the following additional Direct Assessments that do not impose special accelerated foreclosure liens on your property.

Agency	Direct Assessment Description	2005/06 Levy	Contact Phone
County of San Diego Health Services	Mosquito and Disease Control Assessment	\$ 4.28	Staff (800) 273-5167
Metropolitan Water District	Water Standby Charge	\$ 11.50	Public Info (800) 755-6864
City of National City	Sewer Service Charge	\$ 471.76	Zinda Jimenez (619) 336-4256
San Diego County Water Authority	Water Availability Charge	\$ 10.00	Mickey Zeichick (619) 682-4226
County of San Diego Health Services	Mosquito and Rat Control Assessment	\$ 2.28	Staff (858) 694-2888

These direct assessments and charges will appear annually on your property tax bill. In most cases, these are subject to public notice and hearing requirements (as controlled by Proposition 218) and any increases or additions must be approved by a vote of the registered landowners (or registered voters, depending upon the specific legislation). While they do not impose an accelerated foreclosure lien, they do result in an increased annual tax rate. For additional information on a particular special assessment, please call the phone number listed above.

# Accelerated Foreclosure Summary

**Important:** If any items are listed below, your property has accelerated foreclosure liens attached to it. These have priority over other property taxes, and are part of the security for a municipal bond issue (or else are part of a Mello-Roos community facilities district). The issuers of these bonds are often contractually required to monitor and collect delinquent assessments quickly. There is no five year waiting period. If you fail to pay your property tax bills when due each year, the property may be foreclosed upon and sold. **Therefore, it is important to pay your property tax bill on time. If you cannot, you should contact your lender to discuss alternate arrangements.**

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## Mello-Roos Community Facilities Districts:

Agency/District	2005/06 Tax Year Information
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No Mello-Roos Community Facilities Districts

## 1915 Act Bond Assessment Districts:

Agency/District	2005/06 Tax Year Information
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No 1915 Act Bond Districts.

## Other Districts That Include (or May Include) Accelerated Foreclosure:

Agency/District	2005/06 Tax Year Information
-----------------	------------------------------

No Additional Accelerated Foreclosure Districts.

**Note:** Many properties in California have Mello-Roos or other bonded assessments. As a result, these properties usually have newer amenities and other benefits that may enhance property value. However, if any items are listed on this page, as a buyer it is important to pay the tax bill on time, or arrange to have property taxes impounded, to avoid penalties or the threat of accelerated foreclosure.

# General Information about California Secured Property Tax Bills

California's secured property tax bills consist of two types of charges: 1) ad valorem taxes and 2) special assessments. These are explained briefly below.

## 1) Ad Valorem Taxes

Ad valorem taxes are based on the value of property. The basic ad valorem tax is the statewide tax authorized by California law. This general tax is 1% of the assessed value of the property each year. This tax is shared by the state, schools, cities and counties. In addition, voters can approve local additional ad valorem overrides that put the ad valorem tax rate over 1%. These overrides normally involve general obligation bond debt. These general obligation bonds do not place a special lien on any one property but simply increase the ad valorem tax rate slightly over 1%.

## 2) Special Assessments

Anything that is not an ad valorem tax is called a "special assessment" or a "direct assessment." These charges are local in nature and are used to fund local improvements or public services that provide some type of general or direct benefit to the property. Special assessments are not tax rates and by law cannot be based on the value of property. Instead, each special assessment district has some type of benefit formula that is used to calculate the amount of the assessment on each parcel. Special assessments can be levied using a variety of laws, including the Mello-Roos Community Facilities Act of 1982; various assessment district bond acts such as the 1915 Act or 1911 Act; or through a variety of non-bonded charges such as the 1972 Act Landscape and Lighting Act, the 1982 Benefit Assessment Act, user fees, service charges and other methods. Some commonly used types of special assessments are:

- a) **Mello-Roos Community Facilities Districts.** This is a type of special assessment financing frequently used to fund infrastructure, schools and many types of public services such as police, fire, landscaping, etc. A Mello-Roos district may or may not involve a bond sale. Mello-Roos districts place a senior lien on the property that has a provision for accelerated foreclosure action by the levying agency if property taxes are not paid on time. Because of this, California law now requires disclosure of Mello-Roos taxes in real estate transactions.
- b) **1915 Bond Act Assessment Districts.** This is another type of special assessment financing method frequently used to fund infrastructure and other public improvements in California. The 1915 Act is a bond act only, meaning another assessment district formation act must be used to form the boundaries of the district before 1915 Act bonds may be sold. These formation districts are usually one of these: the 1913 Act, the 1911 Act or the 1972 Act. Issuance of 1915 Act bonds places a senior lien on the property that has a provision for accelerated foreclosure action by the bond issuer if property taxes are not paid on time. Because of this, California law now requires disclosure of assessments securing 1915 Act bonds in real estate transactions.
- c) **Other Bonded Districts.** In addition to Mello-Roos and the 1915 Act, there are other types of land-secured bonds that may impact California property. These include improvement bonds issued under the 1911 Act or other improvement bonds issued under county or charter city laws. Some of these do include the power of accelerated foreclosure; the Alliant tax report will include such items on the "Summary of Items Subject to Accelerated Foreclosure" page.
- d) **Maintenance Districts.** In most newer communities in California, the cost of maintaining common areas, landscaping, street lighting, storm drains and parks is often handled through Landscape and Lighting Maintenance Assessment Districts. These may be formed under the 1972 Landscaping and Lighting Act or other legislation; these are approved annually through a public hearing process. They may have a cost-of-living increase or other formula but must be renewed every year. These districts are often referred to as "cost recovery districts" since they provide a means for government to provide a specific service and have the cost recovered through assessing those properties that benefit from the services.
- e) **User Fees and Service Charges.** Many municipalities charge user fees for services to the property such as water and sewer. Instead of billing the property owner directly for monthly or quarterly fees, the service charge is collected annually on the property tax bill.
- f) **Standby or Availability Charges.** Local agencies that provide water and sewer services are also authorized to levy Standby or Availability Charges. These annual assessments are charged to help fund the future availability of services to the area or the expansion of services to meet future growth.
- g) **County Service Areas, Community Services Districts and Permanent Road Divisions.** In unincorporated areas of a county, the county may provide services to specific areas through the formation of a County Service Areas ("CSA") or a Community Services District. Then, a specific community may receive enhanced services such as road maintenance, landscaping, street lighting and park maintenance, and repay the county (or itself, if a Community Services District) through special service charges or assessments. Permanent Road Divisions are a similar type of entity formed by a county to provide road improvement and maintenance in unincorporated areas.
- h) **Benefit Assessments and Parcel Taxes.** School Districts and other local agencies commonly levy voter-approved annual special parcel taxes or benefit assessments. These are annual charges that pay for specific service. Commonly used benefit assessments and parcel taxes are those to pay for schools, fire protection, flood control and storm water maintenance or police services.
- i) **Penalties.** Local agencies have the ability to place delinquent account charges for property related services or civil penalties directly on the tax bill. These may include delinquent utility bills, fees for parcel cleanup and weed abatement and fees for civil penalties.

### ***Airport Proximity***

**Date: November 17, 2006**

**Address: 519-21 Highland Ave.  
City: National City, CA**

**APN: 556-311-03-00  
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®

REAL ESTATE TRANSFER DISCLOSURE STATEMENT (CALIFORNIA CIVIL CODE §1102, ET SEQ) (C.A.R. Form TDS, Revised 10/03)

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF National City, COUNTY OF San Diego, STATE OF CALIFORNIA, DESCRIBED AS Home behind 519-521 Highland Ave, National City CA 91950

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF (date) . IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- Inspection reports completed pursuant to the contract of sale or receipt for deposit.
Additional inspection reports or disclosures:

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller is not occupying the property.

A. The subject property has the items checked below (read across)

- Range, Dishwasher, Washer/Dryer Hookups, Burglar Alarms, T.V. Antenna, Central Heating, Wall/Window Air Conditioning, Septic Tank, Patio/Decking, Sauna, Hot Tub, Locking Safety Cover\*, Security Gate(s), Garage: Attached, Pool/Spa Heater: Gas, Water Heater: Gas, Water Supply: City, Gas Supply: Utility, Window Screens, Exhaust Fan(s) in, 220 Volt Wiring in, Fireplace(s) in, Gas Starter, Roof(s): Type, Age, Other, Oven, Trash Compactor, Microwave, Garbage Disposal, Rain Gutters, Fire Alarm, Intercom, Evaporator Cooler(s), Public Sewer System, Water Softener, Gazebo, Pool, Child Resistant Barrier\*, Automatic Garage Door Opener(s)\*, Not Attached, Solar, Water Heater Anchored, Braced, or Strapped\*, Well, Bottled, Window Security Bars, Quick Release Mechanism on Bedroom Windows\*, Spa, Locking Safety Cover\*, Number Remote Controls, Carport, Electric, Private Utility or Other

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? Yes No. If yes, then describe. (Attach additional sheets if necessary):

(\*see footnote on page 2)

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Buyer's Initials ( ) ( )
Seller's Initials ( ) ( )
Reviewed by Date



Property Address: Home behind 519-521 Highland Ave. National City CA 91950 Date: \_\_\_\_\_

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

- Interior Walls  Ceilings  Floors  Exterior Walls  Insulation  Roof(s)  Windows  Doors  Foundation  Slab(s)
- Driveways  Sidewalks  Walls/Fences  Electrical Systems  Plumbing/Sewers/Septics  Other Structural Components

(Describe: ELECTRICAL, PLUMBING AND GARAGE CONVERSION MAY NOT BE TO CODE - BUYER TO INSPECT TO THEIR SATISFACTION)

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

\*This garage door opener or child resistant pool barrier may not be in compliance with the safety standards relating to automatic reversing devices as set forth in Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or with the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. The water heater may not be anchored, braced, or strapped in accordance with Section 19211 of the Health and Safety Code. Window security bars may not have quick release mechanisms in compliance with the 1995 Edition of the California Building Standards Code.

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

If the answer to any of these is yes, explain. (Attach additional sheets if necessary):  
2) POSSIBLE WALLS + FENCES IN COMMON WITH NEIGHBORS  
4+5) GARAGE CONVERSION W/OUT PERMITS. MAY NOT BE TO CODE  
10) NOT AWARE OF ANY NON-CONFORMING USES BUT POSSIBLE -  
BUYER TO INSPECT TO THEIR SATISFACTION

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

Seller [Signature] Date 11/18/06  
Seller \_\_\_\_\_ Date \_\_\_\_\_

Buyer's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Property Address: Home behind 519-521 Highland Ave, National City CA 91950 Date: \_\_\_\_\_

**III. AGENT'S INSPECTION DISCLOSURE**

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

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

Agent notes no items for disclosure.

Agent notes the following items: CRACKS AND UNEVEN DRYWALL IN PLACES. WARPED SIDING OUTSIDE MAY BE WATER DAMAGED IN NEED OF MAINTENANCE.

Agent (Broker Representing Seller) RON BLAKE (Please Print) By [Signature] (Associate Licensee or Broker Signature) Date 11/29/06

**IV. AGENT'S INSPECTION DISCLOSURE**

(To be completed only if the agent who has obtained the offer is other than the agent above.)

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

Agent notes no items for disclosure.

Agent notes the following items: \_\_\_\_\_

Agent (Broker Obtaining the Offer) \_\_\_\_\_ (Please Print) By \_\_\_\_\_ (Associate Licensee or Broker Signature) Date \_\_\_\_\_

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

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

Seller [Signature] Date 11/10/06 Buyer \_\_\_\_\_ Date \_\_\_\_\_

Seller \_\_\_\_\_ Date \_\_\_\_\_ Buyer \_\_\_\_\_ Date \_\_\_\_\_

Agent (Broker Representing Seller) \_\_\_\_\_ (Please Print) By \_\_\_\_\_ (Associate Licensee or Broker Signature) Date \_\_\_\_\_

Agent (Broker Obtaining the Offer) \_\_\_\_\_ (Please Print) By \_\_\_\_\_ (Associate Licensee or Broker Signature) Date \_\_\_\_\_

SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

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

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





CALIFORNIA ASSOCIATION OF REALTORS®

SUPPLEMENTAL STATUTORY AND CONTRACTUAL DISCLOSURES

(C.A.R. Form SSD, Revised 4/06)

1. Seller makes the following disclosures with regard to the real property or manufactured home described as Home behind 519-521 Highland Ave, Assessor's Parcel No. 556-311-03 situated in National City, County of San Diego, California, ("Property").

2. THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT(S) AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN. A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF SELLER OR BUYER DESIRE LEGAL ADVICE, CONSULT AN ATTORNEY.

- 3. Are you (Seller) aware of any of the following? (Explain any "yes" answers below.)
A. Within the last 3 years, the death of an occupant of the Property upon the Property.
B. An Order from a government health official identifying the Property as being contaminated by methamphetamine...
C. Whether the Property is located in or adjacent to an "industrial use" zone...
D. Whether the Property is affected by a nuisance created by an "industrial use" zone...
E. Whether the Property is located within 1 mile of a former federal or state ordnance location...
F. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision...
G. Insurance claims affecting the Property within the past 5 years...
H. Matters affecting title of the Property...
I. Material facts or defects affecting the Property not otherwise disclosed to Buyer...
Explanation, or (if checked) see attached:

C. PROPOSED ADJACENT TO COMMERCIAL/RESTAURANT

4. Seller represents that the information herein is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a Copy of this statement to any person or entity in connection with any actual or anticipated sale of the Property.

Seller [Signature] Date 11/11/06

5. By signing below, Buyer acknowledges Buyer has read, understands and received a copy of this Supplemental Statutory and Contractual Disclosures.

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Agent (Broker Representing Seller) \_\_\_\_\_

By (Associate-Licensee or Broker Signature) \_\_\_\_\_ Date \_\_\_\_\_

Agent (Broker Obtaining the Offer) \_\_\_\_\_

By (Associate-Licensee or Broker Signature) \_\_\_\_\_ Date \_\_\_\_\_

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



SSD REVISED 4/06 (PAGE 1 OF 1)

SUPPLEMENTAL STATUTORY AND CONTRACTUAL DISCLOSURES (SSD PAGE 1 OF 1)

Agent: Ronald Blake Phone: (858) 755 - 1916 Fax: (858) 630 - 3806 Prepared using WINForms® software
Broker: Pacific Auction Exchange of San Diego 13278 Lucket Ct San Diego, CA 92130



CALIFORNIA ASSOCIATION OF REALTORS®

LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE, ACKNOWLEDGMENT AND ADDENDUM For Pre-1978 Housing Sales, Leases, or Rentals (C.A.R. Form FLD, Revised 1/03)

The following terms and conditions are hereby incorporated in and made a part of the: [ ] California Residential Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, or [X] other: Auction Purchase Agreement, dated Home behind 519-521 Highland Ave, National City CA 91950, on property known as: which is referred to as Buyer or Tenant and is referred to as Seller or Landlord.

LEAD WARNING STATEMENT (SALE OR PURCHASE) Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

LEAD WARNING STATEMENT (LEASE OR RENTAL) Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive federally approved pamphlet on lead poisoning prevention.

1. SELLER'S OR LANDLORD'S DISCLOSURE

I (we) have no knowledge of lead-based paint and/or lead-based paint hazards in the housing other than the following:

Blank lines for disclosure of lead-based paint hazards.

I (we) have no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing other than the following, which, previously or as an attachment to this addendum have been provided to Buyer or Tenant:

Blank lines for reports or records of lead-based paint hazards.

I (we), previously or as an attachment to this addendum, have provided Buyer or Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

For Sales Transactions Only: Buyer has 10 days, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Seller or Landlord [Signature]

Date 11/13/06

Seller or Landlord

Date

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Buyer's Initials ( ) ( ) Reviewed by Date



LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (FLD PAGE 1 OF 2)

Agent: Ronald Blake Phone: (858) 755 - 1916 Fax: (858) 630 - 3806 Prepared using WINForms® software Broker: Pacific Auction Exchange of San Diego 13278 Luckett Ct San Diego, CA 92130



CALIFORNIA ASSOCIATION OF REALTORS®

SMOKE DETECTOR STATEMENT OF COMPLIANCE

As required by California State Health and Safety Code §13113.8(b) (C.A.R. Form SDS, Revised 4/05)

Property Address: Home behind 519-521 Highland Ave, National City CA 91950

- 1. STATE LAW: California Law requires that every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector...
2. LOCAL REQUIREMENTS: Some local ordinances impose more stringent smoke detector requirements than does California Law.
3. TRANSFEROR'S WRITTEN STATEMENT: California Health and Safety Code §13113.8(b) requires every transferor of any real property containing a single-family dwelling...
4. EXCEPTIONS: Exceptions to the State Law are generally the same as the exceptions to the Transfer Disclosure Statement Laws.
5. CERTIFICATION: Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §13113.8 by having operable smoke detector(s) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations and in accordance with applicable local ordinance(s).

Seller (Signature) (Print Name) Date 1-10-06

Seller (Signature) (Print Name) Date

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer (Signature) (Print Name) Date

Buyer (Signature) (Print Name) Date

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



SDS REVISED 4/05 (PAGE 1 OF 1)

SMOKE DETECTOR STATEMENT OF COMPLIANCE (SDS PAGE 1 OF 1)

Pacific Auction Exchange of San Diego 13278 Lockett Ct San Diego, CA 92130 Phone: (858) 755 - 1916 Fax: (858) 630 - 3806 Ronald Blake

519-521 Highla



CALIFORNIA ASSOCIATION OF REALTORS®

WATER HEATER STATEMENT OF COMPLIANCE

Water Heater Bracing, Anchoring or Strapping
As required by California Health and Safety Code §19211
(Only required when there is a water heater on or in the property)
(C.A.R. Form WHS, Revised 4/05)

Property Address: Home behind 519-521 Highland Ave, National City CA 91950

- 1. STATE LAW: California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion.
2. LOCAL REQUIREMENTS: Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law.
3. TRANSFEROR'S WRITTEN STATEMENT: California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law.
4. EXCEPTIONS: There are no exceptions to the State Law.
5. CERTIFICATION: Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller (Signature) (Print Name) Date 11/10/06

Seller (Signature) (Print Name) Date

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer (Signature) (Print Name) Date

Buyer (Signature) (Print Name) Date

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



WHS REVISED 4/05 (PAGE 1 OF 1)

WATER HEATER STATEMENT OF COMPLIANCE (WHS PAGE 1 OF 1)

Pacific Auction Exchange of San Diego 13278 Lockett Ct San Diego, CA 92130
Phone: (858) 755 - 1916 Fax: (858) 630 - 3806 Ronald Blake

519-521 Highla

# Residential Earthquake Hazards Report (2005 Edition)

NAME	ASSESSOR'S PARCEL NO. 556-311-03
STREET ADDRESS 519-521 HIGHLAND AVE	YEAR BUILT
CITY AND COUNTY NATIONAL CITY, SAN DIEGO CO.	ZIP CODE 91950

Answer these questions to the best of your knowledge. If you do not have actual knowledge as to whether the weakness exists, answer "Don't Know." If your house does not have the feature, answer "Doesn't Apply." The page numbers in the right-hand column indicate where in this guide you can find information on each of these features.

	Yes	No	Doesn't Apply	Don't Know	See Page
1. Is the water heater braced, strapped, or anchored to resist falling during an earthquake?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	12
2. Is the house anchored or bolted to the foundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	14
3. If the house has cripple walls:					
• Are the exterior cripple walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	16
• If the exterior foundation consists of unconnected concrete piers and posts, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	18
4. If the exterior foundation, or part of it, is made of unreinforced masonry, has it been strengthened?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20
5. If the house is built on a hillside:					
• Are the exterior tall foundation walls braced?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22
• Were the tall posts or columns either built to resist earthquakes or have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	22
6. If the exterior walls of the house, or part of them, are made of unreinforced masonry, have they been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24
7. If the house has a living area over the garage, was the wall around the garage door opening either built to resist earthquakes or has it been strengthened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	26
8. Is the house outside an Alquist-Priolo Earthquake Fault Zone (zones immediately surrounding known earthquake faults)?					36
9. Is the house outside a Seismic Hazard Zone (zone identified as susceptible to liquefaction or landsliding)?					35

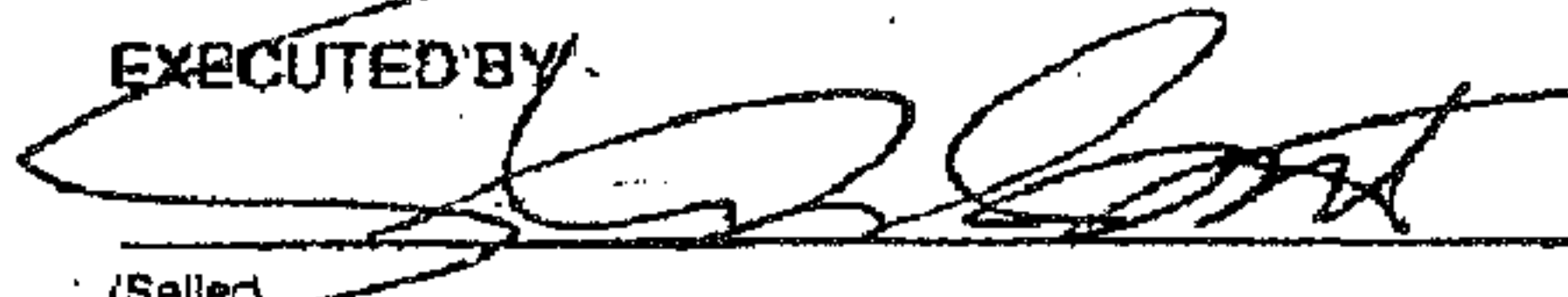
To be reported on the  
Natural Hazards Disclosure  
Report

Keep your copy of this form for future reference

If any of the questions are answered "No," the house is likely to have an earthquake weakness. Questions answered "Don't Know" may indicate a need for further evaluation. If you corrected one or more of these weaknesses, describe the work on a separate page.

As seller of the property described herein, I have answered the questions above to the best of my knowledge in an effort to disclose fully any potential earthquake weaknesses it may have.

EXECUTED BY:



(Seller)

(Seller)



Date

I acknowledge receipt of this form, completed and signed by the seller. I understand that if the seller has answered "No" to one or more questions, or if seller has indicated a lack of knowledge, there may be one or more earthquake weaknesses in this house.

(Buyer)

(Buyer)

Date

This earthquake disclosure is made in addition to the standard real estate transfer disclosure statement also required by law.

To Whom It May Concern:

This letter will serve notice that the terms of the tenancy for the below are as follows:

**519 Highland Ave.**

Beauty Supply

Term: Month to Month Tenancy  
Rent: \$650 per month Gross  
Lease: None

**521 Highland Ave.**

Chiropractor

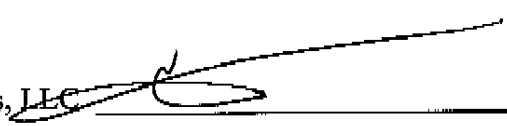
Term: Lease thru 12 / 07  
Rent: \$400 per month Gross (below market due to Tenancy since 1987)  
Lease: to be provided

**521 1/2 Highland Ave.**

Rental House

Term: Month to Month Tenancy  
Rent: \$700 per month - Gross  
Lease: None

By: Landmark Securites, LLC



11/20/06

# 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)